



kzn education

Department:
Education
KWAZULU-NATAL



In fulfilment of my obligations as the Accounting Officer of the KwaZulu-Natal Department of Education in terms of the Public Finance Management Act, I have pleasure in presenting the Annual Report 2010/11 to the MEC for Education, Mr. E.S. Mchunu

Nkosinathi SP Sishi (PhD)
Head of Department: Education
Date : 31 August 2011

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Annual Report 2010 / 11

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SECTION 1

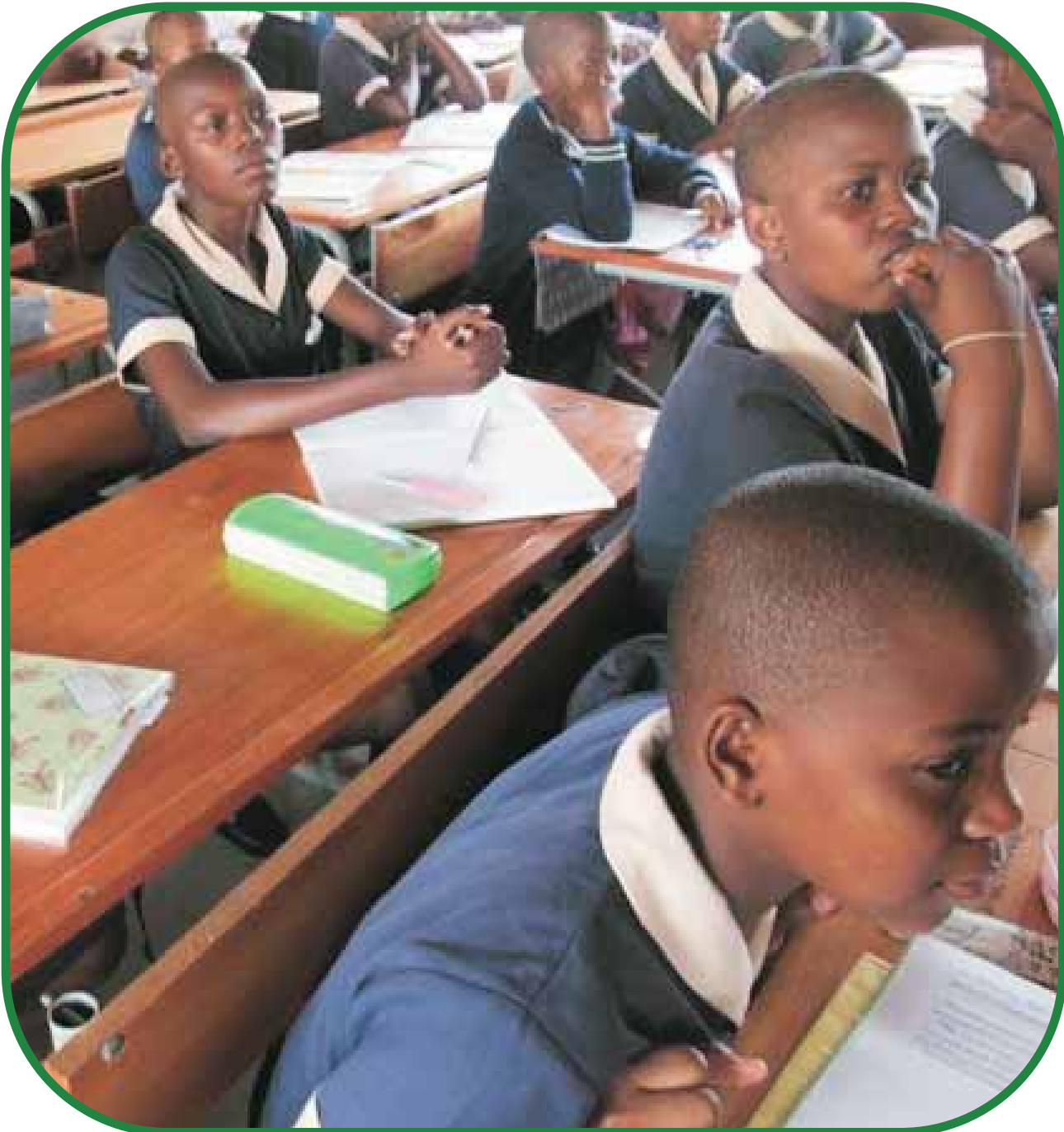
GENERAL INFORMATION

Vision

A well educated, skilled and highly developed citizenry

Mission

To provide equitable access to quality education for the people of KwaZulu-Natal





Values

The KwaZulu-Natal Department of Education adheres to the following values:

(i) Honesty

Displaying honesty in service, as well as intolerance to fraud, corruption, nepotism and maladministration.

(ii) Caring

Discharging our duties with kindness and generosity, and being mindful of the circumstances of other people, their needs and special requirements.

(iii) Empathy

Sharing one another's emotions and feelings.

(iv) Professionalism

Demonstrating the highest standard of our profession and exceptional conduct of our professionals.

(v) Integrity

Ensuring consistency of actions and conduct of the highest ethical and moral standard.

(vi) Fairness

Treating all people in a manner that is fair and just.

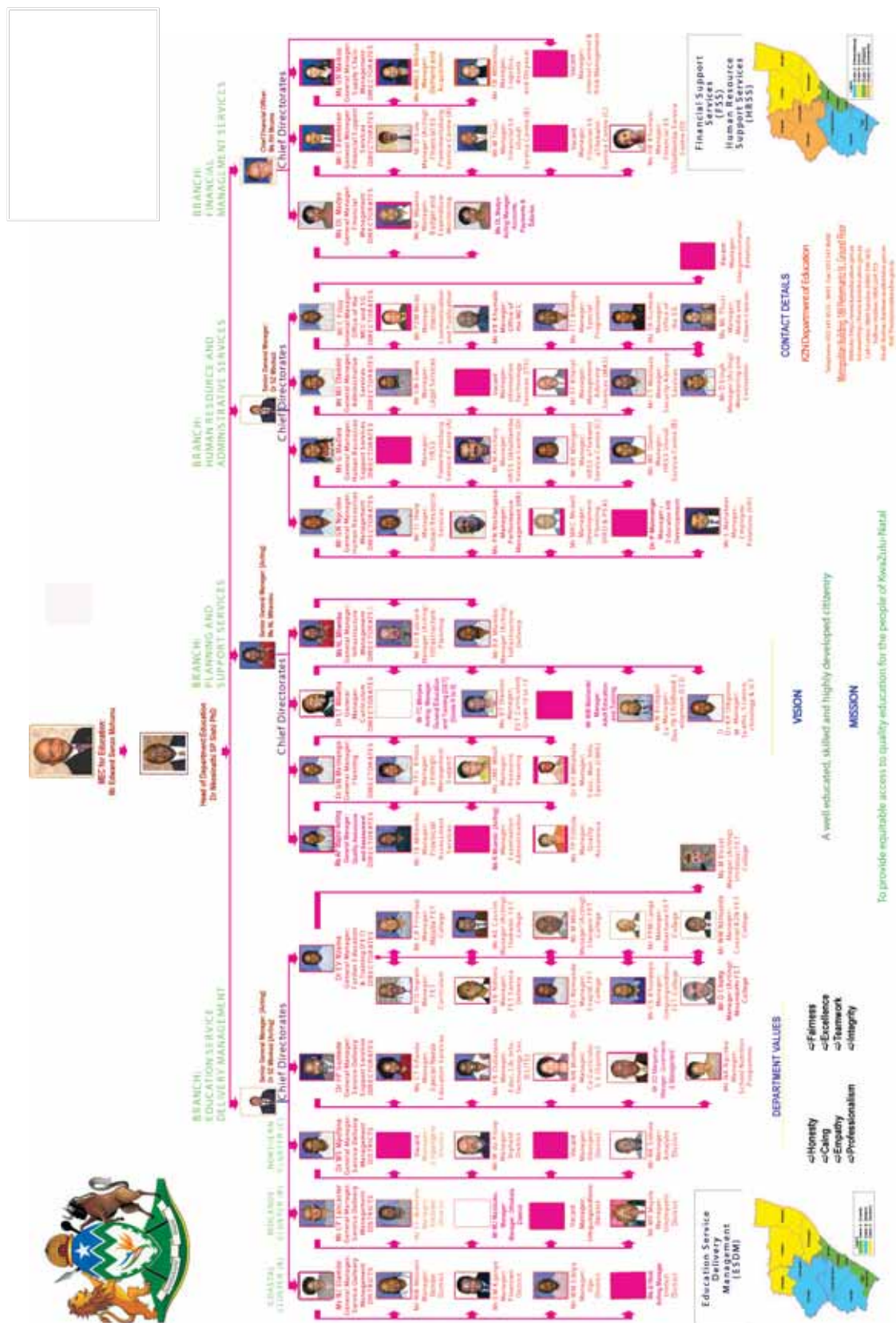
(vii) Excellence

Maintaining high standards of performance and professionalism by aiming for excellence in everything we do.

(viii) Teamwork

Establishing and maintaining shared goals, and working together towards improving service delivery.

ORGANISATIONAL STRUCTURE



"...dedicated to service and performance beyond the call of duty."

1.1 LEGISLATIVE AND OTHER MANDATES

The MEC for Education as the Executive Authority responsible for education delivery in the Province operates within the framework of the Constitution and a number of other legislative prescripts and policies in the public service in general and the education sector specifically.

The strategic objectives of the department are based on the following constitutional and other legislative mandates:

MANDATES	BRIEF DESCRIPTIONS
Constitution of the Republic of South Africa Act No. 108 of 1996	In terms of the Constitution, education other than higher education is a concurrent function shared by the national and provincial spheres of government. The MEC has overall responsibility for providing basic education and progressively providing further education and training.
National Education Policy Act No. 27 of 1996	The National Education Policy Act (NEPA) provides a framework for intergovernmental relations with regard to the provision of education. It establishes the roles of the Minister of Education in relation to those of the MECs of Education in provinces. NEPA promotes the spirit of cooperative governance.
South African Schools Act No. 84 of 1996	<p>The South African Schools Act (SASA) seeks to promote access, quality, equity and redress in the provision of education. SASA also establishes a framework for democratic governance in the schooling system by providing for the election of School Governing Bodies. Further, the Act guarantees the right of access to quality education and declares primary education for children aged 7 to 15 compulsory. SASA seeks to redress past imbalances in the allocation of resources and to reduce the infringement of children's rights to basic education due to poverty through the National Norms and Standards for School Funding.</p> <p>SASA was amended by the Education Laws Amendment Act No. 24 of 2005, to enable the Minister of Education to declare certain schools "non-fee paying" after following due processes. The declaration of "no-fee schools" is to ensure that children's rights to basic education are not infringed by their parent's inability to pay school fees.</p>

MANDATES	BRIEF DESCRIPTIONS
Employment of Educators Act No. 76 of 1998	The Employment of Educators Act provides for the employment of educators. The Act regulates the conditions of services for educators and also provides for educators' professional, moral and ethical responsibilities.
South African Council for Educators Act No. 31 of 2000	The South African Council for Educators Act provides for the governance of the professional teaching corps under a single professional council.
Adult Basic Education and Training Act No. 52 of 2000	The Adult Basic Education and Training (ABET) Act provides a framework for the establishment of public and private ABET Centres, ABET funding, governance and quality control mechanisms for public ABET centres.
South African Qualifications Authority Act of 1995	The South African Qualifications Authority (SAQA) Act provides for the establishment of a National Qualifications Framework (NQF) which seeks to create a system that makes it possible to integrate education and training, enabling portability of qualifications and transferability of skills obtained from a wide spectrum of settings.
Education White Paper 5 on Early Childhood Development of 2000	The Education White Paper 5 on Early Childhood Development (ECD) provides for the full universal access to Grade R for five-year old children by 2010. White Paper 5 promotes the improvement of quality programmes, curriculum and teacher development for the benefit of children aged nine and below.
Education White Paper 6 on Inclusive Education of 2001	The Education White Paper 6 provides a framework for the implementation of an inclusive education system. The policy seeks to reduce barriers to learning and development and to meet the needs of vulnerable learners at all levels.
Education White Paper 7 on e-learning	The Education White Paper 7 on e-learning provides a framework for the roll out of Information and Communication Technology (ICT) infrastructure in schools as well as curriculum delivery through ICTs.

MANDATES	BRIEF DESCRIPTIONS
Further Education and Training Colleges Act No. 16 of 2006	The Further Education and Training Colleges' Act No. 16 of 2006 provides for the establishment, governance, employment of staff and funding of public FET Colleges. The Act also provides for the registration of private FET Colleges and promotion of quality further education and training in both public and private FET Colleges. The FET Colleges Act repeals the FET Act No. 98 of 1998.
National Curriculum Statement	The National Curriculum Statement is an outcomes-based curriculum for the General Education and Training Band (Grades R-9) and the Further Education and Training Band (Grades 10-12). Outcomes based education is a learner centered approach to learning which seeks to extol the potential of all learners by indicating upfront what has to be accomplished during the learning process.

Other legislations and Policies

Other than the legislation and policies pertaining to its core function, the Department is obliged to comply with all the legislation and policies in the public service. These include:

- Public Service Act of 1994
- Labour Relations Act of 1999
- Employment Equity Act of 1999
- Public Finance Management Act of 1999
- Preferential Procurement Framework Act of 2000
- Intergovernmental Relations Framework Act No. 13 of 2005
- Treasury Regulations

1.2 MEC FOR EDUCATION'S STATEMENT

Mr Edward Senzo Mchunu

The improvement of learner outcomes is a major priority of our government and the provision of quality education is fundamental to our overarching vision of a well educated, skilled and highly developed citizenry. In order to promote the importance of education a campaign promoting education as everybody's concern has been introduced in KwaZulu-Natal. The aim of the campaign is to ensure that teachers are in school, in class, on time and teaching. Similarly, learners should always be in class on time, learning, doing school work and respecting teachers and parental figures.



In light of this the KwaZulu-Natal Department of Education hosted an Education Summit under the theme: "Building the Quality of Education towards Improving Learner Performance" at the Chief Albert Luthuli International Conference Centre in Durban from 11th to 13th February 2011. The participants comprising of a multi-sectoral representation from National Departments of Education (DHET & DBE), KwaZulu Natal Department of Education, National and Provincial Departments, Organised Labour formations, School Governing Bodies, Representative Council of Learners, Higher Education Institutions, Non-Governmental Organisations, Business Sector and legislative bodies with an interest in education recognised the need to debate the concept of "People's Education for People's Power" and it's meaning in the current context. The Summit which was characterised by robust, frank, honest and constructive engagement deliberated on the following issues:

- Curriculum implementation, management and support challenges;
- Systematically synergizing and improving education management at all levels;
- Maximising the utilization of all available resources, i.e. doing more with less;
- Improving learner performance by addressing barriers to learning and vulnerabilities faced by learners;
- Forging partnership with relevant stakeholders to strengthen the quality of education; and
- School leadership, management, administration and governance challenges and the improvement of school functionality.

The Summit resolved that the overarching vision for the South African education system – People's Education for People's Power shall remain as a political yardstick to measure the radical progress we make in the transformation of the education system as a whole and the total emancipation of our people. The vision of the Department "A well-educated and highly skilled citizenry" must at all material times inform the kind of programmes and campaigns we develop in building the quality of education towards improving learner performance.

A major focus for the year was the creation of a support base of all community leaders and civil society to rally behind school governing bodies, teachers and learners for the improvement of quality of education and outcomes. The campaign focused on re-introducing good management practices in school, parental and

community involvement in the discipline of children, elimination of drug abuse and abuse of girl children, creating orderly and safe schools while ensuring parental interest in the progress and performance of the child at school.

One of the priorities of the Department is to improve learner performance, particularly in primary schools. Systemic Evaluation and Annual National Assessments (ANA) are used to measure how the system is performing. As part of the Government programme of action, National Assessments were conducted in Grade 3 to Grade 6 and Grade 9 in the 2010/11 financial year. The results emanating from these assessments will determine intervention strategies that need to be implemented.

The KwaZulu-Natal Department of Education (KZNDoE) has implemented a number of policies in an attempt to overcome the inhibiting costs of accessing schools. The Department has also taken a position that treats poverty as another main barrier that inhibits educational access where the full range of costs associated with particularly attendance, nutritious food and transport, are taken into account.

A total of 1 750 006 learners at public schools in KwaZulu-Natal benefited from the no fee policy in the 2010/11 financial year. There are currently 3 382 no fee schools in the province, including farm schools. The no fee school policy has been extended to cover quintile three schools in 2010/11. Furthermore, funding has been made available for the re-imbursement of schools in quintiles three to five that enroll learners from poor backgrounds.

To address the shortage of school infrastructure, eight schools are currently being constructed and mobile Early Childhood Development (ECD) classrooms will be delivered to 200 primary schools. In line with this, the number of Grade R classes in the province has increased to 6 070 over the past five years.

Children from rural and poor homes must have the same opportunity as children from urban homes of realizing their full potential at school and of subsequently playing a meaningful role in all facets of our society. Poor quality education worsens not only the marginalised, but undermines the aspirations of our entire society.

A hungry child cannot perform to his or her potential. Therefore, the national school nutrition programme has been extended to cover quintile two secondary schools. This increased the coverage to 1 895 212 learners in 2010/11.

The KwaZulu-Natal Department of Education acknowledges that Early Childhood Development must be a focus area if educational outcomes are to improve to reach respectable literacy and numeracy levels. During the financial year under review tremendous progress was made in the attachment of Grade R classes to GET schools, the provision of Grade R facilities and resources and the provision of accredited training for Grade R practitioners. The Department's target of 85 percent set for universal access to Grade R in White Paper 5 has been exceeded. The addition of more classes has seen the number of learners enrolled in Grade R in public schools increase to 198 418 in 2010/11.

In an attempt to reverse infrastructural backlogs in the province, an amount of R2 031 billion was set aside by the department for infrastructural developments in the 2010/11 financial year. There was an over-delivery of ordinary classrooms as a result of interventions requested during the year. The number of classrooms in public ordinary schools increased to 45 537. In addition to this, 262 specialist rooms were built in public ordinary schools.

Steady progress has been made in the achievements of the thirty two (32) Technical High Schools that were selected for recapitalization in KwaZulu-Natal as part of the National Skills Development strategy. These schools currently offer manufacturing, engineering and technology, agriculture and culture and arts. The amount of R 15 million allocated for recapitalization was optimally utilized in the 2010/11 financial year. Two hundred and seven educators have been trained in the various technical fields. Computer Aided Design Laboratories were installed in 8 schools and machinery as well as tools have been purchased for all 32 schools. In addition to this, renovations and repairs have been undertaken at 18 schools. All of these schools are now operating

at a level that meets minimum industry standards thus ensuring a smooth transition when learners leave school and enter industry.

The National Senior Certificate Examinations are the culmination of twelve years of work put in by learners, educators, parents and department officials. It is pleasing to report that the Provincial pass rate in the National Senior Certificate Examinations in 2010 was 70.7 per cent – an improvement of 9.6 on the 2009 pass rate. It is also encouraging to note that all districts in the province achieved above 60% in the 2010 National Senior Certificate Examination. The various initiatives launched by the Department, in the form of projects, programmes and campaigns have definitely yielded success. One cannot underscore the benefits of the Ten Point Intervention Strategy and the focused support of the 903 National Strategy for Learner Attainment (NSLA) schools in the improvement of the performance of learners.

In line with White Paper 6 on Inclusive education which promotes social inclusion in our school, the department's intention is to open education opportunities equally for all learners in spite of their special needs. To date fifty (50) ordinary schools have been converted to full-service schools, and 13 special schools are now classified as resource centres. In the 2010/11 financial year support devices and transport was provided to full-service and special schools which are utilised as resource centres. Resources and infrastructure were provided to the designated full-service and special schools to enable them to deliver on care and support programmes to all learners, particularly learners experiencing barriers. Forty seven (47) posts of counselors and forty eight (48) posts of support assistants were filled in 24 support centres which were established in full-service schools.

In KZN we pride ourselves in promoting strong social cohesion and a sense of sports, art and culture in our learners. We encourage the singing of the national anthem, the flying of the national flag and abidance for our national symbols to sow the seeds of national reconciliation and social cohesion so that in time patriotism and the creation of a non racial, non-sexist society can take root and our schools become the model for the society we envisage. To this end eleven thousand one hundred and seventy four (11 174) learners were provided with youth development, sports and recreation programmes, one thousand six hundred and one (1 601) schools were provided with materials on national symbols and two thousand five hundred and sixty seven (2 567) schools received departmental resources and support in promoting sports and development.



Mr. E.S. Mchunu, MPL

The Honourable MEC

Department of Education

KwaZulu-Natal

1.3 ACCOUNTING OFFICER'S OVERVIEW

The 2010/11 financial year has seen great gains made by the KwaZulu-Natal Department of Education (KZNDOE) in terms of planning and service delivery as evidenced by the successes at schools and the tremendous improvement in the National Senior Certificate Examinations.



The planning and reporting system of the Department has improved significantly. Quarterly and annual reports on performance in relation to the political mandates and the Constitutional imperatives are a means of monitoring and steering the Department in the right direction. All sections of the Department have developed systems and procedures for reporting with a view to consolidating them in a manual for wide use within the system. The systems and procedures are designed to contribute towards improving the control processes and procedures and to ensure the accuracy and completeness of reported performance information. The Department continues to focus on the development of an effective reporting mechanism that will allow for effective monitoring and evaluation of policy implementation and compliance, and the tracking of information on a regular basis in order to improve the quality of reporting.

The Department continues to uphold and seek improvement on the principles of prompt and quality response and support to peers, colleagues at colleges, districts, learners and the general public needing our services and support which are in line with the Batho Pele principles. The coordination and management of these activities ensure a supportive environment, which responds speedily and effectively to the needs of the clients. This is achieved by supporting the creation and maintenance of sound administration and learner record management procedures that comply with policies and practices that ensure the integrity of records, security, confidentiality, achieving and access by learners and members of the public.

The KwaZulu-Natal Department of Education EMIS has in the past years recorded an annual response data collection rate of 98% and received accolades from the Department of Basic Education. The data collected is processed to relevant information in order to evaluate the performance of the education system, monitor policy implementation, ensure equitable distribution of resources and track the redressing of previous inequalities.

All South Africans have the right to basic education, including adult basic education and further education. According to the Bill of Rights of the country's Constitution, the state has an obligation, through reasonable measures, to progressively make this education available and accessible.

The Department of Education has implemented a number of policies in an attempt to overcome costs that hinder access to schooling. These include the implementation of the National School Nutrition Programme, the Public Learner Transport, No Fee Schools Policy, the Fee Exemption Policy and Inclusive Education.

The National School Programme (NSNP) has in the past been rolled out to feed learners from Grade R to Grade 7 in Quintiles 1 and 2. In 2010/11 there was an increase in our budget allocation to consolidate the programme in the primary school phase by covering all eligible learners up to Quintile 3 primary schools. Also included in the allocation for 2011/12 is an amount for the phased introduction of the feeding scheme in secondary schools in Quintile 3.

The "No Fee" schools policy intends to free parents from the poorest schools from paying school fees and to ensure that government takes responsibility for the costs of all essential inputs. The Province has extended this policy to cover 80% of the poorest schools from the Quintiles 1, 2 and 3.

The compensation of schools from Quintiles 4 and 5 for exempting poor parents from paying fees is being implemented and schools are encouraged to consider more learners for exemption in order to qualify for claiming loss of income in the form of school fees and be compensated.

An integral part of the Department's strategy is to promote national identity and social cohesion. Schools have

been provided with Youth Development, Sport and Recreation programmes. A total of 2 547 schools were provided with Arts and Culture programmes, 2 517 schools were provided with materials on National symbols and 1 599 schools participated in music and choral eisteddfods.

Our public ordinary schools are home to would be learners who have varying levels of needs in accordance with White Paper 6 on Inclusive Education. Inclusive Education is implemented at all levels with schools declared as centres of community focus, care and support and a clear plan for broadening access through the provision of Full Service Schools. In 2011/12 the Department aims to convert a total of 60 public schools to become Full Service Schools. Schools will be able to share and utilise resources that would be deployed in these schools.

The Department is committed to improving learner outcomes with an overall 20% improvement by 2014. This entails promoting the campaign on foundations for learning in all schools as key to educational success provides solid foundation phase knowledge amongst all learners. In the 2010/11 financial year the momentum of school visits by office based officials increased to ensure that monitoring and support is provided to schools.

The urgency to address the development of learners' literacy and numeracy has been revealed by a number of studies that have been undertaken internally and by outside agencies. The Foundations for Learning Campaign underpins our overall strategy to improve Literacy and Numeracy. The Provincial Literacy and Numeracy Strategy remains the key driver towards improved performance and the Province is making gradual but tangible inroads into some of the problems. In the 2010/11 financial year much emphasis was placed on the teaching of reading and numeracy skills and the improvement of educational outcomes especially at GET level to equip learners to cope with the rigorous undertaking of tertiary education and the world of work.

The KZNDOE shares the view that in the long term the quality of our skills and human resources is vital to the success of our developmental state.

The contribution of FET colleges to National Development priorities must be understood within the context of the broader institutional landscape, which includes public adult learning centres, high schools, technical high schools, NGOs and private providers of FET.

All sectors in our society acknowledge that our Province's development and growth trajectory requires that institutions of learning should recruit and produce more artisans. This has been the emphasis in the government's Medium Term Strategic Framework that FET Colleges should ensure the acquisition of artisan skills through skills development programmes. In the 2010/11 two thousand five hundred (2 500) students successfully completed learnerships and 400 learners enrolled as artisans.

The huge investment on infrastructure that the country and the Province are undergoing means that we must also increase the human resource skills base to match the demand. A total of 22 307 students enrolled in NC (V) Programmes in 2010/11. In the 2011/12 financial year the department will pay more focus in ensuring that the recruitment of learners come from areas that have been identified as Industrial Development Zones (IDZ). These areas cover the coastal belt from Durban to Richards Bay

In the 2010/11 financial year the Department continued with its programme of developing a literate society that is equipped with relevant skills, knowledge, attitudes and values. Adult learners were empowered through skills programmes to alleviate poverty and make a meaningful contribution to the economy of the province and the country. The number of adult learners enrolled in public ABET Centres in 2010/11 was 48 420. An increase is anticipated in the 2011/12 financial year due to our partnership with FET Colleges which will allow our learners access to skills programmes.

The KZNDOE continued to expand access to ECD to meet targets set by the DBE. We were the only province to achieve 2010 deadlines as set by DBE.

The Department has provided almost 6 000 Grade R Classes in 3 881 public schools in the province. Over the past three years the Department has constructed 356 new classrooms for Grade R Classes and it is hoped to add a further 100 to these in the 2011-12 financial year.

The provision of bursaries to Grade R Practitioners to gain teaching qualifications is progressing steadily with 180 Practitioners on course and a further 210 Practitioners having recently been selected to undertake the NPDE Course through the University of Zululand.

In the 2010/11 financial year we placed a lot of emphasis on developing content-knowledge of educators as a critical ingredient for the systematic improvement of quality of education in the province. We addressed the demands of the National Curriculum Statement which places a great deal of emphasis on curriculum development, lesson and assessment planning, and classroom management strategies. Professional development of teachers targeted these areas amongst others. The Department continued with ongoing teacher development and upgrading programmes through bursaries for initial teacher development.

A total of one thousand one hundred and two (1102) under-qualified educators were registered for one of the NPDE programmes at UKZN, five hundred and seventy principals (570) were registered for the PMDP with UKZN and three hundred and sixty principals as well as deputy principals registered for ACE leadership with UKZN.

Nine thousand (9 000) educators received training on content gaps and assessment measures to ensure the successful implementation and support for the NCS in Grades 10 to 12. One thousand one hundred and fourteen (1114) educators were trained in new content knowledge for Mathematics. Three thousand (3000) Principals were trained on curriculum management.

An important milestone in the provision of education is reaching the 99.7 percent mark for the timely delivery of LTSM to all non-section 21 schools. Where this was not possible it was because suppliers had run out of stock. The Department will continue with provision of the LTSM until such time that each learner has a copy of a textbook for each subject offered and that educators have suitable reference material to use in teaching. With regards to LTSM as a whole the future lies in maximizing value for money and a number of options are being explored at National level.



Nkosinathi SP Sishi, PhD
Head of Department: Education
KwaZulu-Natal

1.4 INFORMATION ON THE MINISTRY

Overseas Visits

The only overseas trip undertaken by the MEC in the last financial year was a visit to Leeds from 13th to 16th March 2010.

School Interventions

Surprise visits have been part of the MEC's Office where the MEC would go to schools unannounced, observe the general conduct of the school, meet and assess the understanding and performance of the School Management Team, and advise on what is needed in each school to assist the schools. The findings identified during these visits have been very instrumental in the establishment of what eventually became known as the Provincial Intervention Teams, a very important and necessary vehicle to improve results in struggling schools. To date there are five such teams and their impact is beginning to be felt in the schools where they are intervening.

Interventions to deal with infrastructure problems in some schools have also formed part of the MEC's contribution to ensuring that learning takes place in a decent and conducive environment. Apart from imploring upon the Department to prioritise the building of proper laboratories and for schools to be clustered accordingly to utilise these laboratories in groups, many schools without the laboratory facilities have also been encouraged by this Office to use their norms and standards to purchase mobile laboratories which allow learners to conduct experiments in their own schools on a regular basis.

In-Service Training Workshops

In-Service Training Workshops were identified by the MEC's Office as a major instrument that would uplift the level of understanding and teaching for those educators who were challenged in learning areas such as Mathematics, Physical Science, Economics and English. It is anticipated that the impact of these workshops will improve the levels of educators' understanding of these learning areas and therefore devolve to positive results achieved by learners.

Campaigns to combat Social Ills

A campaign against social ills has taken shape starting with raids conducted together with the SAPS in some of the schools in uMgungundlovu District where a number of illegal weapons and drugs were confiscated from learners, and learners were addressed against such conduct. This Campaign will extend throughout the province and goes hand-in-glove with a campaign called My-Life-My-Future coined at the beginning of this year to be an umbrella campaign against all social ills manifesting themselves in our schools and in our communities in general.

Education Summit

The Office of the MEC together with Senior Managers from the Department hosted an Education Summit under the theme: "Building the Quality of Education towards Improving Learner Performance" at the Chief Albert Luthuli International Conference Centre in Durban from 11th to 13th February 2011. Various stakeholders inclusive of labour, NGO's, educators and SGB's participated in this Summit. The Summit resolved that the overarching vision for the South African education system – People's Education for People's Power shall remain as a political yardstick to measure the radical progress we make in the transformation of the education system as a whole and the total emancipation of our people. The outcomes of the Summit were resolutions, the implementation of which is being conducted currently to ensure service delivery of the highest order.

Establishment of Task Teams

Noting the various gaps that obtained in the Department as a result of unfilled posts, the MEC's Office established a Task Team to deal with displaced, surplus as well as temporary educators. In essence this was meant to deal with the issue of posts that were unfilled and to ensure that at a particular point in time all posts in the Department are filled to allow the Department to function properly. This involved establishing a good working relationship with the unions to ensure that they were taken on board so that they also would own the process.. This practice has characterised the MEC's Office throughout the year culminating in numerous constructive meetings with the labour movement to iron out what could easily be construed as differences and ensure that there was a common understanding between the Department and the latter. As a result this above-mentioned Task Team also included members of the labour movement. This process was completed towards the end of last year culminating in a number of promotional posts being advertised and filled.

A number of level one educator posts have also been filled through appointing bursary holders as well as first time appointees.

Re-alignment of the organizational structure of the KwaZulu-Natal Department of Education

The MEC's Office together with the Top Management of the Department established the Organogram Task Team to deal expeditiously with the re-alignment of the organizational structure of the Department. To ensure that there is broad acceptance of the outcome of the process, the Office of the MEC ensured that all stakeholders were consulted and that the Task Team comprised of both members of the Department as well as those from the labour movement. The process has now been concluded and the completed document has been signed by the MEC and handed to the Premier's Office and will also go to the Department of Public Service and Administration for approval. The process that will then ensue will be the implementation of the proposed new structure, which essentially aims to ensure that the Department is moulded in such a way that it functions efficiently and professionally and that all unnecessary bottlenecks and bureaucratic glitches that retard proficient service delivery are done away with.

Dealing with fraud and corruption

The last financial year saw the conclusion of the Investigation that was instituted by the MEC's Office following allegations of improper conduct by some senior members of the Department. The findings of the investigation were made public and the recommendations that were made have also been implemented.

Initiation of Bills

The Ministry has not initiated any Bills.

SECTION 2

PROGRAMME PERFORMANCE



2.1 INFORMATION ON PREDETERMINED OBJECTIVES

2.1.1 VOTED FUNDS

The table below represents audited financial outcomes for the vote.

Programmes	Main Appropriation (R'000)	Roll-Overs and Adjustments	Virements	Adjusted Appropriation (R'000)	Actual Amount Spent	Over/under Expenditure (R'000)
Administration	1,418,023	(83,830)	30,058	1,364,251	1,364,251	-
Public Ordinary Schools	24,995,784	761,978	(98,622)	25,659,140	25,021,135	638,005
Independent School Subsidies	59,772	-	-	59,772	58,524	1,248
Public Special Education	772,903	(43,445)	18,859	748,317	643,453	104,864
Further Education and Training	642,561	19,279	44,043	705,883	705,883	-
Adult Basic Education and Training	138,837	3,016	(899)	140,954	132,824	8,130
Early Childhood Development	598,678	(143,926)	(27,873)	426,879	352,992	73,887
Auxiliary and Associated Services	408,204	22,226	34,434	464,864	467,554	(2,690)
Total	29,034,762	535,298	-	29,570,060	28,746,616	823,444

A difference of R133 602 million will arise between the Administration and Public Ordinary Schools programmes. This is due to the R133 602 which was a first charge against the vote due to the unauthorized expenditure of prior years. Initially this amount was not allocated to any programme.

Responsible MEC : Mr. E.S. Mchunu
Adminstrating Department : KZN Department of Education
Accounting Officer : NSP Sishi, (Phd)

2.1.2 AIM OF THE VOTE

The department's mission is: *To provide equitable access to quality education for the people of KwaZulu-Natal.*

Strategic goals

Strategic policy directions: These are directly linked to the national government's 12 outcomes which also inform the department's strategic goals and objectives, as listed below.

- Quality basic education; and
 - Skilled and capable workforce to support an inclusive growth path.
- Six strategic goals encapsulate the department's contribution towards the achievement of national and provincial goals, and all other international mandates within the context of the Medium-term

Strategic Framework 2010-2014 for the current electoral cycle, and national and provincial action plans. Hereunder are the department's strategic goals:

- Broaden access to education and provide resources;
- Improve schools' functionality and educational outcomes at all levels;
- Develop human resource and organisational capacity and enhance skills;
- Develop schools into centres of community focus, care and support;
- Ensure good corporate governance, management and an efficient administration; and
- Promote national identity and social cohesion.

2.1.3 SUMMARY OF PROGRAMMES

The department conducts its activities largely using the following programmes:

Public Ordinary Schools

This is the department's primary function aimed at the provision of educators in schools, the development of educators to ensure that they are equipped to provide the best quality teaching and the provision of Learner Teacher Support Materials (LTSM). Also included here is the provision of new schools and school facilities, effective maintenance of existing facilities, as well as monitoring of the quality of education services through the system of whole school evaluation. Lastly, the function includes the provision of food to Public Ordinary School learners from the poorest communities, through the National School Nutrition Programme (NSNP).

Public Special School Education

The aim of this programme is to provide public education in special schools and full-service schools.

Further Education and Training (FET)

This service is aimed specifically at providing market-related skills, to ensure that learners are employable on completion of training at this level.

Early Childhood Development (ECD)

This service evolved as a national initiative to strengthen pre-Grade R education, and to make it available to the majority of citizens.

Adult Basic Education

This programme aims to increase the level of skills and reduce the adult illiteracy rate, to enable adults to participate in economic and other structures in the province and the country.

2.1.4 KEY STRATEGIC OBJECTIVES

The strategic goals are instruments focusing the Department on achieving the vision using the mission as a vehicle. The articulation of the goals contribute to a concerted effort in ensuring that goals achieve the vision which in turn achieves the Provincial, National and International mandates of education as a sector. The strategic goals and objectives of the Department are:

STRATEGIC GOAL 1	BROADEN ACCESS TO EDUCATION AND PROVIDE RESOURCES
Strategic Objective 1.1	To increase access to education in public ordinary schools.
Strategic Objective 1.2	To provide infrastructure, financial, human and technological resources.
Strategic Objective 1.3	To implement teaching, management and governance support programmes at all schools.
Strategic Objective 1.4	To provide a diverse curricula and skills oriented programmes across the system.

STRATEGIC GOAL 2	IMPROVE SCHOOLS' FUNCTIONALITY AND EDUCATIONAL OUTCOMES AT ALL LEVELS
Strategic Objective 2.1	To implement quality assurance measures, assessment policies and systems to monitor success of learners.
Strategic Objective 2.2	To develop and enhance the professional quality and academic performance of managers and educators in all institutions.
Strategic Objective 2.3	To administer an effective and efficient examination and assessment services.

STRATEGIC GOAL 3	DEVELOP HUMAN RESOURCE AND ORGANISATIONAL CAPACITY AND ENHANCE SKILLS
Strategic Objective 3.1	To develop the skills of the Department's workforce at all levels.
Strategic Objective 3.2	To ensure equitable distribution of human resource in the Department.

STRATEGIC GOAL 4	DEVELOP SCHOOLS INTO CENTRES OF COMMUNITY FOCUS, CARE AND SUPPORT
Strategic Objective 4.1	To implement an integrated programme in dealing with the impact of Communicable diseases, HIV/AIDS in the workplace and in all institutions.
Strategic Objective 4.2	To provide support to mitigate the challenges of unemployment, and Child-headed Households.

STRATEGIC GOAL 5	ENSURE GOOD CORPORATE GOVERNANCE, MANAGEMENT AND AN EFFICIENT ADMINISTRATION
Strategic Objective 5.1	To implement administrative management systems and accounting procedures in ensuring maximum support to curriculum delivery.
Strategic Objective 5.2	To implement Batho Pele in all institutions.
Strategic Objective 5.3	To decisively deal with issues of fraud, corruption and maladministration.
Strategic Objective 5.4	To Implement Education Management system to improve information management

STRATEGIC GOAL 6	PROMOTE NATIONAL IDENTITY AND SOCIAL COHESION
Strategic Objective 6.1	To promote youth development, arts, culture and sports in all institutions.
Strategic Objective 6.2	To preserve heritage through utilisation of national symbols in encouraging unity and patriotism amongst the people of KZN.
Strategic Objective 6.3	To develop strong partnerships with all education stakeholders.
Strategic Objective 6.4	To implement nation building programmes and projects.

2.1.5 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT 2010/11

The service delivery environment is the situation prospective clients find when they seek services, both in terms of tangible factors (e.g. the physical, personnel, equipment, and supplies) and the intangibles (e.g. treatment received from the staff). The stronger the input from each of these functional areas, the better will be the services available to clients.

In the 2010/11 financial year the Department has ensured that its Norms and Standards are allocated in favour of the poorest communities. The Department has prioritised areas that have been identified as having significantly lower household income than other, more affluent suburban locations in its awarding of no-fee status.

Transportation of commuters including learners is a competency of Department of Transport. Department of Transport, which has a mandate of regulating public transport in the province, will ensure that measures are taken to transport all deserving learners in the province within the conditional grant budget allocated to the province by Department of Basic Education. The two departments have entered into a Service Level Agreement in 2010/11 to ensure that an efficient transport service is provided for learners.

Whilst the Department provides nutrition to many schools with a bias towards schools in rural areas, hunger, poverty in the urban areas and predominantly in the margins of urban areas among black communities becomes a barrier to accessing education.

Most schools participating in NSNP are in the Zululand District (679) followed by Empangeni District (577) with the least schools in Amajuba District (162) and Umlazi District (172) respectively. Inadequate infrastructure for catering is proportionately pronounced in urban areas but extremely pronounced in rural areas. This has seen the Department implementing intervention programmes to mitigate these challenges. These intervention programmes include cooperation with the private sector. To this end, Game Chain Stores donated 25 fully equipped mobile kitchens and these were distributed throughout the Province. The Department has developed more than 2500 gardens in schools to complement feeding as well as to promote household food security through skills development.

Co-curricular Support Services is a Directorate whose main function is to promote national identity and social cohesion. Co-curricular Support Services is currently focusing on competitions which run from lowest levels, like the school inter-house competitions for selection purposes. The other levels are the wards, circuits, districts, provincial and ultimately the national level. The competition format is not addressing mass participation and development of all the learners in schools. To address mass participation by all learners in the Province, the Department of Basic Education (DBE) has come up with the schools league where all schools will be participating. Four codes have been identified to kick start the schools league. These are football, netball, rugby and cricket. The KZN Department of Sport and Recreation is currently funding the provincial team selected to participate at National competitions.

Budgetary constraints have a negative impact on programme delivery at all levels. It also inhibits the training of teachers in coaching, technical officiating and administration. Teachers need these skills to assist their learners. Lack of support and involvement from parents discourage learners to participate in School Enrichment Programme.

Intervention programmes continue to provide skills for participation in the economy, deal with high unemployment, deal with high prevalence of poverty related diseases and other diseases like HIV and AIDS. The Department's programme of QIDS-UP strives to deal with the challenges mentioned.

The provision of adequate infrastructural resources to schools, benefits the local community in immense proportions. A school with adequate sporting fields for soccer, rugby, a tennis court, a swimming pool and a hall is a source of development for the local community. Resource allocation to schools is therefore important

as it is linked to human resource development and skills development.

The provision of ECD and Special Needs Education in the form of pre-schools and full service schools respectively, is of utmost importance in the development of local communities especially for purposes of rural development. The development by way of providing infrastructural resources, human resource and skills development to ensure that the communities benefit is key to support rural districts in particular. The Department will continue to concentrate in the Sisonke district to mitigate challenges posed by combined schools where there is no adequate management and infrastructural resources. Amajuba, Vryheid, Obonjeni and Ugu districts will be prioritised in 2011/12 financial year.

The intangibles in the form of treatment received from Department staff by learners, parents and teachers among the broad client base serviced, is determined by the general morale in the Department. The low morale contributes to the inadequate treatment received by clients serviced by the Department. The exodus of teachers from the system for alternative opportunities, and the general dissatisfaction with regard to pay, cost cutting measures and leadership remain the areas that require attention for better implementation of programmes in 2011 in line with the principles of Batho Pele. The goal which seeks to address this area is: "Develop schools into centres of community focus, care and support."

2.1.6 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT 2010/11

The KZN Department of Education conducted a rigorous analysis of organisational strengths, and weaknesses, as well as opportunities and threats, as it prepared for education service delivery during the development of the Strategic Plan of the new electoral mandate.

The new electoral mandate has seen the education sector being placed as the country's foremost priority. This has led to the development of an education sector plan in the form of Schooling 2025 implemented through Action Plan to 2014 as a policy framework that provides a basis for the realization of the country's development outcomes in relation to learner attainment and learner enrolments.

In line with the current changes resulting in the split between the Department of Basic Education and Department of Higher Education, the provincial Department of Education has restructured its organisational structure for more optimization and enhancement of coordination and synergy. The new organisational structure is aligned to the current strategy pursued for this electoral cycle. The restructuring will ensure effective implementation of policies at the coal face.

Having considered the StatsSA 2009 midyear population estimates, which place KwaZulu-Natal as the second-most populous province after Gauteng, with 21.2% of the country's 49.32 million people living in KwaZulu-Natal, the Department's interventions aimed at removing barriers of access to education for the people of KwaZulu-Natal continue to be multi-faceted – addressing all forms of barriers from physical barriers to barriers created by resource constraints and various forms of poverty.

At a provincial level, the Department is implementing improved administrative systems and accounting procedures to provide support to curriculum delivery. Importantly, systems have been put in place to eliminate wasteful, fruitless and irregular expenditure.

There is evidence to suggest that the efficiency level of the Department in terms of Supply Chain Management is improving. Nonetheless, the Procurement Plans and the implementation of a sound contract management system within Supply Chain Management remains a challenge. All endeavours are made to ensure payments are checked for accuracy and signed off appropriately.

There are well established policies/procedures in place to ensure that Asset Management takes place in line with established frameworks. In order to deal decisively with fraud, corruption and maladministration there are ongoing forensic investigations conducted on all incidents reported at all levels.

The Department is assessed through its performance. The implementation of GPMDS and compliance with performance management prescripts to recognise performance has been satisfactorily managed by the Department. All performance agreements and job descriptions for 2010/11 have been completed. Bi-annual assessments are taking place and on the job training is ongoing.

Despite financial constraints, there has been an improvement in the provision of infrastructure and other resources to broaden access to education. Literacy amongst learners remains a priority of the Department and the implementation of Foundations for Learning Campaign provides a clear indicator of commitment to improving literacy.

The implementation of programmes and projects demonstrate progress in focusing on goals and objectives of the Department. Schools are developed into centres of community focus, care and support; and there is a satisfactory management of programmes and projects in all institutions. Quality assurance measures, assessment policies and systems to monitor success of learners have been implemented by the Department to ensure good corporate governance, management and an efficient administration.

Access to education is expected to improve by 1%, with the Gross Enrolment Ratio of Grade 1 to 12 moving up from 95% to 96%. Similarly, the proportion of adults in the province who can neither read nor write will continue to be reduced as the province vigorously continues with ABET and Kha Ri Gude. The National School Nutrition Programme and the No-fee Schools Policy will continue to contribute meaningfully towards improving participation rates by vulnerable children.

The policy intention in relation to no-fee schools is to grant free education of sorts, which will be from 40% of all schools to 75% by the beginning of 2011/12.

The implementation of strategic alternatives to mitigate various challenges in the Department has been made better with accurate statistical information on the learner population by EMIS and accurate statistical information provided by the latest survey on educator statistics during the headcount. The spatial analysis of the Department's interventions provides clarity of thought and unity in purpose as to where we need to focus our efforts in eliminating disparities.

The Department is on track towards the achievement of systemic indicators. The expansion of the access to Grade R towards meeting White Paper 5 will be at 98% in 2011/12.

The Department will continue to maintain gender parity in Grades R to 9 between the ranges of 0.97 and 1.03 which is UNESCO's standard of achievement. The complexities with gender parity between Grades 10 to 12 inform the Department to focus on addressing challenges encountered by boy and girl learners in accessing education. Priority will be put on identifying reasons for learners dropping out between grades 10 and 12 and putting measures in place to mitigate identified challenges.

The Department has been consistent in its monitoring of functionality. At institutional level, the Department's analysis is that schools are generally functional, albeit to varying degrees. District management structures provide support to schools on an improving degree in line with the new plan. Districts will be expected to put measures in place so that Annual National Assessments, the Foundations for Learning Campaign and the Learner Attendance Policy are implemented.

The majority of schools that perform poorly in the matric examinations (with aggregate pass rates of 0 – 20%) are in Quintile 1, while there are virtually no schools in Quintile 5 that performed as poorly. The continuing poor performance in the poorest schools despite the increased resources being channeled to these schools is cause for great concern.

A recent study by the HSRC suggested that teachers were spending less time on classroom instruction than on administration. Department will be putting measures in place to improve learner and teacher attendance. The first intervention in this regard is the Learner Attendance Policy which will be implemented in 2011. It is hoped that the policy will address learner absenteeism which impacts negatively on the results. It is expected that teacher attendance will at the same time improve.

This policy will go a long way in contributing towards the attainment of one of the Department's goal; "Improve schools functionality and educational outcomes at all levels."

The above-mentioned interventions and a myriad of mitigating strategies will serve to renew the Department's focus on improving school functionality, and ensure that there are early detection mechanisms for dealing with elements of disfunctionality, improving classroom monitoring and providing instructional and managerial support to schools.

The National Strategy for Learner Attainment (NSLA) and the TEN Point Plan that focus on matric improvement are part of the Department's interventions of improving the functionality of schools and educational outcomes at all levels, particularly Grade 12 which directly impacts on the strategic objective to "implement quality assurance measures, assessment policies and systems to monitor success of learners." The plan recommits to the achievement of 65% pass rate in matric, which is 144 300 passes; with 37 107 physical science passes

and 35 518 mathematics passes. The salient factor in the achievement of these targets is the performance at not less than 80% in languages especially the language of teaching and learning.

Furthermore, the Department commits to implementing additional programmes in pursuance of its goal on National Identity and Social Cohesion. An identification of public institutions of national importance that contribute to instilling love and pride for South Africa will be done and recognised to promote national identity.

Maintaining good labour relations is a pre-requisite for quality service delivery in any organisation. The Department has committed itself to building bridges and thus developing rapport with social partners and stakeholders through effective and timely implementation of human resources management policies and regulations. The Department intends improving labour relations by following a regime that will facilitate the processing of salaries for newly employed teachers with a turn around time of 30 days.

2.1.6.1 STRUCTURAL RE-ALIGNMENT

The Department of Education embarked on a process of organisational review and realignment geared towards enhancing Service Delivery in general and improving the quality of public education within our institutions.

This process has been premised on extensive consultation with both internal and external stakeholders within the educational sector and culminated in the new proposed organogram which has been transmitted to the DPSA for their perusal and concomitant approval. Pursuant to approval from the DPSA, the process of implementation will take place in an incremental approach.

2.1.6.2 INDUSTRIAL ACTION

The department was negatively affected by the public sector strike which lasted from 10 August to 16 September 2010. During this period, it was reported that 90 per cent of the schools experienced a complete shut-down. Notwithstanding the loss of teaching and learning time, the matric results of 2010 improved phenomenally, from 61.1 per cent in 2009 to 70.7 per cent in 2010. This success may be attributed to the intervention strategies implemented by the Department to assist Gr. 12 learners.

During 2010/11, the wage dispute was settled at 2.2 per cent above the budgeted increase and the housing allowance was increased to R800 per month from R500 per month for employees on levels 1 to 10. This wage increase, combined with the carry-through cost of the 2009 under-funded wage agreement, put pressure on the funding for 2010/11, which resulted in some activities being put on hold, e.g. ECD and Goods and Services under Programme 1.

2.1.6.3 ICT CONNECTIVITY

Connecting schools to the internet is a crucial part of ensuring broadened access to world-wide curriculum resources as well as to readily updatable antivirus software. At the moment two thousand two hundred and eighteen schools have been connected to the internet, while a further fifty schools got connectivity through sponsorships. In the 2011/12 financial year the department will explore every avenue to ensure that its target in regard with ICT connectivity is met.

2.1.7 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR 2009 /10 FINANCIAL YEAR

2.1.7.1 THE IMPLEMENTATION OF “NO – FEE” SCHOOLS

The promotion of access to, and participation of historically marginalised groups in education, continued, and the success thereof was evident in the accommodation of all applicants in schools. The department increased the number of No Fee schools from 3 513 to 4 739, including farm schools, rendering close to 80 per cent of the schools in KZN as No Fee schools. The high increase was brought about by the deeming of Quintile 3 schools as No Fee schools, provided they would not be financially adversely affected. Furthermore, for the first time, Quintiles 4 and 5 schools, which had enrolled learners in the previous year for whom a fee exemption had been granted, were re-imbursed provided they met all the relevant criteria.

2.1.7.2 INCLUSIVE EDUCATION

In an effort to increase access to education for all learners, particularly learners experiencing barriers to learning, the department scaled up the implementation of Inclusive Education. Learners that require low, moderate and high levels of support are accommodated in ordinary, full-service and special schools, respectively.

To date, 50 ordinary schools are being converted to full-service schools, and 13 special schools as resource centres. Due to the unequal distribution of facilities for learners experiencing barriers to learning, the majority of these facilities are located in rural areas, as these areas are inadequately provided for. Assistive devices, such as braille machines for learners, were ordered and delivered to schools, and this will go a long way to ensure quality learning for learners with special needs.

Buses were procured and delivered to 20 special schools that either had inadequate transport or had no transport at all.

2.1.7.3 NATIONAL SCHOOL NUTRITION PROGRAMME

The goal of the NSNP is to enhance learning capacity and to promote access to education through the provision of nutritious meals to poor learners. In the 2010/11 financial year the NSNP was expanded to cover all primary schools in Quintiles 1, 2 and 3 and secondary schools in Quintiles 1 and 2. A deviation was granted by the Department of Basic Education, to the effect that the department may continue to feed primary schools in Quintiles 4 and 5, provided that the minimum requirements of the NSNP conditional grant are being met. Like most programmes, the capacity of NSNP to spend was affected by the public sector strike.

2.1.7.4 HIV AND AIDS AND MITIGATION STRATEGY

A two-pronged approach was used to deliver the HIV and AIDS Life-skills Programme: the targeted approach and the mainstream approach. The former focuses on vulnerable groups and the latter seeks to provide all beneficiaries in schools with life-skills.

As a response to the high prevalence of OVC in the province, 1 500 schools with the highest prevalence of OVC received a budget of R12 000 per school, for care and support of OVC. Learners were provided with services like a focussed life-skills programme, psycho-social support, nutrition and other services depending on their particular needs.

A total of 7 896 educators were trained in the integration of life-skills into the curriculum, lay counseling, care and support, and 600 learners received training in peer education.

2.1.7.5 INFRASTRUCTURE PROVISION

The department continued to make recognizable strides in addressing backlogs in the provision of classrooms, toilets, computer rooms, laboratories and media centres within the context of capacity challenges that exist within the department and the infrastructure industry as a whole. The department continued to implement existing programmes, and initiated new programmes based on new needs and new policy directives, notwithstanding the continuously rising construction costs.

The department explored alternative building materials for infrastructure provisioning, through building ECD classrooms that are add-ons. All new primary schools that are now constructed have ECD classrooms built as part of the scope, and this provides a challenge with expenditure allocation, as schools' expenditure falls under Programme 2: Public Ordinary School Education, while ECD falls under Programme 7: Early Childhood Development.

The Department has also continued with the construction of new schools as guided by the UKZN Research. Nine (9) new schools were constructed in 2010/11.

The electrification programme continues to be rolled-out by the Department of Minerals and Energy, while the provision and maintenance of solar electrical systems by the department needs to be reconsidered, in light of rampant vandalism of these installations.

The gazetting of the Minimum Uniform Norms and Standards for Infrastructure in early 2010, which now constitutes a planning guide, enabled the department to undertake an assessment of how its infrastructure compares to various norms as stipulated. This will, in the forthcoming years, enable the implementation of the infrastructure programme based on such plans. In addition, standardized plans for all learning spaces have been completed.

2.1.7.6 OFFICE ACCOMODATION

The Department of Education occupies a total of 82 buildings spread over a wide geographical area in KwaZulu-Natal. The buildings are used by Head Office, District Offices and Circuit Offices. Of the 82 buildings, 56 are provincially owned and 26 are leased. A total of R 68 million has been provided for non school buildings in the 2010/11 financial year. The budget is used for payment of leases, renovations, rehabilitation and maintenance. Of the R 68 million, a total of R 37 million was used for the payment of rental for the leasing of buildings. Repairs and renovation projects were undertaken during the year under review in Amajuba District Office, Umvoti Circuit Office, Malgate Building, Sisonke District Office- Ex Umzimkhulu, Head Office- Bawden Residence, Empangeni District Office and Pinetown District Office

The Department still has challenges meeting office accommodation needs which have necessitated the hiring of buildings to overcome the shortage of office space. All efforts are being made to ensure that all officials are accommodated to ensure that there is no negative impact on service delivery. As a result of the huge needs, the Department has prioritized projects. Going forward, the Department will be looking for new office accommodation that may arise due to the structural re-alignment.

2.1.7.7 IMPLEMENTATION OF QIDS-UP

QIDS-UP is an affirmative action project aimed at improving educational outcomes particularly in literacy and numeracy in the previously disadvantaged schools. It requires an integrated coordinated approach to achieve its purpose of improving access to quality education for all. The developed integrated strategies are used to coordinate activities across the participating components. QIDS-UP is a critical transversal programme that offers a top up to the GET band.

As a result of cost cutting measures, certain projects had to be curtailed. Nonetheless, two thousand four

hundred and fifty eight (2 458) Foundation Phase educators were trained to improve literacy and numeracy, and two thousand four hundred and seventy nine (2 479) Intermediate Phase educators were trained to improve languages and Mathematics at a total cost of R10 175 150.66 for both the activities.

2.1.7.8 LEARNER TEACHER SUPPORT MATERIAL AND ADDITIONAL MATERIAL

Despite the Department being challenged by the size and geographical spread of the province, security concerns in certain areas and the non-availability of resource materials in the market place, 99.7% of all learning and teaching support material was timeously delivered to all non-section 21 schools. The LSM delivered are textbooks identified by each teacher, supported by the School Management Team as adequate and relevant and approved by the SGB to be requisitioned and purchased for the learners. The 99.7% also represents the percentage of learners having timeous access to relevant textbooks that they require for the academic year in the non-section 21 schools. Department is developing a system to collate data and report on all the schools in the province. Considering the time and extent at which department has continued to incrementally provide textbooks for learners, schools with effective retrieval policies should have sufficient textbooks for each learner in each learning area. The ongoing problem of insufficient access to LTSM is a pointer to lack of effective management systems. Nonetheless, Department will continue with the provisioning of LTSM until such time that each learner has a copy of a textbook in line with a normal schoolbag requirement for each subject offered and that teachers have suitable reference material to use to teach.

2.1.7.9 LEARNER TRANSPORT PROVISIONING

Learner transport is being provided in two districts and in some under-serviced areas in KwaZulu-Natal. The process of transferring learner transport functions from the Department of Education to the Department of Transport is being finalized. The actual handover is planned for the 2011/12 financial year.

2.1.7.10 EARLY CHILDHOOD DEVELOPMENT (ECD) : 0 - 4 YEARS OLD

The major responsibility for the 0-4 year age group falls under the Department of Social Development (DSD). In order to provide seamless service delivery, though, the Social Sector Cluster (Departments of Education, Health and Social Development) coordinate their programmes as part of the National Integrated Plan (NIP). Education is responsible for training of ECD Facilitators and support staff for crèches. In 2010-11, 604 ECD practitioners were trained.

2.1.7.11 EARLY CHILDHOOD DEVELOPMENT : 5 YEARS OLD

While White Paper 5 of 2000 indicated that the date for universal access to grade R must be 2010, KwaZulu-Natal (KZN) was the only province to achieve this target. While the national target was set at 85%, KZN achieved a 92.9% of five year olds enrolling at Grade R Classes. In his state of the nation address in June 2009, the President of the country extended the deadline for the other provinces to 2014.

The KZN Department was the only department in the entire country to have met the 2010 White Paper 5 targets on Grade R Universal coverage. The department achieved 97% which was above the 85% set target by 2010. Despite severe cost-cutting measures, various items of LTSM were ordered in 2010/11 to ensure that the learners are not disadvantaged in any way. The department ensured that all Grade 1 learners have gone through Grade R. The salaries of all practitioners was increased from R3 000 to R3 500 per month. In ensuring that there is a supply of educators for Grade R, the department continued to invest in enrolling some practitioners in related studies.

2.1.7.12 TEACHER DEVELOPMENT AND ALLOCATION OF BURSARIES TO UPGRADE TEACHER QUALIFICATIONS

There is on-going upgrading of under-qualified teachers through learnerships in the National Professional Development Education (NPDE) and Post Graduate Education Certificate (PGCE). These consist of structured learning components which includes practical work experience of a specified nature and duration. These would also lead to a qualification registered by the prescribed South African Qualification Authority.

Training of teachers is an ongoing exercise. Our 2011 resolution has been that of encouraging weekend workshops as against pulling teachers out for capacity building. This has its challenges currently, but we are hopeful in maintaining this practice

The department has embarked on weekend In-Service Training Workshops focusing on Mathematics and Physical Sciences as the targeted subject to address Skills shortages in the area of Science. This is in line with the belief that the learners will be as good as their teachers. Well trained and capacitated teachers will contribute positively in producing scientists, much needed in our country.

There are a number of interventions to improve the rate at which new, young and appropriately trained teachers enter the teaching profession. These include the placement of Fundza Lushaka bursary holders into schools, the awarding of bursaries to non-employees for them to pursue a teaching profession, and the upgrading of unqualified and under-qualified educators who are already in the system.

A large scale training process is underway with a view to ensure that, when changes are implemented in the curriculum, educators are well poised to pass on the knowledge to the learners.

2.1.7.13 DINALEDI SCHOOLS

The Dinaledi Schools Project, a national Department of Basic Education initiative, is a systemic attempt to improve participation and performance in Mathematics and Science, while enhancing educator confidence.

Dinaledi schools in our province have been supplied with electronic resources (three laptops, two screens and two data projectors each) as well as a highly recommended Mathematics software, called HeyMath!. All FET Mathematics subject advisors have also been given HeyMath! loaded laptops (with training) to enhance support to the schools.

2.1.7.14 CURRICULUM IMPLEMENTATION

In the GET Band all public schools implement the National Curriculum Statement. Subject Advisors provide support to schools mainly in the form of school visits and support workshops. The focus of the workshops is on the content to be taught and methodology.

Learner performance is however not at the required and appropriate levels, hence the focus of the Department on improving learner performance in both literacy and numeracy as outlined in the Action Plan to 2014 towards the realization of the Schooling 2025 Goals. The Department of Education in KwaZulu-Natal has a number of Curriculum support programmes designed to improve the quality of teaching and learning in the classrooms thereby working towards attaining the goals of Schooling 2025.

The review of the implementation of the National Curriculum Statement

The 2009 school year saw the first cohort of learners, who entered the education system in Grade 1 in 1998 based on the Outcomes Based Education, writing their NSC examinations. After its implementation, the NCS was reviewed under the guidance of the Minister of Basic Education, and the criticism was on the administrative burden on teachers and the underperformance of learners in international tests. The recommendations, which are currently being implemented, were as follows:

- Rationalise the current NCS documents into a single set of simple and coherent curriculum documents per subject per phase from grade R to grade 12;
- Conduct regular external annual assessments in Mathematics, Home Language and English First Additional Language (FAL) in Grades 3, 6 and 9;
- Introduce the teaching of English as a subject, parallel to Home Language, from Grade 1 for learners who will use English as a language of learning and teaching from Grade 4;
- Reduce the overload in the intermediate phase by reducing the number of subjects to six subjects;
- Ensure that teacher training is strengthened and in-service training is provided where it is needed; and
- Re-assert the role of textbooks, develop a national catalogue of textbooks and plan for the provision of textbooks for all learners for every subject.

Strategy for improving Grade 12 results and National Strategy for Learner Attainment

In addition to the National Strategy for Learner Attainment (NSLA), which is a transversal programme directing the focus of the education system to improve the results of all Grade 12 learners, the department implemented a strategy aimed specifically at improving Grade 12 results in schools, where the pass rate of the school is less than 50 per cent, while encouraging better performing schools to improve their performance even further.

Based on the number of schools in the various performance ranges, the NSLA has borne fruit. The table below shows the overall improvement in schools when comparing the performance of 2008 to 2010.

Improvement in performance of schools per performance range			
Performance Range	No. of schools		
	2008	2009	2010
Below 40%	567	421	207
40% - 59%	379	464	355
60% - 79%	320	392	512
80% - 99%	247	392	499
100%	95	82	118

2.1.7.15 FOUNDATIONS FOR LEARNING CAMPAIGN

As part of the Foundations for Learning Campaign, the Department of Basic Education (DBE) produced and distributed Lesson Plans to schools. Some of the schools did not receive the Lesson Plans. Schools find Lesson Plans useful whereby guidance is given on the teaching of literacy and numeracy programmes in Grade 1-6. There were challenges around distribution of lesson plans to schools that offer literacy in IsiZulu in Grades 1-3 as DBE did not convert literacy lesson plans into IsiZulu. Subject Advisors are playing their supporting role in addressing that challenge.

2.1.7.16 THE EDUCATION MANAGEMENT INFORMATION SYSTEMS (EMIS)

Although the outgoing year was characterized by cost cutting measures, EMIS met all the national deadlines with regard to the implementation of SA-SAMS and LURITS. All planned surveys were successfully conducted, data cleaned, analyzed and reported on. All data end users, both internal and external were content to use

EMIS data for planning and decision making purposes. The EMIS data quality improved significantly as a result of the budget invested by the Department in EMIS to improve data quality. The major challenge facing the Directorate was filling of vacant posts. The Department will employ Statisticians and Data Analysts in the Directorate to enhance the capacity of EMIS.

2.1.7.17 INFORMATION AND COMMUNICATION TECHNOLOGY ROLL-OUT

According to White Paper 7 on e-Education, educators and learners are expected to be ICT literate by 2013. The department is making serious inroads in the deployment and use of the ICT resources in schools.

One thousand five hundred (1500) educators (classroom teachers and principals) received differentiated training in the use of ICTs. Twenty five (25) computer laboratories have been established through sponsorships, thirty four (34) established through the department, and order numbers have been released for forty two (42) more laboratories. A further hundred (100) schools without electricity will be supplied with solar-driven laptops and printers in the 2011/12 financial year.

As a result of the Apple Pilot project, twenty students from two schools: Chesterville Extension, and Sunnydale Secondary schools, participated in the 2010 World Cup as part of the Press Corp. They were given an opportunity to go around the country to different matches to interview players from all over the world. They also appeared on DSTV channels during and beyond the World Cup.

In conjunction with the Department of Communications and other provincial departments, the first transmitter mast will be launched in May 2011 at Msinga to support schools, clinics, and police stations through satellite. The ICT Team has been an integral part of the developments. Connectivity remains high on the department's agenda for 2011/12 financial year.

2.1.7.18 FOCUSED IMPLEMENTATION OF SYSTEMIC EVALUATION

District workshops were conducted in each district to apprise district officials on learner performance peculiar to their districts in numeracy and literacy as revealed by studies conducted by the Southern and Eastern Africa Consortium for Monitoring Education Quality (SACMEQ), as well as in studies conducted on Annual National Assessments (ANA) 2008 and 2009.

District officials were capacitated on how standardized assessment tasks are developed. They were also trained as data administrators using national guidelines for data collection.

To improve learner performance in numeracy and literacy, Grades 1-6 educators were capacitated on the use of exemplar question papers and frameworks for setting standardized question papers in numeracy and literacy.

ANA learner scores were collected from schools, captured, analyzed and interpreted to report on district performance in the ANA (2009).

2.1.7.19 OCCUPATION SPECIFIC DISPENSATION (OSD)

The Occupational Specific Dispensation was implemented for all qualifying educators at schools and FET Colleges in keeping with the relevant Collective Agreements.

OSD payments were effected programmatically by National Treasury. There were some problems that were encountered such as educators who were underpaid and those that were overpaid. The corrections had to be done manually and the province has successfully completed all the corrections.

2.1.7.20 ADULT BASIC EDUCATION AND TRAINING

The objective of this programme is to provide ABET in accordance with the Adult Basic Education and Training Act. It therefore has the responsibility of implementing the national government initiative to afford adults the chance to improve their level of literacy and numeracy. To this end, this programme seeks to eliminate adult illiteracy, improve average levels of education attainment, and provide the skills necessary for adults to contribute to the growth of the economy.

The norms and standards for ABET, which allow for progressive implementation thereof, were introduced in 2009/10. The province continued with the assessing of the readiness of the Public Adult Learning Centres (PALCs) to implement the norms, including the auditing of the various centres to ensure that they run the curricula according to indicated standards, and that they have capabilities to administer their own operations through governance structures. The department awaits direction from the national office in respect of the way forward.

2.1.7.21 FET COLLEGES AND SKILLS DEVELOPMENT

In 2010/11 the budget for Further Education and Training was administered as a conditional grant due to the change in the location of the programme at a national level. Notwithstanding this change, the province remains responsible for over-seeing the functions of the FET colleges and, as such, a protocol agreement was signed between the Department of Higher Education and Training and the provincial Departments of Education.

The department had anticipated that all employees of FET colleges will, with effect from 2010/11, be appointed by the college councils. However, this has not happened to date due to the fact that the legislation has not yet been amended since the creation of the new Department of Higher Education and Training, resulting in the restructuring of the programme budget.

The colleges continued to offer both the National Certificate (Vocational) [NC(V)] and Report 191 (NATED) programmes in the FET colleges sector, which have enabled the colleges to increase the pool of local skills, thus reducing the skills shortage; generate a cohort of employable persons, thus reducing poverty; contribute towards self-employment; and provide a platform for employability and self-actualisation.

2.1.7.22 HIGHLIGHTS AND ACHIEVEMENTS IN ADMINISTRATION OF EXAMINATIONS (GR.12)

The 2010 school year saw the department conduct various types of examinations, which included the National Senior Certificate (NSC) examinations, the National Senior Certificate Common Tests for Grade 11 and 12 (on a quarterly basis), as well as the Common Task for Assessments (CTAs) set by the KZN Department of Education and administered to all Grade 9 learners in the province.

Of the 122 444 Grade 12 candidates who sat for the National Curriculum Statement (NCS) examination in 2010, 86 556 passed, achieving a pass-rate of 70.7 per cent, a marked improvement of 9.6 per cent compared to the pass rate of 2009. All systems were in place, and the necessary risk analysis and security checks were conducted to deliver a credible examination, without compromising integrity.

The quality of marking of the Grade 12 National Senior Certificate Examination improved tremendously due to quality training and evaluation of markers and the improvement in the management of CASS mark compilation led to better resulting of Grade 12 learners.

2.1.8 DEPARTMENTAL REVENUE

The department has performed well in the collection of revenue notwithstanding the fact that the current years' collection is down compared to the last financial year. The 09/10 figures were boosted by the late payment of the discounts from a service provider.

R Thousand	Actual 2007/08	Actual 2008/09	Actual 2009/10	Target 2010/11	Actual 2010/11	% deviation
Sale of goods and services other than capital assets	26,135	28,532	30,979	31,490	33,384	106%
Interest, dividends and rent on land	321	24,094	22,735	941	1,539	164%
Sale of Capital Assets	-	-	1,749	-	-	-
Financial transactions in assets and liabilities	26,599	43,920	32,665	21,900	28,941	132%
Transfer received	-	50	-	-	-	-
Total	53,055	96,596	88,128	54,331	63,864	118%

The department derives its revenue around the following items:

Sale of goods and services other than capital assets which is largely commission earned on insurance and garnishee deductions. Notwithstanding the increase in the annual collection since 2007/08, the increase is of a concern as in some ways it is indicative of the indebtedness of the employees.

Interest, dividends and rent on land due to interest charged on outstanding staff debts. The increases between 2008/09 and 2009/10 relate to the late payment of discounts which related to prior years.

Transactions in financial assets and liabilities relate to higher recovery of outstanding staff debts.

Overall the department managed to collect 18% more than what was budgeted.

2.1.8.1 REVENUE TARIFFS

	FEES	TARIFF/S
SALES GOODS & SERV NON CAP ASS		
MARK ESTAB: DWELLINGS *		
House rent	500.00	per month DPSA
MARK ESTAB: NON-RES BUILDING *		
Parking covered	30.00	per month
Parking motor cycles	30.00	per month
Parking lock up garages	40.00	per month
Parking reserved open: motor vehicles	6.00	per month
Parking reserved open: motor cycles	6.00	per month
SERV REND: BOARDING SERV-STAFF		
Married housing	Maximum of 200.00	4% of basic salary
Single housing	Maximum of 200.00	1% of basic salary
Non standard housing i.e.(prefabricated)		50% of the rent equivalent standard housing
Voetstoots housing (deteriorated-cannot be fully repaired)		75% of the rent
SERV REND: COMMISSION INSURANCE		
Gov: Pay roll deduction		
Garnishee orders		5% of the total monthly payover excl. child maintenance orders
Insurance deduction		2.5% on deductions of insurance premiums
SERV REND: EXAM CERTIFICATES		
Issuing of certificate		
Senior certificates (schools) (1 June 2008)		
2008	30.00	per certificate Tariffs revised by National DoE 06/2008
2009	35.00	per certificate
2010	40.00	per certificate
2011	46.00	per certificate
Senior certificate (Technical) (1 June 2008)		
2008	60.00	per certificate
2009	70.00	per certificate
2010	80.00	per certificate
2011	90.00	per certificate
Re-issuing		
2005	15.00	per certificate
2006	18.00	per certificate
Re-issue of duplicate certificate		
2005	20.00	per certificate
2006	30.00	per certificate
Statement of results (less than 6 subjects)	6.00	per statement
SERV REND: MARKING OF EXAM PAPER		
Re marking	70.00	
Re checking	12.00	
REPLACEMENT OF SECURITY CARDS		
Re-issue of disc	30.00	Own Department's policy
SALES: SCRAP, WASTE, OTH GOODS		
Sales: waste paper	500.00	per ton
INTEREST, DIVIDEND, RENT ON LAND		
REVENUE: FINANCIAL ASSETS		
REV:FA:REC:PRV SEC: CON DEPT DEBT		
1 Jane - 30 June		14%
1 July 2008 up to date		15%
REV:FA:REC:PRIV SEC:DOMESTIC SER		
REV:FA:REC:PRIV S:TRANS-RES-WORK		
For a round trip journey of:		
0 - 10km	17.50	Revised monthly tariffs from 1 October 2002
10 - 20km	21.50	
20 - 30km	32.50	
30 - 40km	43.00	
Over 40km	52.00	
REV:FA :REC OF PAYMENTS MADE	-	
REV:FA:RECOF PREV YEARS' EXP	-	
REV:FA:STALE CHEQUES	-	
REV:FA:UNALLOCATED CREDITS	-	

2.1.9 DEPARTMENTAL EXPENDITURE

Programme	Adjusted Appropriation (R'000)	Actual Amount Spent (R'000)	Variance (R'000)
Current Payments	25,651,568	25,014,446	637,122
Compensation of Employees	22,860,525	22,742,101	117,586
Goods and services	2,790,637	2,271,101	519,536
Interest on Land	406	406	-
Transfers and Subsidies	1,813,188	1,724,719	88,469
Provinces and municipalities	1,375	1,375	-
Departmental agencies and accounts	22,382	16,552	5,830
Non Profit Institutions	1,707,197	1,631,707	75,490
Households	82,234	75,085	7,149
Payment for Capital Assets	2,105,304	2,007,451	97,853
Buildings and other fixed fixtures	1,842,489	1,836,333	6,156
Machinery and Equipment	262,815	84,547	178,268
Payment for financial assets		86,571	-86,571
Total	29,570,060	28,746,616	823,444

Overall, the department under spent its budget by R823.4 million brought about by the following:

Compensation of Employees – this item reflects an under-spending of R117.5 million. During the year, an amount of R576 million was paid to employees during the time of the strike in 2010. As such at year end, this amount had to be taken off the expenditure and be reflected in the Statement of Financial Performance as indicated in Note 13.2 .

Goods and Services show an under-spending of R519 million which came about as a result of the cost cutting measures and the non-payment of invoices amounting to R101 million that relate to the National School Nutrition Programme (conditional grant) for which a roll-over has been requested.

Transfers and Subsidies relate to the payments that the department makes to schools and the further education colleges.

Payment for Capital Assets

Buildings and other fixed fixtures relate to the expenditure on infrastructure, of which the department almost spent the total allocation. With respect to Machinery and Equipment, the savings of R178 million relate to the cost cutting measures that were implemented in the department.

The department wrote off irrecoverable debts amounting to R86 million. The breakdown of the above expenditure can be found in the Annual Financial Statements as presented in Section 3 of this report.

2.1.10 TRANSFER PAYMENTS

The department makes transfer payments to Non-Profit Institutions as indicated in Annexure 1 C of the Annual Financial Statements as presented in Section 3 of this report.

2.1.11 CONDITIONAL GRANTS

In general, the department complied with DORA, of 2010. Further details are provided in the Section 3 of this report.

Name of Grant	Allocation	Expenditure	Variance
Hiv and Aids	42,686	39,998	2,688
National School Nutrition Programme	855,285	753,216	102,069
Technical Secondary Recap Grant	15,274	15,039	235
FET College Sector Grant	649,177	648,820	357
Expanded Public Works Programme	500	500	-
Education Infrastructure Grant	1,035,501	1,035,501	-
Total	2,598,423	2,493,074	105,349

HIV and AIDS

The grant targeted the training of educators in the integration of life-skills into the curriculum and the provision of counseling, care and support to learners affected by the virus. The department met all its targets as contained in the business plan. The variance is brought about by the late payment of invoices. No funds were withheld due to the non- spending of the Grant.

National School Nutrition Programme

During the year under review, R753,216 million was spent on the feeding of learners in Quintile 1 to 3 Primary Schools and Quintiles 1 and 2 Secondary Schools. The balance of the unspent funds includes the payment of the outstanding February & March claims, the procurement of mobile kitchens and catering equipment for Quintile 2 and 3 Secondary schools. A roll-over request has been submitted to Treasury in this regard. No funds were withheld due to the non- spending of the Grant.

Education Infrastructure Grant

This grant which is set aside to deal with all infrastructure related issues was fully spent. Further details on infrastructure are available under Capital Investment, Maintenance and Asset Management Plan in Section 2.7. No funds were withheld due to the non- spending of the Grant.

Recapitalisation of Technical High Schools

An amount of R15.3 million was allocated and spent for this grant. The funds were in the main utilized to:

- upgrade workshops to offer the Engineering Technology subjects and meet the demands of the NCS according to national safety standards.
- install and upgrade computer laboratories to teach computer aided design in Engineering Graphics
- procure relevant and modern machines, computers, tools and equipment for curriculum to schools, and
- train educators to train learner in the relevant technical skills.

All the targets were met and no funds were withheld due to the non spending of the Grant.

Expanded Public Works Programme

EPWP Incentive Grant receipted R500 000 in this regard. This amount was allocated against Buildings and other fixed structures under Programme 2 and fully spent accordingly. However, the department delayed in the capturing as such the funds were not received by the department.

2.1.12 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital Investment

Immovable Property

The department does not have any of the immovable assets registered in its name as this is the responsibility of the Department of Public Works which is the custodian of all assets in the province and such disposals and/or acquisition is done by the Department of Public Works. For the year under review, the department has not disposed off any immovable property.

An amount of R1.836 billion was spent on infrastructure of which R960 million represents work-in-progress, as reflected in Note 36, which will be completed over the next financial years. The list of these projects is contained in the Infrastructure Reporting Model (IRM) which can be made available on request.

Investigations into non-viable schools are on-going, with such schools being closed if they are found to be non-viable. An assessment of the maintenance backlog is currently underway.

In order to enable the updating of the asset register, the department provides a quarterly update to the Department of Public Works on all completed projects. GIAMA will only be fully implemented in the province in the New Year and such super users have been identified and training is currently taking place. Due to GIAMA having been introduced, the real cost of maintenance is going to be established through the property conditions assessments exercise.

Movable Property

As reflected in Note 33, the value of movable asset holding amounted to R226.5 million at the end of the year. Assets bought by the department on behalf of the schools do not form part of the asset register and are transferred out to the value of R20.5 million.

Maintenance

The department currently operates on a reactive maintenance strategy which is wholly inadequate if the lifespan of our buildings is to be realized. However, for the department to achieve a pro-active approach to maintenance, huge financial input will have to be injected. The budgetary allocations have been around R115million in 2008/09 to R117million in 2013/14. The financial year 2010/11 shows a decline in the maintenance expenditure. This is as a result of the late payments of invoices as indicated in the carrying value of the Accruals as per Note 24.

The competing needs between maintenance and other capital investments can be seen by the declining ratio between the capital and current budget/expenditure.

Expenditure Budget Type	Audited Outcomes 2008/09	Audited Outcomes 2009/10	Audited Outcomes 2010/11	Estimates 2011/12	Estimates 2012/13	Estimates 2013/14
Capital	1,145,450	1,288,343	1,836,333	2,091,822	2,315,255	2,367,050
Current	115,686	119,324	74,300	106,000	111,300	117,422
Total	1,261,136	1,407,667	1,910,633	2,197,822	2,426,555	2,484,472
Capital %	91%	92%	96%	95%	95%	95%
Current %	9%	8%	4%	5%	5%	5%

Processes in place for the tendering of projects.

The department complies with Supply Chain Framework in respect of tendering of projects. In this regard all projects above R500 000 are advertised for bidding unless the authority to deviate from this is approved by the Head of Department.

There are 3 bid committees in place which are constituted by various managers and general managers with

the secretarial support being given by the Supply Chain directorate. Similar requirements exist with respect to projects that are handled by the Implementing Agents. In this regard the Department is trying to find ways to limit the Irregular expenditure that arises through these projects.

2.2 PROGRAMME PERFORMANCE

SERVICE DELIVERY ACHIEVEMENTS - PROGRAMME OUTPUTS

PERFORMANCE INFORMATION

The systems and procedures developed by Strategic Management Support Directorate (SMS) for collecting, collating, processing and recording performance information have improved management of performance information within the Department. The verification process instituted by SMS and conducted by Monitoring & Evaluation internally as well as by Ernst & Young externally has resulted in an accurate, valid, reliable and complete Performance Information

PROGRAMME 1 : ADMINISTRATION

Programme Objective:

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

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Efficiency	PPM 101 : Number of public schools that use SA SAMS to provide data to the national learner tracking system	1 466	1 500	2 836	1 336	89.06%
	PPM 102: Number of public schools that can be contacted electronically (email)	1 418	321	0	-321	-100%
	PPM 103: Percentage of education current expenditure going towards non-personnel items	7.47%	11.3%	9%	0	-2.3%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Highlight: PPM: 101	The Department overachieved because schools were grouped together for training as against individual school training that was happening before. This accounts for overachievement of targets.
Challenge: PPM 102	Limited budget.
Response to Challenge:	The limited number of schools which got connected was through private partnerships. Funds were sourced from Universal Services and Access Agency of South Africa (USAASA).
Challenge: PPM 103	At adjustment estimates, an additional R523 999million was allocated to Compensation of Employees thus pushing the ration of the Goods and Services versus Compensation budget down. This was due to a higher than budgeted for wage settlement.
Response to Challenge:	The Department continues to look for avenues to beef up the non-personnel current budget through interactions with Provincial Treasury.

PROGRAMME 2 : PUBLIC ORDINARY SCHOOL EDUCATION

Programme Objective:

To provide public ordinary education for Grades 1 to 12 in accordance with the South African School's Act.

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Access	PPM 201 : Number of learners enrolled in public ordinary schools	2 598 760	2 569 793	2 570 571	778	0.00003%
	PPM 202: Number of educators employed in public ordinary schools	82723	88 373	86 381	-1992	-2.25%
Adequacy	PPM 203: Number of non-educator staff employed in public ordinary schools	8172	11 158	10 820	-338	-3.03%
	PPM 206: Number of learners in public ordinary schools benefiting from the national school nutrition programme	1 794 781	1 984 704	1 895 212	-89 492	-4.51%
	PPM 207: Number of learners in public ordinary schools benefiting from learner transport	1898	9000	2660	-6340	-70.44%
	PPM 208: Number of learners in public ordinary schools benefiting from the "No Fee School" policy	1 219 769	1 740 965	1 750 006	9041	0.52%
	PPM 209: Number of public ordinary schools without water supply	360	350	322	28	8%
	PPM 210: Number of public ordinary schools without electricity.	1 215	650	1168	-518	-79.69%
	PPM 211: Number of public ordinary schools without sanitation facilities.	199	22	161	-139	631.82%
	PPM 212: Number of classrooms in Public ordinary schools.	43 607	45 107	45 537	430	0.95%
	PPM 213: Number of specialist rooms to be built in public ordinary schools (all rooms except classrooms -INCLUDE: laboratories, stock rooms, sick bay, kitchen, etc).	180	240	262	22	9.17%
	PPM 214: Number of learners with special education needs that are enrolled in public ordinary schools.	15 747	13 000	20 729	7729	59.45%
	PPM 215: Number of full service schools.	47	50	50	0	0%
	PPM 216: Number of schools visited at least once a quarter by a circuit manager	No Data	6073	6073	0	0%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Highlight: PPM: 201	The number of learners enrolled in public ordinary schools exceeded the target by 778. This is an indication that the Province's efforts to improve access to learners are paying off.
Challenge: PPM 202	The Department is experiencing a critical shortage of teachers, especially, in gateway subjects such as Mathematics, Sciences, and Accounting and in Home Language in the Foundation Phase. In KZN we lose teachers annually through attrition due to deaths, retirement and resignation.
Response to Challenge:	The Department has implemented a four year provincial teacher development strategy which encompasses initial teacher training, continuous professional development and recruitment of teachers. There is also a drive to recruit foreign teachers and to encourage those with tertiary qualifications to take up teaching as a career.
Challenge: PPM 203	Due to financial constraints many non-educator staff posts could not be filled in the 2010/11 financial year.
Response to Challenge:	In the new financial year every effort will be made to clear the backlog.
Challenge: PPM 206	The target of 1,984,704 set at the end of the 2009 academic year changed to 1,915,068 in February 2010 when the SNAP Survey results were confirmed. The underachievement of 20 364 was as a result of the high absenteeism of learners despite feeding taking place.
Response to Challenge:	With effect from January 1, 2011 the department has implemented the national policy on learner attendance. This policy will promote punctual and regular attendance by learners.
Challenge: PPM 207	Department of Education is negotiating the handover of learner transport functions from Department of Education to Department of Transport and this has not been finalised.
Response to Challenge:	The handover process is being fast-tracked.
Highlight: PPM: 208	The Department has fared very well in increasing the number of learners in public ordinary schools benefiting from the "No Fee School" policy. In doing so we have addressed the issue of improving access to schooling in the province,
Highlight: PPM: 209	All schools are provided water tanks. Despite the budget challenges the department has improved the delivery of access to water source.
Challenge 10: PPM 210	KZNDoe is dependant on the delivery of electricity by Eskom and Roshcon through the Department of Mineral and Energy. All new classrooms built are wired for electricity but the department has to wait for the grid from ESKOM. Where the department has installed solar panels, the communities have stolen them thus resulting in increased backlogs.
Response to Challenge 10:	The shortfall will be carried over to the new financial year. The department has engaged with ESKOM and Roshcon as well as with municipalities to expedite connections where schools are connected to the grid.
Challenge: PPM 211	Many schools have ageing toilets which become full or collapse thus resulting in increased backlogs.
Response to Challenge:	The Department has come up with a new water and sanitation plan.
Highlight: PPM 212	Notwithstanding storm damages and over-crowding at schools the Department has exceeded the delivery of ordinary classrooms due mainly to the implementation of intervention strategies.
Highlight: PPM 213	The Department has been consistent in aggressively using the Curriculum Redress programme to respond to curriculum imperatives. The Intervention Laboratory programme contributed to the over delivery of specialist classrooms.
Highlight: PPM 214	The number of learners with special education needs exceeded the target of 20 729 by 7 729. This is an indication of the successful implementation of the Inclusive Education Strategy.
Highlight: PPM 215	The target was achieved. This is an indication of the successful implementation of the Inclusive Education strategy.
Highlight: PPM 216:	All schools were visited once a term. Some schools were visited more than once a quarter, depending on the level of functionality.

PROGRAMME 3 : INDEPENDENT SCHOOLS

Programme Objective:

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

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Quality	PPM 301: Number of subsidized learners in Independent Schools.	27 424	28 696	27 517	-1 179	-4.11%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Challenge: PPM 301	Learner enrolments are pre-determined at Independent schools. They are averaged between the first and second quarter of the previous year.
Response to Challenge:	The Department utilises Norms and Standards for Funding of Independent Schools. Target outputs are based on average learner enrolment for the 1st and 2nd quarters of the previous year, whilst the actual outputs are based on actual enrollment figures.

PROGRAMME 4 : PUBLIC SPECIAL SCHOOL EDUCATION

Programme objective:

To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education

Sub-programme 4.1:

Schools

Sub-programme objective:

To provide specific public special schools with resources.

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Access	PM 401: Number of learners enrolled in Public Special Schools.	15 032	14 800	14 889	89	0.60%
	PPM402: Number of educators employed in public special schools.	1174	1 300	1 217	-83	-6.38%
	PPM403: Number of Professional non-teaching Staff employed in public	1373	1 400	142	-1258	-89.86%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Highlight: PPM 401	The number of learners exceeded the target by 89. This can be related to the successful implementation of the Inclusive Education Strategy.
Challenge: PPM 402	Due to special skills required in special schools, not all posts could be filled.
Response to Challenge:	The working relationship that has been established with HR has led to mutual empowerment of SNES and HR, thus enhancing the quality of service delivery on this PPM. The relationship with HR regarding this PPM has also helped in the analysis of staff provision and skills required with the aim of maximising the use of the resources at the Directorate's disposal.
Challenge: PPM 403	Due to cost cutting measures posts could not be filled. A major challenge is also the recruitment of relevant professional non-teaching staff as they are declared as "scarce skills" employees.
Response to Challenge:	Some measures to pilot and establish Post Level 2 non teaching professional staff in the province have been implemented to ensure that non teaching professional staff are servicing more than one school rather than being school based. There is a move to develop job descriptions of non teaching professional staff to be Inclusive Education compliant i.e. using the social/communal rather than the individual approach.

PROGRAMME 5 : FURTHER EDUCATION AND TRAINING

Programme objective:

To provide Further Education and Training (FET) at public FET colleges in accordance with the Further Education and Training Act.

Sub-programme 5.1:

Public Institutions

Programme objective:

To provide specific public FET colleges with resources.

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Access	PPM501: Number of students enrolled in NC (V) courses in FET Colleges.	19 378	49 450	22 307	-27 143	-54.89%
Equity	PPM502: Number of FET College NC (V) students who completed full courses successfully.	41 750	32 675	3 690	-28 985	-88.71%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Challenge: PPM 501	There was a negative deviation from the projection. The reason for the huge deviation is that the projected figure of 49,450 was submitted before the norms document was received from the Department of Higher Education and Training (DHET). DHET had subsequently given the instruction that the enrolments for 2010 should remain the same as those that were projected for 2009. In the case of the Province of KwaZulu-Natal FET Colleges, the projection was 22,365 students.
Response to Challenge:	The projected NCV enrollment of 22 365 for 2010 was as per the budget allocation by DHET. Based on this enrolment projection, the deviation is 58 students. The total of 22,307 students was verified through a head count process before allocating funds in April 2010.
Challenge: PPM 502	The target was overstated as in the case of projected enrolments. It was based on a total of 49,450 students instead of 22,365. The programme content of the NC (V) Programmes has proven to be at a very high level for the students that have exited grade 9, hence the high failure rate. The total number of 3,690 students represents only students that passed all 7 out of 7 subjects. It must be noted that currently the students that passed a minimum of 4 subjects out of 7 progressed to the next grade. If all those students were included, the success rate would increase because there are many students in the categories of 6/7, 5/7 and 4/7 that should have been counted.
Response to Challenge:	The NC (V) programmes are currently being reviewed to be more appropriate to the relevant NC (V) level.

PROGRAMME 6 : ADULT BASIC EDUCATION AND TRAINING

Programme objective:

To provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education Act.

Sub-programme 6.1:

Public Centre

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Access	PPM601: Number of learners enrolled in public ABET Centres in the province	53 001	57 000	48 420	-8 580	-15.05%
	PPM602: Number of educators employed in public ABET Centres	5 175	6 000	5 895	-105	-1.75%

SPECIFIC CHALLENGES AND RESPONSES

Highlight: PPM: 601	There was partnering with FET Coastal College to explore opportunities available for learners after Level 4.
Challenge: PPM 601	As a result of financial constraints, target outputs were not met.
Response to Challenge:	The integration of Masifundisane into ABET Directorate will help in bringing all learners into the same programme.
Highlight: PPM: 602	Masifundisane & Kha Ri Gude learners were absorbed into ABET classes.
Challenge: PPM 602	Insufficient Budget.
Response to Challenge:	A submission has been made to Top Management to request more funding.

PROGRAMME 7: EARLY CHILDHOOD DEVELOPMENT

Programme objective:

To provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White Paper 7

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Access	PPM 701: Number of 5 year old children attending education institutions	198 862	198 160	207 436	9 276	4.68%
	PPM 702: Number of learners enrolled in Grade R in Public schools.	181 029	180 992	198 418	17 426	9.63%
	PPM 703: Number of public schools that offer Grade R	4 105	4 290	3 881	-409	-9.53%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Highlight: PPM: 701	The 2010 deadlines on Universal access to Grade R were achieved. KZN was the only province to have achieved 97% above the 85% target in the White Paper 5. This is corroborated by the print media release by DBE.
Highlight: PPM: 702	The overachievement can be attributed to the innovative ways used by the directorate to get more learners enrolled such as using electronic media as a means of ensuring that the public was aware of the need to enroll their children at public schools and the benefits of this exercise were highlighted. Furthermore, the advocacy campaigns were conducted by District officials to ensure that the 2010 White Paper 5 targets were met.
Highlight: PPM: 703	Over 90% of public primary schools established Grade R Classes.
Challenge: PPM 703	Whilst there had been an increase in the previous financial years, the drop can be attributed to the fact that the fully funded public Grade R sites at community based centres are currently not counted with public schools.
Response to Challenge:	These Community-based sites have now been classified as Independent Schools.

PROGRAMME 8 : AUXILIARY AND ASSOCIATED SERVICES

Programme objective:

To provide specialist support services with support functions to Public Ordinary Schools.

Indicators	Performance Measure	Actual Outputs 2009/10	Target Outputs 2010/11	Actual Outputs 2010/11	Deviation from Target	
					Units	%
Access	PPM 801: Number of candidates for the Grade 12 senior certificate examination	154 000	154 000	150 929	-3 071	-1.99%
	PPM 802: Number of candidates for the ABET NQF Level 4	19 016	21 000	22 162	1 162	5.53%

SPECIFIC CHALLENGES / HIGHLIGHTS AND RESPONSES

Challenge: PPM 801	The candidates who registered did not write the examination, due to various reasons, inter alia, death, absenteeism and sickness.
Response to Challenge:	In view of the decision to extend the senior Certificate Examination to 2014, advocacy through the media and departmental channels to part-time centres will be done to support the access initiative.
Challenge: PPM 802	Unregistered candidates wrote the examination.
Response to Challenge:	The registration process has been improved in dealing with unregistered candidates, by encouraging proper registration timeously to align with the access initiative.

SECTION 3

ANNUAL FINANCIAL STATEMENTS



3.1 REPORT OF THE AUDIT AND RISK COMMITTEE ON VOTE 5 - EDUCATION

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 5 - EDUCATION

The KwaZulu-Natal Provincial Audit & Risk Committee is pleased to present its report for the financial year ended 31 March 2011.

Provincial Audit & Risk Committee Members and Attendance

The Provincial Audit and Risk Committee consist of the members listed hereunder. During the year under review the contracts of two (2) members expired while the contracts of the five (5) other members were terminated by the MEC: Finance. A new Provincial Audit & Risk Committee was appointed with effect from the 01 June 2011.

The Cluster Audit & Risk Committee (CARC) is a sub-committee of the Provincial Audit & Risk Committee (PARC). The CARC and the PARC are required to meet at least four times and two times respectively in a financial year. During the financial year ending 31 March 2011 a total of eleven (11) meetings were held, namely, two (2) PARC meetings, seven (7) CARC meetings and two (2) special meetings. Members attended the meetings as reflected below :

Surname & Initial	PARC		CARC		Special		Total no. of Meetings Attended
	No.of Meetings Held	Attended	No.of Meetings Held	Attended	No.of Meetings Held	Attended	
Adv BS Khuzwayo (Contract expired June 2011)	2	2	7	7	2	1	10
Mr V Naicker (Contract expired - reappointed 01 June 2011)	2	2	2	2	2	1	5
Mr N Mhlongo (Contract terminated December 2010)	2	1	3	3	2	2	6
Mr S Taku (Contract terminated December 2010)	2	2	2	2	2	2	6
Mr P Mnisi (Contract terminated December 2010)	2	2	2	2	2	2	6
Ms P Gobinea (Contract terminated December 2010)	2	2	2	2	2	2	6
Ms E Ogunniyi (Contract terminated December 2010)	2	0	2	1	2	1	2
Ms T Tsautse (Appointed 01 June 2011)	0	0	0	0	0	0	0
Mr T Boltman (Appointed 01 June 2011)	0	0	0	0	0	0	0
Mr F Docrat (Appointed 01 June 2011)	0	0	0	0	0	0	0
Ms N Jaxa (Appointed 01 June 2011)	0	0	0	0	0	0	0
Ms M Mothipe (Appointed 01 June 2011)	0	0	0	0	0	0	0
Mr L Mangquku (Appointed 01 June 2011)	0	0	0	0	0	0	0

Provincial Audit & Risk Committee Responsibility

The Provincial Audit and Risk Committee reports that it complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations, including any other statutory and other regulations. Subsequent to the dissolution of the previous Committee, the new Provincial Audit & Risk Committee resolved all outstanding responsibilities for the financial year.

The Provincial Audit and Risk Committee also reports that it adopted appropriate formal terms of reference as its Provincial Audit and Risk Committee Charter, regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The systems of internal control are the responsibility of the department's management and are designed to provide effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the requirements of the PFMA and the principles of the King Reports (II and III) on Corporate Governance, the Internal Audit Function provides the Provincial Audit and Risk Committee and the departmental management with assurance that the systems of internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Report and Management Letter of the Auditor-General on the Annual Financial Statements, it was noted that the systems of internal control were not effective for the year under review as control deficiencies were detected in the following significant control areas :

- Human Resource Management
- IT General Controls
- Supply Chain Management
- Asset Management
- Fleet Management
- Accruals
- Inventory
- Revenue Management
- Employee Relations

The quality of "In Year Monitoring" and monthly / quarterly reports submitted in terms of the Treasury Regulations and the Division of Revenue Act

The Provincial Audit and Risk Committee through the Internal Audit Function was satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the department during the year under review.

Audit of Performance Information

The monitoring of the department's performance is a key function of the executive management of the department. The Provincial Audit & Risk Committee has no direct line of responsibility over the department's performance. However, the Provincial Audit and Risk Committee is responsible for ensuring, principally through the Internal Audit Function that the systems of performance management, measurement and reporting; as well as the systems of internal control that underpin the performance management framework of the department, remain robust and are reviewed routinely in the internal audit plans.

The Committee has accepted the responsibility of ensuring that adequate reporting on performance information is in line with its mandate and charter.

The Committee reviewed the Internal Audit and Auditor-General reports relating to Performance Information and noted the following significant issues for the year under review :

- Non adherence to reporting processes
- Inadequate monitoring and validation processes
- Inconsistent and inaccurate reporting
- Lack of supporting documents

Internal Audit Function

The Provincial Audit & Risk Committee provides oversight and monitors the activities of the Internal Audit Function. Consequently, the Committee is able to report on the effectiveness and efficiency of the function.

The Committee noted that the execution of some audits were postponed due to other commitments by key management of the department. The Committee has taken the necessary corrective action to resolve this shortcoming and believe that this will not be a re-occurrence in the 2011 / 12 fiscal year. The Provincial Audit & Risk Committee will in, the forthcoming year, monitor progress to ensure that Internal Audit continues to add value to the Department and achieves its optimal performance.

Risk Management Function

Risk Management is a proactive discipline that involves scenario planning and that is intended to provide reasonable assurance that the department will achieve its objectives. King III principle 2.2 states that the board, (executive authority in the case of a government department) “should appreciate that strategy, risk, performance and sustainability are inseparable.”

Since the approval of the Provincial Risk Management Framework in March 2010, and during the financial year under review, the Committee monitored how the department established the necessary risk management functions, risk policies, and oversight structures. The Committee believes that these interventions will assist the department in complying with the Provincial Risk Management Framework, and the risk management sections of the PFMA.

The Committee noted that the department had a dedicated Risk Management Function and a Risk Management Committee in place during the financial year.

Although progress had been made in implementing the risk mitigation strategies arising from the risk assessments facilitated by the Provincial Treasury’s Internal Audit Function, the Committee urged the department to fully implement the outstanding risk mitigation strategies as soon as possible.

Other Governance Issues

As part of its governance responsibilities, the Committee also monitors the fraud prevention strategies that have been developed and implemented by provincial departments, and these responsibilities include monitoring the implementation of recommendations arising from forensic investigations.

During the period under review, the Committee noted that the department had 5 completed investigations and 1 ongoing investigation that were being conducted by the Provincial Treasury’s Internal Audit Function. The department was urged to implement recommendations arising from these investigations.

Evaluation of Financial Statements

The Provincial Audit and Risk Committee were provided a report by the Internal Audit Function that reflects the results of the review of the annual financial statements. The Provincial Audit and Risk Committee concurs

and accepts the Internal Audit report on the above, as well as the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Chairperson : Provincial Audit & Risk Committee

Date : 05 August 2011

3.2 REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 5: DEPARTMENT OF EDUCATION

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Education, which comprise the appropriation statement, statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 69 to 113

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental Financial Reporting Framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa (Act No. 1 of 2010) (DORA), and for such internal control as management determines 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. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the PFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with *International Standards on Auditing and General Notice No. 1111 of 2010* issued in *Government Gazette No. 33872 of 15 December 2010*. 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.
5. 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 department's preparation 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 department'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.
6. 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

Accruals

7. No adequate system was in place for identification and recognition of accruals. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all invoices in respect of goods and services received before year-end were properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of accruals amounting to R117,110 million as stated in note 24 to the financial statements.

Employee benefits

8. I was unable to verify the existence and valuation of leave entitlement and capped leave balances amounting to R2,897 billion as disclosed in note 25 to the financial statements. The department could not provide sufficient evidence as leave files presented for audit purposes did not have all the leave forms relating to the leave taken and not all leave files requested were presented for audit purposes. In addition, the PERSAL system was not being updated timeously with the leave forms and all leave balances tested could not be reconciled with the leave records. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that leave entitlement and capped leave balances were properly recorded. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the existence and valuation of leave entitlement and capped leave balances amounting to R2,897 billion.

Qualified opinion

9. In my opinion, except for the possible 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 Department of Education, as at 31 March 2011 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 matters

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

Irregular expenditure

11. As disclosed in note 28 to the financial statements, the department incurred irregular expenditure amounting to R84,412 million as proper procurement processes had not been followed.

Material losses

12. As disclosed in note 7 to the financial statements, material losses to the amount of R86,571 million were incurred as a result of a write-off of irrecoverable staff debtors.

Additional matters

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

Unaudited supplementary schedules

14. The supplementary information set out on pages 134 to 136 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

15. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2) (a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 15 to 44 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

17. There were no material findings on the annual performance report.

Compliance with laws and regulations

Procurement and contract management

18. Employees performed remunerative work outside their employment in the department without written permission from the relevant authority as per the requirements of section 30 of the Public Service Act, 1994 (Proclamation No. 103 of 1994) (PSA) and section 33(1) of the Educators' Employment Act No. 138 of 1994 (EEA).
19. Awards were made to bidders who did not submit an appropriate form declaring whether the bidder or any person connected with the bidder is employed by the state or if the bidder is a legal person, whether the bidder has a relationship with persons/a person involved in the evaluation and/or adjudication of the bids as per the requirements of Practice Note 7 of 2009-10 issued by National Treasury.

Revenue management

20. As required by section 38(1)(c)(ii) of the PFMA, the accounting officer did not take effective and appropriate steps to timeously collect all money due to the department with respect to interest earned and discounts received on the prepayments made to the managing agent responsible for coordinating and managing the procurement and distribution of text books on behalf of the department.

Expenditure management

21. As required by section 38(1)(a)(i) of the PFMA, the accounting officer did not ensure that the department has effective and efficient systems of internal controls with respect to prepayments for goods and services as adequate ongoing monitoring was not performed to ensure that all prepayments made to the managing agent responsible for coordinating and managing the procurement and distribution of text books were properly recorded where goods were still to be delivered.

22. The accounting officer did not take effective and appropriate steps to prevent irregular expenditure, as per the requirements of section 38(1)(c)(ii) of the PFMA.

Annual financial statements

23. The accounting officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with *Departmental Financial Reporting Framework* prescribed by the National Treasury and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Certain misstatements identified by the AGSA with regard to prepayments, lease commitments and infrastructure commitments were subsequently corrected, however the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion in contravention of section 40(3)(a) of the PFMA.

INTERNAL CONTROL

24. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for qualified opinion and the findings on compliance with laws and regulations included in this report.

Leadership

25. The accounting officer did not adequately exercise oversight responsibility regarding financial reporting and compliance with the PFMA, PSA, EEA and supply chain management processes.

Financial management

26. Management did not reconcile transactions and implement proper record keeping to ensure that complete and accurate information is available to support financial information.

OTHER REPORTS

Investigations in progress

27. The department had ninety one investigations in progress at year-end relating to alleged fraud / misappropriation of funds in the department and at a school level.

Investigations completed during the financial year

28. Seventy two investigations were finalised during the financial year. The department dismissed employees that were found guilty and ordered refunding of misappropriated funds by officials where applicable.

Performance Audits

Poverty alleviation audits

29. Performance audits on Early Childhood Development and Adult Basic Education and Training are currently in the execution phase and the findings will be reported on in separate reports.

Readiness of government to report on its performance

30. A performance audit is being conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The findings will be reported on in a separate report.

Pietermaritzburg

29 July 2011

Auditor-General



3.3 REPORT OF THE ACCOUNTING OFFICER

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 FINANCIAL REVIEW

PROGRAMME	FINAL APPROPRIATION	ACTUAL EXPENDITURE	VARIANCE
Administration	1,364,251	1,364,251	-
Public Ordinary School Education	25,659,140	25,021,135	638,005
Independent School Subsidies	59,772	58,524	1,248
Public Special School Education	748,317	643,453	104,864
Further Education & Training	705,883	705,883	-
Adult Basic Education & Training	140,954	132,824	8,130
Early Childhood Development	426,879	352,992	73,887
Auxiliary & Associated Services	464,864	467,554	(2,690)
TOTAL	29,570,060	28,746,616	823,444

1.1.1 Spending Trends

The departments' under-expenditure for the year is R823.4 million, which represents 3% of the total budget, which the amount is made up of R311 million under-expenditure due to cost cutting measures and the R579 million due to the unrecovered "no work, no pay". Hereunder, follows a detailed explanation:

• Compensation of Employees

The overall expenditure for the compensation of employees amounted to R23.3 billion, an amount that is inclusive of payments made to employees during the 2010 strike period. However, it is known that during the year, some employees in the public sector did not render services during the strike period. As such the department is expected to apply the policy of "no work, no pay", by recovering such payments that were made to such employees. However, not all recoveries could be made during the financial year, resulting in an amount of R579 million being paid to employees which should be recovered.

To effect such a transaction in the annual financial statements, the total compensation expenditure must be reduced by the value of the unrecovered compensation and a debtor created to indicate that the employees still owe the department the monies and thus making the total expenditure for compensation R22.7 billion.

• Goods and Services

The final accounts reflect an under-expenditure of R505.3 million largely contributed to by the cost cutting measures that the department implemented with a view to curb the then projected over-expenditure. Included in this an amount of R101 million representing the unspent portion of the National School Nutrition Programme for which a roll-over has been requested.

• Transfers and Subsidies

Transfers and Subsidies show an under-expenditure of R88.4 million largely brought about by:

- the application of the correct formula with respect to the amount that the department pays to the ETDP Seta;
- the reduction of the per capita amount with respect to the norms and standards and
- the less than expected payments made in respect of employees who exit the employment.

• Payment for Capital Assets

Buildings and Other Fixed Fixtures

The final accounts reflect a final appropriated budget amount of R1.842 billion of which the final expenditure amounts to R1.836 billion, which indicates the maturity in the departments' project planning and execution ability.

Machinery and Equipment

A total of R84.5 million was spent against a budget of R262.8 million reflecting a 32% spend rate. The savings were a result of a deliberate attempt to reduce a projected over-expenditure. It should be noted however, that the delivery programmes, that include public schools, have not been affected by this as its budget was fully spent.

• First charge in respect of over-expenditure

Included in the financial statements is a payment of R133 million which relates to the unauthorised over-expenditure of 2009/10 which was approved without funding.

• Virements

The following virements which were performed in the Appropriation Statements were approved by Provincial Treasury.

From	Amount (R'000)	To	Amount (R'000)	Reasons
Administration - Capital Expenditure	3,113	Ordinary Public Schools - Capital Expenditure	3,113	To offset over-expenditure
Ordinary Public Schools - Current Payments	187,415	Administration - Current Payments	33,171	To offset over-expenditure
		Further Education and Training - Current Payments	52,947	To offset over-expenditure
		Special School Education - Current Payments	58,356	To offset over-expenditure
		Early Childhood Development - Current Payments	8,507	To offset over-expenditure
		Auxiliary and Associated Services - Current Payments	34,434	To offset over-expenditure
Special School Education - Transfers Subsidies	437	Adult Basic Education - Transfers and Subsidies	437	To offset over-expenditure
Special School Education - Capital Expenditure	39,060	Ordinary Public Schools - Capital Expenditure	39,060	To offset over-expenditure
Further Education and Training - Capital Expenditure	8,904	Ordinary Public Schools - Capital Expenditure	8,904	To offset over-expenditure
Adult Basic Education - Machinery and Equipment	1,336	Ordinary Public Schools - Capital Expenditure	1,336	To offset over-expenditure
Early Childhood Development - Capital Expenditure	36,380	Ordinary Public Schools - Capital Expenditure	36,380	To offset over-expenditure
	276,645		276,645	

• Any other material matters

All matters relating to irregular, fruitless and wasteful expenditure have been reported appropriately in the financial statements.

The department has written off bad-debts amounting to R86 million.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 The core functions of the department are summarised below:

Public Ordinary Schools

This is the department's primary function, and is aimed at the provision of educators in schools, the provision and development of educators to ensure that they are equipped to provide the best quality teaching, and the provision of Learning and Teaching Support Material (LTSM). Also included here is the provision of new schools and school facilities, effective maintenance of existing facilities, as well as the monitoring of the quality of education services through the system of whole school evaluation. Lastly, the function includes the provision of food to Public Primary School learners who are from the poorest communities, through the National School Nutrition Programme.

Public Special School Education

The aim of this programme is to provide public education in special schools and full-service schools, in accordance with the South African Schools Act and White Paper 6 on Inclusive Education.

Independent Schools

The main aim of this programme is to subsidise needy independent schools equitably. The subsidy is determined by the amount of the fees that the school charges.

Early Childhood Development

This service evolved as a national initiative to strengthen pre-grade 1 education, and make it available to the majority of citizens. The intention is to provide universal grade R by 2010, as stipulated in Education White Paper 5.

Adult Basic Education and Training

This programme aims to increase the level of basic education and skills and to reduce the illiteracy rate, to enable adults to participate meaningfully in economic and other structures in the province and the country at large.

Further Education and Training

This area of service is aimed specifically at addressing the skills shortage in our country and to ensure that learners are trained in skills that match the requirements of the workplace in order to promote their employability. The FET colleges are the primary vehicle for skills training, especially addressing shortages in low and medium skills.

2.2 Tariff policy

The charges raised by the Department are in respect of rentals of state-owned properties to internal officials. In addition to this is revenue collected by means of parking fees charged, remarking of exam papers and the reissuing of previous exams certificates. The charges are raised in accordance with the prescribed National and Provincial Policies.

2.3 Free Services

The department does not render any free services.

2.4 Inventories

As per the Note 5.5, the value of inventories disclosed is R1.277 billion. A large portion of this amount is represented by non-consumable items that the department buys on behalf of schools, for an example, the Learner Teacher Support Material and the National School Nutrition Programme. The value of inventories (consumables) on hand as at 31 March 2011 was R112, 402, 217.00.

3. CAPACITY CONSTRAINTS

This financial year is the last year on which the mandatory 7.5% budget cuts were effected across the province. In addition to these budget cuts the department has had to cut costs due to the continued pressure being felt by the compensation of employees budget as a result of the insufficient funding for the Occupation Specific Dispensation and the higher than budgeted for Wage Settlement Agreements. The overall impact of the two measures have had a significant impact on the department's ability to provide a decent work environment, tools of trade and staff accommodation and to fill vacant posts largely those that are of an administrative function.

The non-availability of decent residential accommodation for our educators, largely brought about by the limited infrastructure budget, continues to be a challenge and contributes to the difficulty of recruiting and retaining skilled staff particularly in the rural districts.

The department together with Provincial Treasury are currently looking at measures to alleviate the impact of the above measures on the next financial year and the MTEF thereafter, whilst a task team has been formed to look at the issue of providing accommodation for government professionals.

Teacher supply continues to be a challenge within the department. The capacity of institutions to produce teachers is far less than the demand that currently exists and in particular in scarce skills such as Science and Technology. To this end, continuous engagements with the tertiary sector are being held.

4. UTILISATION OF DONOR FUNDS

Donor funds were received from two organisations and were utilised optimally. A narrative summary of activities conducted in use of these funds are as follows:

• The Royal Netherlands Embassy funds

The department carried a negative opening balance of R31.2 million, as per the 2009/10 final accounts, which has been subsequently paid. The 2010/11 final accounts reflect an amount of R3.904 million for which the department is awaiting from the donor as the requisite Memorandum of Agreement has been signed.

- **Flemish government**

There was no funding received for the year from this donor.

5. TRADING ENTITIES AND PUBLIC ENTITIES

The Department does not have public entities.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments were made to:

- Schools with Section 21 functions
- Schools without Section 21 functions in respect of stationery and petty cash
- Independent Schools
- Public Special Schools
- FET Colleges

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The department does not have any public private partnerships.

8. CORPORATE GOVERNANCE ARRANGEMENTS

8.1 Risk Management

The Department drives risk management under the guidance and support of the Provincial Internal Audit Unit and such a Strategic Risk Assessment and the IT Risk Assessment (Unembeza) were conducted during 2010 and for which the progress with respect to implementing mitigating factors are monitored.

An important development with regards to risk management is that in the current year it was devolved to departments from Provincial Treasury and as such it is expected that the department will undergo the risk assessment exercise on its own in the new financial year.

8.2 Fraud Prevention

A fraud prevention policy has been developed and implemented. In addition, the Department has a number of internal policies and procedures that are in addition to the requirements of the Public Finance Management Act that have been implemented and appropriate staff trained. Further, a hotline exists where matters can be reported.

8.3 Internal Audit

The Department has used the Provincial Internal Audit Unit of the Provincial Treasury to provide its Internal Audit services & Audit Committees. The Internal Audit Unit, supported by our own Internal Control & Risk Management directorate, is effective in identifying risks and proposing counter-measures. There is currently a Provincial Audit Steering Committee, which oversees the Internal Audit Unit.

8.4 Internal Control & Risk Management Directorate

There is an Internal Control & Risk Management directorate in place in the Department, which provides expenditure control services and support to the provincial Internal Audit Unit. In terms of the new structure, this component now includes the Special Investigation Unit.

8.5 Management processes to avoid conflict of interest

The project that would allow the department to manage the conflict of interest is almost at the end with the system development having been completed. The Remuneration of Work Outside Public Service (RWOPS) and the Declaration of Interest policies together with the concomitant delegations of authority are awaiting approval.

In addition, the Department has the following processes that effectively prevent conflict of interest:

- Significant management decisions are made at meetings of the Top Management and Senior Management, with the Ministers Management Meeting giving an overall oversight and direction;
- All members of Senior Management Service are obliged to disclose their financial interests annually; however, not all members of the Senior Management Service have been complying with the submission dates. However, the necessary steps to address this have been adhered to;
- All employees are not allowed to conduct any business unless with the express approval by the Head of Department in writing;
- Bid Award Committees are structured so that no one person or group of persons can dominate meetings. Additionally, all members of all Bid Committees are required to disclose any conflict of interests at each meeting and recuse themselves from meetings where their interests are involved;
- The department has introduced the review of Bid Committee members on an annual basis.

8.6 Implementation of code of conduct

The Department does not have a single formal document containing a code of conduct. However, the key elements of a code of conduct are published on the Departmental network. The Department relies on the Public Service Code of Conduct as published by the Department of Public Service and Administration. All senior managers are designated as custodians of the implementation of the Public Service Code of Conduct.

8.7 Safety, health and environment issues

8.7.1 Safety

All schools have functional School Safety Committees which have SAPS sector managers and an active participation of SAPS – Police Station Youth Desk. The School Safety Committees have enhanced the community participation in school safety issues. Out of 5939 schools in the Province, to date 5645 (95%) schools have been linked to safety structures including SAPS stations.

There is continuous participation of the Department in community safety structures. Principals were encouraged to support and participate in Community Policing Forums within the vicinity of their schools.

Principals have been provided with information on the implications that were brought about by Act 31 of 2007 and stakeholders have been brought on board on issues of search and seizure and on issues of drug testing as well. This capacity building exercise shall support the implementation of the amendments in schools and paving the way to better safe schools for quality education.

8.7.2 Health

The KwaZulu-Natal province continues to be at the epicenter of the HIV and AIDS pandemic. In order to mitigate the scourge of HIV and AIDS, the department is implementing the life-skills programme in collaboration with a number of stakeholders for instance the Department of Health, Department of Social Development, and a number of Non-Governmental Organisations.

To date 30 438 orphans and vulnerable children have been identified and are being supported in 3445 schools. In this regard 48 843 learners have been provided social grants from an allocation of R 23 604 million. The provision of HIV and AIDS education and support to learners has been facilitated through 946 Educators that have been trained in the integration of the life-skills programme into the curriculum, 1020 educators and 8 424 learners trained as lay counselors and peer educators respectively in 1880 schools. 14 750 learners have been circumcised, 5295 have benefitted from HIV counseling and testing (HCT).

Health screening has benefitted 300 000 learners in 1709 schools for TB, 1 620 154 immunized for measles and 1 068 486 for polio. Psycho-social as well as psycho-educational support has been given to learners that suffer sexual and substance abuse.

The eyecare programme, that the Department is implementing in partnership with the International Center for Eyecare Education (ICEE), has reached 120 educators and nurses and therapists for training in eye screening. To date 240 963 learners have been screened and provided with relevant support.

Nutritious meals were provided to learners and no incidents of food poisoning were reported as a result of stringent measures taken to protect food from contamination. 1 915 068 learners were fed. These included primary, secondary and LSEN schools learners. 8 622 food handlers were paid a stipend of R600/ food handler/500 learners/month to prepare meals in schools.

As part of the food production and food security programme, a total of 437 food gardens were established and sustained through the conditional grant. A further 90 gardens were established through the Flemish Government funding. The Flemish project created job opportunities for 90 ordinary men and women selected to be grounds persons to sustain the gardens. These grounds persons were paid R2000 each / month.

8.7.3 Environment

There are no specific environmental issues caused by the Department. However, the Department is adversely affected by the lack of potable water and transport infrastructure which impinges on our ability to provide quality education.

8.7.4 Effectiveness of the audit committee

The Province has an Audit Committee that oversees all Departments. The Department attends the Audit Committee meetings on an invitational basis.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The Masifundisane Literacy Project which was a provincial literacy programme has been discontinued and possibilities of integrating the project with Adult Basic Education and Training are being explored.

The funding which had been allocated for this project has been re-directed to the Examinations sub-programme.

10. NEW/PROPOSED ACTIVITIES

There are no new activities that are proposed.

11. ASSET MANAGEMENT

The department has invested resources to ensure that the movable asset register is maintained and updated on a continuous basis.

The decentralised nature of the department sometimes poses challenges with respect to tracking asset movements notwithstanding the approved policies and procedures. The department continues to experience challenges around the movement of assets without due regard to procedures, the bar codes falling off etc.

The department was unable to activate the Hardcat System due to the non-availability of funds to fill the vacant posts and the absence of the requisite skills within the department.

• Assets bought on behalf of non- section 21 schools

Non section 21 schools are those schools which have not been granted authority by the Accounting Officer to perform functions as indicated in Section 21 of the South African Schools Act. In this regard, the department performs the procurement function on behalf of these schools.

The South African Schools Act of 1996 states that assets bought by schools after 1996 belong to the schools. In complying with this requirement, Note 33 of the Annual Financial Statements includes an amount of R20.5 million which represents assets bought by the department on behalf of non-section 21 schools.

• Immovable Assets

The department is making efforts to ensure that the immovable assets side of asset management is attended to. To this extent, the various officials will be introduced to GIAMA to ensure readiness on our part. The infrastructure unit is keeping track of all additions to schools at a project level and the similar approach is being introduced to all our Implementing Agents. For the current year, the department has complied with the directive of alerting the Department of Public Works of all completed projects.

12. EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date, that have not been mentioned for the 2010/11 financial year.

13. INFORMATION ON PREDETERMINED OBJECTIVES

The department acknowledges that there are challenges associated with the information of predetermined objectives. The department continues to the guide as provided by the Education Sector as a basis for recording, measuring, sourcing and reporting on information on predetermined objectives. The concerns that were raised during the 2009/10 audit, on the non-involvement of the Member of Executive Council on such issues, have been addressed.

The policies and standard operating procedures regarding the management of performance information have been approved and are at some level of implementation in the current year.

The BRERPRCO an acronym for Budget, Reporting, Expenditure, Revenue, Performance and Risk Committee, made up of Senior General Managers and General Managers, has been in operation for about a year now. It is acknowledged that developmental programmes have to be offered to the committee in order for it to function at its optimums.

14. SCOPA RESOLUTIONS

The following SCOPA resolutions were raised during the 2010 financial year and all have been responded to:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 54/2010: Department of Education (Vote 5): Losses incurred due to awarding R169 million contract to Bombe Chitey Construction Projects (BCCP) without proper tender procedures being followed:	<p>Included in the irregular expenditure disclosed by the department is an amount of R16 741 000 being an amount incurred by an implementing agent for the appointment of Bombe Chitey due to supply chain management procedures not being complied with.</p> <p>The department has to report on the outcome of the legal advice sought in terms of (c) above and the possible recovery of funds transferred to Ithala Development Finance Corporation.</p>	<p>The opinion obtained by the department reflected that the Department is not liable for any damages as a result of the termination of the Agreement with Ithala, as this Agreement was terminated as a result of Ithala's failure to comply with the terms of the Agreement.</p> <p>There are no funds that are in the possession of Ithala except for the ongoing projects, therefore, there are no funds to be recovered from Ithala.</p>
Resolutions 59/2010: Transversal resolution on findings on predetermined objectives in the departments and public entities.	<p>The department did not have processes in place to report to the Member of the Executive Committee on the information on the pre-determined objectives.</p> <p>The department has to report on what measures have been put in place to ensure that no findings on pre-determined objectives are reported by the Auditor General in the 2010/11 audit reports.</p>	<p>The department has revised its Standard Operating Procedures (SOPS) and Policies to include reporting to the Executive Authority.</p>

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 60/2010: Transversal resolution on findings on non-compliance with laws and regulations in departments and public entities.	<p>The department did not report to the Provincial Treasury or the Auditor-General within 10 days all cases where goods and services were procured above the value of R1 million as required by National Treasury Practice Note 6 of 2007-08 read with Treasury Regulation 16A6.4</p> <p>Contrary to the requirements of Treasury Regulation 7.3, the department did not disclose information on the tariff structure of all fees, charges or the rates that are not or cannot be fixed by law in the annual report.</p>	<p>This forms part of the department's SCM procedures, it was an oversight not to report. The department has via the Office of the CFO ensured that all such approvals are reported to the Provincial Treasury.</p> <p>With respect to the tariff structure, this has been included in the final report and measures have been put in place to ensure proper inclusion in the preparation of the draft 2010/11 annual report to be submitted to the Auditor-General.</p>
Resolution 61/2010: Transversal resolution on staff debts in departments and public entities	The value of staff debts is continuously rising and the department was required to indicate the nature and age of the debtors and what is being done to recover, monitor and control staff debt.	Debts are being recovered, monitored and controlled in terms of the approved policy. A re-engineering process is being looked at in order to integrate the reporting processes within the department.
RESOLUTION 52/2010: Department of Education (Vote 5): Investigation	<p>There are 98 investigations in progress at year end relating to fraud and misappropriation of funds in the department and at school level.</p> <p>The department is required to indicate on the finalised investigations whether disciplinary and/or criminal action that was taken in terms of the findings in the reports and the funds that were recovered in each case.</p> <p>On cases that were not finalised, give progress on those matters.</p>	The investigations are at different levels and where disciplinary issues are recommended, these are being followed within the department.

15. PRIOR MODIFICATIONS TO AUDIT REPORTS

The following represents areas that were reported by the Auditor-General in the previous financial year and the departments' response to those issues.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial Year in which it first arose	Audit Issue	Progress made in clearing or resolving the matter
Emphasis of Matter -Unauthorised Expenditure	2009/10	As disclosed in note 10 to the financial statements, unauthorised expenditure to the amount of R253,286 million was incurred during the financial year as a result of overspending on programme 2 (R101,106 million), programme 4 (R14,144million), programme 5 (R19,384 million) and programme 8 (R118,652 million).	The department agrees with the finding as it relates to the definition. However, the issue is not about the internal control deficiencies as reported by the Auditor. The issues are largely about the insufficient funding allocated to the department for the Wage Agreement, OSD and Capital Infrastructure spending in 2009/10. As can be seen in the Appropriation Statement, Compensation of Employee accounts for R101 m of the over expenditure for the current year and Capital Infrastructure pressure from Programme 2 of R101 m. Provincial Treasury and the department are working on measures to alleviate pressures brought about by this.
Emphasis of Matter – Irregular Expenditure	2009/10	As disclosed in note 28 to the financial statements, irregular expenditure to the amount of R32,394 million was incurred during the financial year because proper supply chain management processes had not been followed.	The department agrees with the finding.
Fruitless and Wasteful Expenditure	2009/10	Fruitless and wasteful expenditure of R620 000 was incurred mainly due to events that were held where the number catered for was greater than the number of attendees.	The department has no control over the arrival/non-arrival of members of the public to events organised. However, in as far as the employees are concerned, the department recovers such monies from the employee concerned if there is no justifiable reason for not attending the event.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial Year in which it first arose	Audit Issue	Progress made in clearing or resolving the matter
Accruals	2009/10	As disclosed in note 24 to the financial statements accruals which exceeded the payment terms of 30 days as detailed in TR 8.2.3 amounted to R158.724 million. Of this amount an amount of R130.468 million would have constituted further unauthorised expenditure should the amounts due have been paid in time.	The department agrees with the finding. Accruals arise as a result of services rendered or goods delivered for which an invoice has not been paid. The department has no control over when suppliers submit invoices in order for these to be processed within the financial year.
Non-compliance with regulatory and reporting requirements	2009/10	Contrary to the requirements of Treasury Regulation 5.3.1, the department did not establish adequate procedures for quarterly reporting on performance objectives to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.	The Department agrees with this finding. The Standard Operating Procedures and policies have been amended so that the Executive Authority receives the Quarterly Reports.
Non adherence to the PFMA and Treasury Regulations	2009/10	The department did not report to the Provincial Treasury or the Auditor-General within 10 days, all cases where goods and services were procured above the value of R1 million as required by National Treasury Practice Note 6 of 2007-08 read with Treasury Regulation 16A6.4.	The department agrees with the finding. It was an oversight not to report these to Provincial Treasury, although they were prepared.
Non adherence to the PFMA and Treasury Regulations	2009/10	Contrary to the requirements of Treasury Regulation 7.3, the department did not disclose information on the tariff structure of all fees, charges or the rates that are not or cannot be fixed by law in the annual report.	The Department agrees with this finding. This will be updated in the Annual Report.

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The Department was exempted from reporting on immovable assets in the current financial year by the National Treasury. This was due to the fact that the Government Immovable Asset Management Act (GIAMA) no.19 of 2007 had not yet been approved for implementation to date.

17. OTHER

There are no other additional matters to be reported on.

18. APPROVAL

The Annual Financial Statements set out on pages 77 to 133 have been approved by the Accounting Officer.



Nkosinathi SP Sishi, PhD
Head of Department: Education

3.4 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2008.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.2.2 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

2.2.3 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.2.4 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.5 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.3 Aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense. 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 Position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-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 Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5,000 or more is purchased. All assets costing less than R5,000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All **other losses** are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable in the Statement of Financial Performance.

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

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.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost.

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the Statement of Financial Position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

4.8.1 Movable assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

4.8.2 Immovable assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset”. On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the Statement of Financial Position at cost.

5.4 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements.

5.6 Commitments

Commitments 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.

5.7 Accruals

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.

5.8 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.

5.9 Lease commitments

Lease commitments 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.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

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.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

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3.5 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Appropriation Per Programme										
2010/2011										2009/2010
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
1 Administration										
Current payment	1,177,413	-	33,171	1,210,584	1,210,585	(1)	100.0%	1,153,159	1,153,159	
Transfers and subsidies	17,009	-	-	17,009	9,815	7,194	57.7%	6,579	6,579	
Payment for capital assets	139,771	-	(3,113)	136,658	57,280	79,378	41.9%	99,539	71,355	
Payment for financial assets	133,602	(133,602)	-	-	86,571	(86,571)		4	4	
	1,467,795	(133,602)	30,058	1,364,251	1,364,251	-		1,259,281	1,231,097	
2 Public ordinary school Education										
Current payment	22,970,267	133,602	(187,415)	22,916,454	22,251,244	665,210	97.1%	20,423,397	20,423,397	
Transfers and subsidies	1,089,999	-	-	1,089,999	1,090,044	(45)	100.0%	1,067,041	1,067,041	
Payment for capital assets	1,563,894	-	88,793	1,652,687	1,679,847	(27,160)	101.6%	1,119,053	1,220,159	
	25,624,160	133,602	(98,622)	25,659,140	25,021,135	638,005		22,609,491	22,710,597	
3 Independent school subsidies										
Current payment	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	59,772	-	-	59,772	58,524	1,248	97.9%	54,098	54,098	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
	59,772	-	-	59,772	58,524	1,248		54,098	54,098	
4 Public special school education										
Current payment	391,933	-	58,356	450,289	458,211	(7,922)	101.8%	383,882	439,577	
Transfers and subsidies	119,534	-	(437)	119,097	71,497	47,600	60.0%	72,755	72,755	
Payment for capital assets	217,991	-	(39,060)	178,931	113,745	65,186	63.6%	94,384	52,833	
	729,458	-	18,859	748,317	643,453	104,864		551,021	565,165	
5 Further education and training										
Current payment	172,461	-	52,947	225,408	225,765	(357)	100.2%	255,048	265,126	
Transfers and subsidies	476,716	-	-	476,716	476,359	357	99.9%	364,091	382,369	
Payment for capital assets	12,663	-	(8,904)	3,759	3,759	-	100.0%	32,000	23,028	
	661,840	-	44,043	705,883	705,883	-		651,139	670,523	
Balance c/f	28,543,025	-	(5,662)	28,537,363	27,793,246	744,117	97.4%	25,125,030	25,231,480	

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Appropriation per Programme									
	2010/2011					2009/2010			
	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
Balance b/f	28,543,025	-	(5,662)	28,537,363	27,793,246	744,117	97.4%	25,125,030	25,231,480
6 Adult basic education and training									
Current payment	139,953	-	-	139,953	131,823	8,130	94.2%	160,633	160,273
Transfers and subsidies	564	-	437	1,001	1,001	-	100.0%	199	199
Payment for capital assets	1,336	-	(1,336)	-	-	-	-	1,391	102
	141,853	-	(899)	140,954	132,824	8,130		162,223	160,574
7 Early childhood development									
Current payment	277,988	-	8,507	286,495	286,495	-	100.0%	223,137	213,008
Transfers and subsidies	26,619	-	-	26,619	334	26,285	1.3%	215	215
Payment for capital assets	150,145	-	(36,380)	113,765	66,163	47,602	58.2%	78,696	37,264
	454,752	-	(27,873)	426,879	352,992	73,887		302,048	250,487
8 Auxiliary and associated services									
Current payment	387,951	-	34,434	422,385	450,323	(27,938)	106.6%	433,350	566,195
Transfers and subsidies	22,975	-	-	22,975	17,145	5,830	74.6%	19,654	19,654
Payment for capital assets	19,504	-	-	19,504	86	19,418	0.4%	16,549	2,356
	430,430	-	34,434	464,864	467,554	(2,690)		469,553	588,205
Total c/f	29,570,060	-	-	29,570,060	28,746,616	823,444	97.2%	26,058,854	26,230,746

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Appropriation per Programme									
	2010/2011					2009/2010			
	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
Total b/f	29,570,060	-	-	29,570,060	28,746,616	823,444	97.2%	26,058,854	26,230,746
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				63,864				88,128	
Add: Aid Assistance				31,709				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				29,665,633				26,146,982	
Add: Aid assistance					4,366				5,843
Actual amounts per Statement of Financial Performance Expenditure					28,750,982				26,236,589

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Appropriation per economic classification									
	2010/2011					2009/2010			
	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	22,769,852	133,602	(42,929)	22,860,525	22,742,939	117,586	99.5%	20,874,193	20,975,773
Goods and services	2,748,114	-	42,523	2,790,637	2,271,101	519,536	81.4%	2,155,170	2,241,718
Interest and rent on land	-	-	406	406	406	-	100.0%	3,244	3,244
Transfers and subsidies									
Provinces and municipalities	-	-	1,375	1,375	1,375	-	100.0%	426	426
Departmental agencies and accounts	22,975	-	(593)	22,382	16,552	5,830	74.0%	19,278	19,278
Non-profit institutions	1,737,087	-	(29,890)	1,707,197	1,631,707	75,490	95.6%	1,502,236	1,520,515
Households	53,126	-	29,108	82,234	75,085	7,149	91.3%	62,691	62,691
Payment for capital assets									
Buildings and other fixed structures	1,841,116	-	1,373	1,842,489	1,836,333	6,156	99.7%	1,288,181	1,288,181
Machinery and equipment	264,188	-	(1,373)	262,815	84,547	178,268	32.2%	153,370	118,855
Software and other intangible assets	-	-	-	-	-	-	-	61	61
Payment for financial assets									
	133,602	(133,602)	-	-	86,571	(86,571)	-	4	4
Total	29,570,060	-	-	29,570,060	28,746,616	823,444	97.2%	26,058,854	26,230,746

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAIL PER PROGRAMME 1: Administration									
2010/2011									
Programme per sub-programme	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	2009/2010 Final Appropriation R'000	2009/2010 Actual Expenditure R'000
1.1 Office of the MEC									
Current payment	18,896	-	(678)	18,218	18,218	-	100.0%	11,032	11,032
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	2,179	-	-	2,179	20	2,159	0.9%	329	329
1.2 Corporate services									
Current payment	540,267	-	98,170	638,437	638,438	(1)	100.0%	612,762	612,762
Transfers and subsidies	17,009	-	(5,104)	11,905	4,711	7,194	39.6%	1,531	1,531
Payment for capital assets	57,191	-	(3,113)	54,078	22,350	31,728	41.3%	51,953	51,953
1.3 Education Management									
Current payment	542,416	-	(34,207)	508,209	508,209	-	100.0%	487,776	487,776
Transfers and subsidies	-	-	5,078	5,078	5,078	-	100.0%	5,047	5,047
Payment for capital assets	77,856	-	-	77,856	34,910	42,946	44.8%	47,257	19,073
Payment for financial assets	133,602	(133,602)	-	-	86,571	(86,571)	-	4	4
1.4 Human Resource Development									
Current payment	49,172	-	(13,800)	35,372	35,372	-	100.0%	25,229	25,229
Transfers and subsidies	-	-	-	-	-	-	-	-	-
1.5 EMIS – Education Management Information Services									
Current payment	26,662	-	(16,314)	10,348	10,348	-	100.0%	16,360	16,360
Transfers and subsidies	-	-	26	26	26	-	100.0%	-	-
Payment for capital assets	2,545	-	-	2,545	-	2,545	-	-	-
Total	1,467,795	(133,602)	30,058	1,364,251	1,364,251	-	100.0%	1,259,281	1,231,097

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	2010/2011						2009/2010	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	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	788,288	-	(10,091)	778,197	778,197	-	716,486	716,486
Goods and services	389,125	-	42,970	432,095	432,096	(1)	435,860	435,860
Interest and rent on land	-	-	292	292	292	-	813	813
Transfers and subsidies								
Provinces and municipalities	-	-	1,305	1,305	1,305	-	208	208
Non-profit institutions	-	-	12	12	12	-	-	-
Households	17,009	-	(1,317)	15,692	8,498	7,194	6,371	6,371
Payment for capital assets								
Buildings and other fixed structures	68,021	-	(3,113)	64,908	36,979	27,929	63,201	48,780
Machinery and equipment	71,750	-	-	71,750	20,301	51,449	36,277	22,514
Software & other intangible assets	-	-	-	-	-	-	61	61
Payment for financial assets								
	133,602	(133,602)	-	-	86,571	(86,571)	4	4
Total	1,467,795	(133,602)	30,058	1,364,251	1,364,251	-	1,259,281	1,231,097

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 2: Public Ordinary School Education									
Programme per sub-programme	2010/2011			2009/2010					
	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
2.1 Public primary schools									
Current payment	12,417,785	-	(68,096)	12,349,689	12,335,549	14,140	99.9%	11,517,687	11,517,687
Transfers and subsidies	642,000	-	14,001	656,001	656,001	-	100.0%	665,402	665,402
Payment for capital assets	931,699	-	128,949	1,060,648	1,083,071	(22,423)	102.1%	709,568	810,674
2.2 Secondary schools									
Current payment	9,274,042	133,602	(354,328)	9,053,316	8,672,919	380,397	95.8%	7,822,083	7,822,083
Transfers and subsidies	427,999	-	(15,137)	412,862	409,315	3,547	99.1%	379,523	379,523
Payment for capital assets	624,527	-	(34,610)	589,917	589,917	-	100.0%	402,691	402,691
2.3 Professional services									
Current payment	204,786	-	234,446	439,232	439,232	-	100.0%	402,624	402,624
Transfers and subsidies	-	-	1,136	1,136	1,136	-	100.0%	1,621	1,621
Payment for capital assets	6,000	-	(5,408)	592	592	-	100.0%	3,434	3,434
2.4 Human resource development									
Current payment	159,219	-	-	159,219	1,867	157,352	1.2%	20,167	20,167
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.5 In school sport and culture									
Current payment	22,220	-	563	22,783	22,783	-	100.0%	41,589	41,589
Transfers and subsidies	-	-	-	-	-	-	-	70	70
Payment for capital assets	138	-	(138)	-	-	-	-	149	149
2.6 National school nutrition programme									
Current payment	853,755	-	-	853,755	753,088	100,667	88.2%	602,614	602,614
Payment for capital assets	1,530	-	-	1,530	128	1,402	8.4%	597	597
Total c/f	25,565,700	133,602	(98,622)	25,600,680	24,965,598	635,082	97.5%	22,569,819	22,670,925

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 2: Public Ordinary School Education

Programme per sub-programme	2010/2011						2009/2010		
	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
Total b/f	25,565,700	133,602	(98,622)	25,600,680	24,965,598	635,082	97.5%	22,569,819	22,670,925
2.7 HIV and AIDS									
Current payment	22,686	-	-	22,686	16,381	6,305	72.2%	16,633	16,633
Transfers and subsidies	20,000	-	-	20,000	23,592	(3,592)	118.0%	20,425	20,425
Payment for capital assets	-	-	-	-	25	(25)	-	2,614	2,614
2.8 Technical Secondary School Recap Grant									
Current payment	15,274	-	-	15,274	8,925	6,349	59.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	6,114	(6,114)	-	-	-
2.9 Expanded Public Works Programme									
Current payment	500	-	-	500	500	-	100.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	25,624,160	133,602	(98,622)	25,659,140	25,021,135	638,005	97.5%	22,609,491	22,710,597

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

2009/2010		
	Final Appropriation	Actual Expenditure
	R'000	R'000
	18,995,991	18,995,991
	1,426,548	1,426,548
	859	859
	-	-
	1,013,510	1,013,510
	53,530	53,530
	1,043,594	1,144,700
	75,459	75,459
	-	-
	22,609,491	22,710,597

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 3: Independent School Subsidies

	2010/2011							2009/2010	
Details per Sub-Programme	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 Transfers and subsidies	36,461	-	-	36,461	36,088	373	99.0%	32,935	32,935
3.2 Secondary Phase Transfers and subsidies	23,311	-	-	23,311	22,436	875	96.2%	21,163	21,163
Total	59,772	-	-	59,772	58,524	1,248	97.9%	54,098	54,098

	2010/2011							2009/2010	
Programme 3 Per Economic Classification	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	59,772	-	-	59,772	58,524	1,248	97.9%	54,098	54,098
Non-profit institutions	59,772	-	-	59,772	58,524	1,248	97.9%	54,098	54,098
Total	59,772	-	-	59,772	58,524	1,248	97.9%	54,098	54,098

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 4: Public Special School Education

Details per Sub-Programme	2010/2011						2009/2010	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Final Appropriation R'000	Actual Expenditure R'000
4.1 Special schools								
Current payment	388,751	-	61,217	449,968	457,890	(7,922)	381,827	437,522
Transfers and subsidies	119,534	-	(437)	119,097	71,497	47,600	72,755	72,755
Payment for capital assets	217,991	-	(39,060)	178,931	113,745	65,186	94,384	52,833
4.2 Human resource development								
Current payment	3,182	-	(2,861)	321	321	-	2,055	2,055
Total	729,458	-	18,859	748,317	643,453	104,864	551,021	565,165

Programme 4 Per Economic Classification	2010/2011						2009/2010	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Final Appropriation R'000	Actual Expenditure R'000
Current payments								
Compensation of employees	388,821	-	58,356	447,177	447,177	-	380,908	422,379
Goods and services	3,112	-	-	3,112	11,034	(7,922)	2,974	17,198
Transfers and subsidies								
Provinces and municipalities	-	-	70	70	70	-	218	218
Departmental agencies & accounts	-	-	-	-	-	-	-	-
Non-profit Institutions	118,312	-	(1,109)	117,203	69,603	47,600	71,041	71,041
Households	1,222	-	602	1,824	1,824	-	1,496	1,496
Payment for capital assets								
Buildings & other fixed structures	155,718	-	(39,060)	116,658	69,889	46,769	70,912	34,522
Machinery and equipment	62,273	-	-	62,273	43,856	18,417	23,472	18,311
Total	729,458	-	18,859	748,317	643,453	104,864	551,021	565,165

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 5: Further Education and Training

Details per sub-programme	2010/2011										2009/2010	
	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	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000
5.1 Public institutions												
Current payment	-	-	52,947	52,947	53,304	(357)	100.7%			265,126	255,048	
Transfers and subsidies	-	-	-	-	-	-	-			382,369	364,091	
Payment for capital assets	12,663	-	(8,904)	3,759	3,759	-	100.0%			23,028	32,000	
5.2 FET College Sector Grant												
Current payment	172,461	-	-	172,461	172,461	-	100.0%			-	-	
Transfers and subsidies	476,716	-	-	476,716	476,359	357	99.9%			-	-	
Total	661,840	-	44,043	705,883	705,883	-	100.0%			670,523	651,139	

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	2010/2011							2009/2010	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme 5 per Economic Classification									
Current payments									
Compensation of employees	172,461	-	50,710	223,171	223,528	(357)	100.2%	248,966	259,043
Goods and services	-	-	2,180	2,180	2,180	-	100.0%	4,512	4,512
Interest and rent on land	-	-	57	57	57	-	100.0%	1,570	1,570
Transfers and subsidies									
Non-profit institutions	476,716	-	(334)	476,382	476,025	357	99.9%	363,575	381,854
Households	-	-	334	334	334	-	100.0%	516	516
Payment for capital assets									
Buildings and other fixed structures	12,663	-	(8,904)	3,759	3,759	-	100.0%	32,000	23,028
Machinery and equipment	-	-	-	-	-	-	-	-	-
Total	661,840	-	44,043	705,883	705,883	-	100.0%	651,139	670,523

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 6: Adult Basic Education and Training

	2010/2011							2009/2010	
Details per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Public centres									
Current payment	139,953	-	-	139,953	131,823	8,130	94.2%	160,633	160,273
Transfers and subsidies	564	-	437	1,001	1,001	-	100.0%	199	199
Payment for capital assets	1,336	-	(1,336)	-	-	-	-	1,391	102
Total	141,853	-	(899)	140,954	132,824	8,130	94.2%	162,223	160,574

	2010/2011							2009/2010	
Programme 6 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	132,987	-	-	132,987	126,226	6,761	94.9%	151,739	151,379
Goods and services	6,966	-	-	6,966	5,597	1,369	80.3%	8,894	8,894
Transfers and subsidies									
Households	564	-	437	1,001	1,001	-	100.0%	199	199
Payment for capital assets									
Machinery and equipment	1,336	-	(1,336)	-	-	-	-	1,391	102
Total	141,853	-	(899)	140,954	132,824	8,130	94.2%	162,223	160,574

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 7: Early Childhood Development

Details Per Sub-Programme	2010/2011						2009/2010		
	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 Community centres									
Current payment	45,023	-	-	45,023	50,178	(5,155)	111.4%	26,438	16,308
Transfers & subsidies	-	-	266	266	266	-	100.0%	167	167
Payments for capital assets	30,842	-	-	30,842	3,080	27,762	10.0%	-	-
7.2 Grade R in public schools									
Current payment	134,903	-	8,507	143,410	219,554	(76,144)	153.1%	190,172	190,173
Transfers & subsidies	26,619	-	(266)	26,353	68	26,285	0.3%	48	48
Payments for capital assets	119,303	-	(36,380)	82,923	63,083	19,840	76.1%	78,696	37,264
7.3 Pre-Grade R									
Current Payment	96,530	-	-	96,530	16,551	79,979	17.1%	-	-
7.4 Human resource development									
Current payment	1,532	-	-	1,532	212	1,320	13.8%	6,527	6,527
Total	454,752	-	(27,873)	426,879	352,992	73,887	82.7%	302,048	250,487

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 7: Early Childhood Development

	2010/2011							2009/2010	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 7 Per Economic Classification									
Current payments									
Compensation of employees	171,084	-	47,234	218,318	218,318	-	100.0%	169,549	169,549
Goods and services	106,904	-	(38,727)	68,177	68,177	-	100.0%	53,588	43,459
Transfers and subsidies									
Non-profit institutions	26,619	-	(334)	26,285	-	26,285	-	12	12
Households	-	-	334	334	334	-	100.0%	203	203
Payment for capital assets									
Buildings & other fixed structures	149,869	-	(36,380)	113,489	66,163	47,326	58.3%	78,438	37,115
Machinery & equipment	276	-	-	276	-	276	-	258	149
Total	454,752	-	(27,873)	426,879	352,992	73,887	82.7%	302,048	250,487

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

		2010/2011					2009/2010	
Details per sub-programme		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
		R'000	R'000	R'000	R'000	R'000	R'000	%
8.1	Examination services							
	Current payment	334,464	-	28,453	362,917	390,855	(27,938)	107.7%
	Transfers & subsidies	-	-	366	366	366	-	100.0%
	Payment for capital assets	18,504	-	-	18,504	86	18,418	0.5%
8.2	Payments to SETA							
	Current payment	7,036	-	(7,036)	-	-	-	-
	Transfers & subsidies	22,975	-	(593)	22,382	16,552	5,830	74.0%
8.3	Special projects - Masifundisane							
	Current payment	46,451	-	13,017	59,468	59,468	-	100.0%
	Transfers & subsidies	-	-	227	227	227	-	100.0%
	Payment for capital assets	1,000	-	-	1,000	-	1,000	-
	Total	430,430	-	34,434	464,864	467,554	(2,690)	100.6%

2009/2010		
	Final Appropriation	Actual Expenditure
	R'000	R'000
	368,652	501,497
	376	376
	8,929	2,356
	-	-
	19,278	19,278
	64,698	64,698
	-	-
	7,620	-
	469,553	588,205

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

DETAILS PER PROGRAMME 8: Auxiliary & Associated Services

Programme 8 per Economic Classification	2010/2011						2009/10	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Final Appropriation R'000	Actual Expenditure R'000
Current payments	224,973	-	-	224,973	224,973	-	210,554	260,946
Compensation of employees	162,978	-	-	197,410	225,348	(27,938)	222,794	305,247
Goods and services	-	-	34,432	2	2	-	2	2
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers & subsidies	-	-	-	-	-	-	-	-
Provinces & municipalities	22,975	-	(593)	22,382	16,552	5,830	19,278	19,278
Departmental agencies & accounts	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	593	593	593	-	376	376
Households	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	37	37	37	-	36	36
Buildings and other fixed structures	19,504	-	(37)	19,467	49	19,418	16,513	2,320
Machinery & equipment	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Total	430,430	-	34,434	464,864	467,554	(2,690)	469,553	588,205

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

3.6 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

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 financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in the note to Financial transactions in Assets and Liabilities to the Annual Financial Statements.

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

4.1 Per programme:

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
1. Administration	1,364,251	1,364,251	-	0%
	N/A			

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
2. Public ordinary schools	25,659,140	25,021,135	638,005	2%
	During the year an amount of R 576 million which represents the unrecovered payments made in respect of "No Work, No Pay", was reversed from the Statement of Financial Performance and raised as a debtor in the Statement of Financial Position. Furthermore, an amount of R 101 million in respect of the National School Nutrition Programme was not spent.			

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
3. Independent school subsidies	59,772	58,524	1,248	2%
	This is in relation to some schools that did not meet the transfer requirements; hence the funds were not transferred to them.			

	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
4. Public special school education	748,317	643,453	104,864	14%
	A budget was initially set aside to enable schools to buy the assistive devices on their own. Due to the availability of a national contract, it was deemed prudent that the department buys on behalf of the schools and thus off set the over expenditure in Goods & Services. Furthermore, the budget that was set aside for the building of special schools was not fully spent due to the late commissioning of the projects.			

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR
ENDED 31 MARCH 2011**

5. Further education and training	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
	705,883	705,883	-	0%
	N/A			

6. Adult basic education and training	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
	140,954	132,824	8,130	6%
	This is as a result of the delays in the processing of the claims.			

7. Early childhood development	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
	426,879	352,992	73,887	17%
	A budget initially set aside to be transferred to schools was not transferred as the department opted to purchase the material on behalf of the schools so as to maximise the economies of scale. Furthermore the expenditure relating to the Grade R classes is contained in Programme 2 due to upgrades being done at school level being inclusive of Grade R infrastructure.			

8. Auxiliary and associated services	Final Appropriation R'000	Actual payment R'000	Variance R'000	Variance as a % of Final Appropriation %
	464,864	467,554	(2,690)	(1%)
	This amount relates to the pressure under Examinations sub-programme.			

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

4.2 Per economic classification

	Final appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments	25,651,568	25,014,446	637,122	2%
Compensation of employees	22,860,525	22,742,939	117,586	1%
N/A				
Goods and services	2,790,637	2,271,101	519,536	19%
This amount represents an under expenditure due to cost cutting measures. Furthermore, an amount of R 101 million in respect of the National School Nutrition Programme was not spent.				
Interest and rent on land	406	406	-	0.0%
Transfers and subsidies	1,813,188	1,724,719	88,469	5%
Provinces and municipalities	1,375	1,375	-	0.0%
Departmental agencies and accounts	22,382	16,552	5,830	26 %
This budget figure was due to an incorrect calculation and on re-calculation this resulted in an overall savings.				
Non-profit institutions	1,707,197	1,631,707	75,490	4%
This amount represents an under expenditure due to cost cutting measures. This is in relation to some schools that did not meet the transfer requirements, hence the funds were not transferred to them (Programme 3).				
Households	82,234	75,085	7,149	9%
Determining a budget for this category of expenditure is difficult due to the unpredictability of the cost driver.				
Payments for capital assets	2,105,304	1,920,880	184,424	9%
Buildings and other fixed structures	1,842,489	1,836,333	6,156	0.0%
Machinery and Equipment	262,815	84,547	178,268	68%
This amount represents an under expenditure on Machinery & Equipment due to cost cutting measures.				
Software and other intangible assets	-	-	-	0.0%
Payments for financial assets	-	86,571	(86,571)	0%
Irrecoverable debts written off.				
Total	29,570,060	28,746,616	823,444	3%

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**3.7 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
31 MARCH 2011**

	Notes	2010/11 R'000	2009/10 R'000
REVENUE			
Annual Appropriation	1.	29,570,060	26,058,854
Departmental revenue	2.	63,864	88,128
Aid assistance	3.	31,709	-
TOTAL REVENUE		29,665,633	26,146,982
EXPENDITURE			
Current expenditure			
Compensation of employees	4.	22,742,939	20,975,773
Goods and services	5.	2,271,101	2,241,718
Interest and rent on land	6.	406	3,244
Aid assistance	3.	4,366	5,297
Total current expenditure		25,018,812	23,226,032
Transfers and subsidies		1,724,719	1,602,910
Transfers and subsidies	8.	1,724,719	1,602,910
Expenditure for capital assets			
Tangible capital assets	9.	1,920,880	1,407,582
Software and other intangible assets	9.	-	61
Total expenditure for capital assets		1,920,880	1,407,643
Payments for financial assets	7.	86,571	4
TOTAL EXPENDITURE		28,750,982	26,236,589
SURPLUS/(DEFICIT) FOR THE YEAR		914,651	(89,607)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	15.	823,444	(171,892)
Annual Appropriation		718,095	(171,892)
Conditional Grants		105,349	-
Departmental revenue	16.	63,864	88,128
Aid assistance	3.	27,343	(5,843)
SURPLUS/(DEFICIT) FOR THE YEAR		914,651	(89,607)

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

3.8 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Notes	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		1,132,880	1,187,684
Unauthorised expenditure	10.	255,976	836,295
Fruitless and wasteful expenditure	11.	19,924	19,924
Prepayments and advances	12.	14,140	788
Receivables	13.	838,936	299,430
Aid assistance receivable	3.	3,904	31,247
Non-current assets		1,259	1,203
Investments	14.	1,259	1,203
TOTAL ASSETS		1,134,139	1,188,887
LIABILITIES			
Current liabilities		1,064,764	1,145,202
Voted funds to be surrendered to the Revenue Fund	15.	825,634	81,970
Departmental revenue to be surrendered to the Revenue Fund	16.	10,915	6,072
Direct Exchequer revenue to be surrendered to the Revenue		-	-
Bank overdraft	17.	108,627	934,090
Payables	18.	119,588	123,070
Aid assistance repayable	3.	-	-
Non-current liabilities		1,262	1,206
Payables	19.	1,262	1,206
TOTAL LIABILITIES		1,066,026	1,146,408
NET ASSETS		68,113	42,479
Represented by:			
Recoverable revenue		68,113	42,479
TOTAL		68,113	42,479

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

3.9 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2011

	2010/11 R'000	2009/10 R'000
Recoverable revenue		
Opening balance	42,479	30,513
Transfers	25,634	11,966
Debts recovered (included in departmental receipts)	-	-
Debts raised	25,634	11,966
Closing balance	68,113	42,479
TOTAL	68,113	42,479

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

3.10 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		29,665,133	26,145,233
Annual appropriated funds received	1.1	29,569,560	26,058,854
Departmental revenue received	2.	63,864	86,379
Aid assistance received	3.	31,709	-
Net (increase)/decrease in working capital		26,669	206,207
Surrendered to Revenue Fund		(140,991)	(646,858)
Current payments		(25,018,812)	(22,972,746)
Payments for financial assets	7.	(86,571)	(4)
Transfers and subsidies paid	8.	(1,724,719)	(1,602,910)
Net cash flows available from operating activities	20.	2,720,709	1,128,922
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9.	(1,920,880)	(1,407,643)
(Increase)/Decrease in investments		(56)	(74)
Proceeds from sale of capital assets		-	1,749
Net cash flows from investing activities		(1,920,936)	(1,405,968)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/Increase in net assets		25,634	11,966
Increase/(Decrease) in non-current payables		56	74
Net cash flows from financing activities		25,690	12,040
Net increase/(decrease) in cash and cash equivalents		825,463	(265,006)
Cash and cash equivalents at beginning of period		(934,090)	(669,084)
Cash and cash equivalents at end of period	21.	(108,627)	(934,090)

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

3.11 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not Requested/ not Received R'000	Appropriation Received 2009/10 R'000
Administration	1,364,251	1,364,251	-	1,259,281
Public ordinary school education	25,659,140	25,658,640	500	22,609,491
Independent school subsidies	59,772	59,772	-	54,098
Public special school education	748,317	748,317	-	551,021
Further education and training	705,883	705,883	-	651,139
Adult basic education and training	140,954	140,954	-	162,223
Early childhood development	426,879	426,879	-	302,048
Auxiliary and associated services	464,864	464,864	-	469,553
Total	29,570,060	29,569,560	500	26,058,854

	Notes	2010/11 R'000	2009/10 R'000
1.2 Conditional Grants**			
Total grants received		2,597,923	1,380,097
Provincial Grants included in Total grants received		1,035,501	746,136

(** It should be noted that the conditional grants are included in the amounts per the Final Appropriation in Note 1.1)

2. Departmental revenue

Sales of goods & services other than capital assets	2.1	33,384	30,979
Interest, dividends and rent on land and buildings	2.2	1,539	22,735
Sales of capital assets	2.3	-	1,749
Financial transactions in assets & liabilities	2.4	28,941	32,665
Transfer received	2.5	-	-

Total		63,864	88,128
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2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	33,383	30,963
Sales by market establishment	2,223	2,732
Other Sales	31,160	28,231
Sales of scrap, waste and other used current goods	1	16
Total	33,384	30,979

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	2010/11 R'000	2009/10 R'000
2.2 Interest, dividends and rent on land		
Interest	1,539	22,735
Total	1,539	22,735
2.3 Sales of capital assets		
Tangible assets		
Machinery and equipment	-	1,749
Total	-	1,749
2.4 Transactions in financial assets and liabilities		
Receivables	7,985	7,066
Other receipts including recoverable revenue	20,956	25,599
Total	28,941	32,665
2.5 Transfers received		
Public corporations and private enterprises	-	-
3. Aid assistance		
3.1 Assistance received in cash from RDP		
Local		
Opening Balance	-	-
Expenditure		
Current	-	-
Closing Balance	-	-
3.2 Assistance received in Cash from other sources		
Local		
Opening Balance	-	-
Expenditure		
Current	-	-
Closing Balance	-	-
Foreign		
Opening Balance	(31,247)	(25,404)
Revenue	31,709	-
Expenditure	(4,366)	(5,843)
Current	(4,366)	(5,297)
Capital	-	(546)
Closing Balance	(3,904)	(31,247)

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	2010/11 R'000	2009/10 R'000
3.3 Total		
Opening Balance	(31,247)	(25,404)
Revenue	31,709	-
Expenditure	(4,366)	(5,843)
Current	(4,366)	(5,297)
Capital	-	(546)
Closing Balance	(3,904)	(31,247)
Analysis of balance		
Aid assistance receivable	(3,904)	(31,247)
Other sources	(3,904)	(31,247)
Aid assistance repayable		
RDP	-	-
Closing balance	(3,904)	(31,247)
4. Compensation of employees		
4.1 Salaries and Wages		
Basic salary	16,340,816	15,525,830
Performance award	69,384	51,628
Service based	26,507	33,310
Compensative/circumstantial	242,864	241,631
Periodic payments	141,183	160,331
Other non-pensionable allowances	2,524,264	1,940,278
Total	19,345,018	17,953,008
4.2 Social contributions		
4.2.1 Employee contributions		
Pension	2,194,567	1,998,274
Medical	1,196,354	1,017,880
UIF	113	111
Bargaining council	1,407	1,017
Official unions and associations	5,480	5,483
Total	3,397,921	3,022,765
Total compensation of employees	22,742,939	20,975,773

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	Notes	2010/11 R'000	2009/10 R'000
Average number of employees		104,034	103,316
5. Goods and Services			
Administrative fees		15,991	33,514
Advertising		2,613	3,464
Assets less than R5,000	5.1	53,193	119,114
Audit Cost – external	5.4	12,657	9,220
Bursaries (employees)		22,143	13,722
Catering		40,772	57,085
Communication		47,607	50,728
Computer Services	5.2	38,329	21,851
Consultants, contractors and agency/outsourced services	5.3	146,362	82,516
Entertainment		6	118
Fleet Services		216	22
Inventory	5.5	1,276,796	1,185,388
Operating leases		113,955	78,976
Owned and leasehold property expenditure	5.6	187,345	218,068
Other operating expenditure	5.8	23,628	13,296
Transport provided as part of the departmental activities		19,471	30,490
Travel and subsistence	5.7	209,810	244,089
Training and staff development		40,894	49,063
Venues and facilities		19,313	30,994
Total		2,271,101	2,241,718
5.1 Assets less than R5,000			
Tangible assets		53,193	119,114
Machinery and equipment		53,193	119,114
Intangible assets		-	-
Total		53,193	119,114
5.2 Computer services			
SITA computer services		37,893	20,724
External computer service providers		436	1,127
Total		38,329	21,851

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	2010/11 R'000	2009/10 R'000
5.3 Consultants, contractors agency/ outsourced services		
Business and advisory services	86,177	22,003
Legal costs	2,846	2,775
Contractors	40,917	28,178
Agency and support/ outsourced services	16,422	29,560
Total	146,362	82,516
5.4 Audit cost – external		
Regulatory audits	12,657	9,220
5.5 Inventory		
Learning and teaching support material	418,694	293,948
Food and food supplies	752,327	588,326
Fuel, oil and gas	272	260
Other consumable materials	12,326	47,353
Maintenance material	1,533	11,852
Stationery and printing	91,569	243,102
Medical supplies	75	547
Total	1,276,796	1,185,388
5.6 Owned and leasehold property expenditure		
Municipal services	56,759	60,253
Property maintenance and repairs	74,300	119,324
Other	56,286	38,491
Total	187,345	218,068
5.7 Travel and subsistence		
Local	209,608	243,409
Foreign	202	680
Total	209,810	244,089
5.8 Other operating expenditure		
Learnerships	20,789	-
Professional bodies, membership and subscription fees	8	83
Resettlement costs	625	3,555
Other	2,206	9,658
Total	23,628	13,296

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	Notes	2010/11 R'000	2009/10 R'000
6. Interest and rent on land			
Interest paid		406	3,244
7. Payments for financial assets			
Material losses through criminal conduct		-	-
Other material losses	7.1	-	-
Debts written off	7.2	86,571	4
Total		86,571	4
7.1 Other Material losses			
Nature of losses			
Incident	Disciplinary steps taken/criminal proceedings		
Fraud cases	-	-	-
Total		-	-
7.2 Debts written off			
Nature of debts written off			
Advances from foreign and international organisation		-	-
Damages and losses		5,459	-
Inter-departmental claims		984	-
Debt account		79,234	4
Disallowance damages and losses		-	-
Disallowance dishonoured cheques		-	-
Disallowance miscellaneous		-	-
T & S advances domestic		292	-
T & S advances foreign		602	-
Total		86,571	4
8. Transfers and subsidies			
Provinces and municipalities	Annexure 1A	1,375	426
Departmental agencies and accounts	Annexure 1B	16,552	19,278
Public corporations and private enterprises		-	-
Non-profit institutions	Annexure 1C	1,631,707	1,520,515
Households	Annexure 1D	75,085	62,691
Total		1,724,719	1,602,910

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	Notes	2010/11 R'000	2009/10 R'000
9. Expenditure for capital assets			
Tangible assets		1,920,880	1,407,582
Buildings and other fixed structures		1,836,333	1,288,343
Machinery and equipment	33.1	84,547	119,239
Software and other intangible assets		-	61
Computer Software	35.1	-	61
Total		1,920,880	1,407,643

9.1 Analysis of funds utilised to acquire capital assets – 2010/2011

	Voted Funds R'000	Aid Assistance R'000	TOTAL R'000
Tangible assets	1,920,880	-	1,920,880
Buildings and other fixed structures	1,836,333	-	1,836,333
Machinery and equipment	84,547	-	84,547
Software and other intangible assets	-	-	-
Computer software	-	-	-
Total	1,920,880	-	1,920,880

9.2 Analysis of funds utilised to acquire capital assets – 2009/2010

	Voted Funds R'000	Aid Assistance R'000	TOTAL R'000
Tangible assets	1,407,036	546	1,407,582
Buildings and other fixed structures	1,288,181	162	1,288,343
Machinery and equipment	118,855	384	119,239
Software and other intangible assets	61	-	61
Computer software	61	-	61
Total	1,407,097	546	1,407,643

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

10. Unauthorised expenditure	Notes	2010/11 R'000	2009/10 R'000
10.1 Reconciliation of unauthorised expenditure			
Opening balance		836,295	1,076,463
Unauthorised expenditure – current year	15.	2,690	253,286
Less: Amounts approved by legislature with funding		(449,407)	(381,988)
Less: Amounts approved by legislature without funding		(133,602)	(111,466)
Unauthorised expenditure awaiting authorisation/written off		255,976	836,295
 Analysis of unauthorised expenditure awaiting authorisation per economic classification			
Current		255,976	836,295
Total		255,976	836,295
 Analysis of unauthorised expenditure awaiting authorisation per type			
Unauthorised expenditure relating to overspending of the vote or a main division within the vote		255,976	836,295
Total		255,976	836,295
 10.2 Details of unauthorised expenditure current year			
Incident	Disciplinary steps taken/criminal proceeding		
Programme 8 – Auxiliary and Associated Services		2,690	
Total		2,690	
 11. Fruitless and wasteful expenditure			
11.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		19,924	19,924
Fruitless and wasteful expenditure – current year		-	-
Current payment		-	-
Fruitless and wasteful expenditure awaiting condonement		19,924	19,924
 Analysis of awaiting condonement per economic classification			
Current		19,924	19,924
Total		19,924	19,924
 12. Prepayments and advances			
Travel and subsistence		-	646
Advances paid to other entities		14,140	142
Total		14,140	788

This amount relates to payments made in respect of Foundation Phase LTSM which was not delivered to the warehouse by end of the financial year. It must be noted that this had arisen due to the non availability of the catalogue from the National Department.

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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13. Receivables

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	2010/09 R'000
Claims recoverable	Annexure 3, 13.1	475	-	-	475	7,115
Staff debt	13.2	644,044	84,073	2,027	730,144	173,879
Other debtors	13.3	3,535	99,223	5,559	108,317	118,436
Total		648,054	183,296	7,586	838,936	299,430

13.1 Claims recoverable

National departments	44	4,770
Provincial departments	431	1,689
Universities and technikons	-	656
Total	475	7,115

13.2 Staff debt

Debt account	729,327	172,785
Salary: tax debt	817	1,094
Total	730,144	173,879

13.3 Other Debtors

Advances to public corporations and private enterprises	5,559	3,626
Provincial Revenue Fund – Indiza Receivables	99,054	99,054
Disallowance Accounts	-	5,890
Salary Accounts	3,346	8,796
Debt Account: Supplier Debtors	358	1,070
Total	108,317	118,436

14. Investments

**Non – Current
Securities Other Than Shares**

JMNA Hershensohn Funds	227	223
Robert Acutt Scholarship Fund	182	175
FL Johnsson Scholarship Fund	90	90
Harry Escombe Scholarship Fund	113	112
HA Koch Scholarship Fund	592	553
Jean Miller Memorial Prize Fund	55	50
Total	1,259	1,203
Total non-current	1,259	1,203

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Analysis of non-current investments		2010/11 R'000	2009/10 R'000
	Notes		
Opening balance		1,203	1,129
Additions in cash		56	74
Closing balance		1,259	1,203
<p>These trust funds were inherited from the erstwhile Natal Education Department and they stem from bequeaths of individuals who had left monies in their wills to the erstwhile Natal Education Department. The main purposes of these funds were to distribute bursaries to individuals in terms and conditions as stipulated in the wills of the individuals. These funds are invested savings and money market instruments thus earn market related interest. For the 2010/11 financial year the trusts earned R56,493-62 (R212,781 – from 2006/7 to 2009/10). The credit in respect of the interest is posted to payables – non-current – Note 19.</p>			
15. Voted Funds to be surrendered to the Revenue Fund			
Opening Balance		81,970	551,311
Transfer from Statement of Financial Performance		823,444	(171,892)
Add: Unauthorised expenditure for current year	10.	2,690	253,286
Voted funds not requested/ not received		(500)	-
Paid during the year		(81,970)	(550,735)
Closing Balance		825,634	81,970
<p>The above closing balance consists of a 104,849 ('000) rand value to be surrendered to National Departments for unspent conditional grants and a 720,785 ('000) rand value to be surrendered to the Provincial Revenue Fund. The amount of 500 ('000) rand value for the Extended Public Works Programme Conditional Grant had not been received by the department for the 2010/11 financial year.</p>			
16. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		6,072	14,067
Transfer from Statement of Financial Performance		63,864	88,128
Paid during the year		(59,021)	(96,123)
Closing balance		10,915	6,072

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

	Notes	2010/11 R'000	2009/10 R'000
17. Bank Overdraft			
Consolidated Paymaster General Account		108,627	934,090
Total		108,627	934,090
18. Payables- Current			
Description		Total R'000	Total R'000
Advances received	18.1	-	-
Clearing accounts	18.2	20,220	22,320
Other payables	18.3	99,368	100,750
Total		119,588	123,070
18.1 Advances received			
Advances from National departments		-	-
Total		-	-
18.2 Clearing accounts			
Salary: ACB Recalls		4,942	10,920
Salary: Deduction disallowance		-	660
Salary: Bargaining council		118	92
Salary: Finance institution study loan		36	32
Salary: Finance other institution		1	-
Salary: Garnishee order		866	487
Salary: Income Tax		9,469	6,440
Salary: Medical aid		1,136	1,184
Salary: Pension fund		3,652	2,505
Total		20,220	22,320
18.3 Other payables			
Pension recoverable		-	-
Salary: Pension debt account		314	1,696
Supplier for LTSM – Stationery – legal dispute		99,054	99,054
Damages: Payables CL		-	-
Credit balances: Debtors		-	-
Total		99,368	100,750
19. Payables – Non current			
Description		2010/11	2009/10
		One to two years	Total R'000
Other payables	19.1	56	1,206
Total		56	1,206

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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	Notes	2010/11 R'000	2009/10 R'000
19.1 Other payables			
JMNA Hersensohnn Funds		230	226
Robert Acutt Scholarship Fund		182	175
FL Johnsson Scholarship Fund		90	90
Harry Escombe Scholarship Fund		113	112
HA Koch Scholarship Fund		591	551
Umkomaas War Memorial Prize Fund		1	1
Jean Miller Memorial Prize Fund		55	51
Total		1,262	1,206
20. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		914,651	(89,607)
Add back non cash/cash movements not deemed operating activities		1,806,058	1,218,529
(Increase)/Decrease in receivables – current		(539,506)	(37,265)
(Increase)/Decrease in prepayments and advances		(13,352)	15,680
Decrease in other current assets		583,009	493,454
(Decrease)/Increase in payables – current		(3,482)	(12,376)
Proceeds from sale of capital assets		-	(1,749)
Expenditure on capital assets		1,920,880	1,407,643
Surrenders to revenue fund		(140,991)	(646,858)
Voted funds not requested/not received		(500)	-
Net cash flow generated by operating activities		2,720,709	1,128,922
21. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		(108,627)	(934,090)
Total		(108,627)	(934,090)

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

3.12 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

The amounts are not recognised in the Financial Statements and are disclosed to enhance the usefulness of the Financial Statements.

22. Contingent liabilities	Notes	2010/11 R'000	2009/10 R'000
Liable to	Nature		
Motor vehicle guarantees	Employees	-	-
Housing loan guarantees	Employees	27,136	53,097
Other departments(inter-departmental unconfirmed balances)	Annexure 4	6,515	1,927
Claims against the department	Annexure 2B	245,556	175,072
Total		279,207	230,096
23. Commitments			
Current Expenditure			
Approved and contracted		950,143	103,145
Approved but not yet contracted		106,348	-
		1,056,491	103,145
Capital Expenditure (including transfers)			
Approved and contracted		1,116,931	760,633
Approved but not yet contracted		2,603,382	2,089,865
		3,720,313	2,850,498
Total Commitments		4,776,804	2,953,643

Capital expenditure commitments to the amount of R3,699,830 ('000) is per the Infrastructure Reporting Model (IRM).

24. Accruals				
By economic classification	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services	38,493	35,926	74,419	124,453
Interest and rent on land	-	21	21	13
Transfers and subsidies	-	-	-	789
Capital Assets	40,862	1,808	42,670	149,817
Total	79,355	37,755	117,110	275,072

Listed by programme level

Administration	29,633	46,831
Public ordinary school education	61,178	212,061
Public special school education	24	12,898
Further education and training	-	1,357
Adult basic education and training	2	11
Early childhood development	-	61
Auxiliary and associated services	26,273	1,853
Total	117,110	275,072

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2010/11 R'000	2009/10 R'000
Confirmed balances with departments	Annexure 4	91,603	268,016
Total		91,603	268,016
25. Employee benefits			
Leave entitlement		236,960	209,693
Service bonus (Thirteenth cheque)		741,776	690,007
Performance awards		-	978
Capped leave commitments		2,660,898	2,540,545
Other		56,770	45,164
Total		3,696,404	3,486,387

The leave entitlement and capped leave balances as disclosed above are the net of negative balances. The negative balances amount is R3,813,408 - 01.

26. Leases Commitments
26.1 Operating leases - 2010/11

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	3,452	34,614	72,139	110,205
Later than 1 year and not later than 5 years	-	53,544	142,968	196,512
Later than five years	-	-	-	-
Total lease commitments	3,452	88,158	215,107	306,717

26.2 Operating leases – 2009/10

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	26,324	12,751	39,075
Later than 1 year and not later than 5 years	60,092	6,998	67,090
Later than five years	19	410	429
Total lease commitments	86,435	20,159	106,594

27. Receivables for departmental revenue

Interest, dividends and rent on land	2,233	-
Total	2,233	-

27.1 Analysis of receivables for departmental revenue

Opening balance	-	12
Less: Amounts received	-	12
Closing balance	-	-

This amount relates to the interest that accrues to the bank account of the managing agent in respect of LTSM prior to payments being made to suppliers. The department is in the process of reconciling the amount and amending the SLA in this regard.

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

	2010/11 R'000	2009/10 R'000
28. Irregular expenditure		
28.1 Reconciliation of irregular expenditure		
Opening Balance	902,436	1,540,806
Add: Irregular expenditure – relating to prior year	-	30,123
Add: Irregular expenditure – relating to current year	84,412	32,394
Less: Amounts condoned	(12,808)	(700,887)
Irregular expenditure awaiting condonation	974,040	902,436
 Analysis of awaiting condonation per age classification		
Current	71,604	20,151
Prior years	902,436	882,285
Total	974,040	902,436

The amount of R 9,303 ('000) relates to the balance for 2010/11 financial year that was raised in 2009/10. This was as a result of Ithala Development Finance Corporation not complying with SCM processes.

28.2 Details of irregular expenditure – current year		
Incident	Disciplinary steps taken / criminal proceedings	
Compensation of Employees	Per Schedules	1,854
Goods and Services	Per Schedules	73,255
Payment of capital assets	Per Schedules	9,303
		84,412
28.3 Details of irregular expenditure condoned		
Incident	Condoned by (condoning authority)	
Goods and services	Per Schedules	12,808
Transfer payments		-
		12,808
29. Fruitless and wasteful expenditure		
29.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance		739
Fruitless and wasteful expenditure – relating to prior year		-
Fruitless and wasteful expenditure – relating to current year		2,248
Less: Amounts condoned		(1,072)
Fruitless and wasteful expenditure awaiting condonement		1,915
 Analysis of awaiting condonement per economic classification		
Current		1,915
Total		1,915
29.2 Analysis of current year's fruitless and wasteful expenditure		
Incident	Disciplinary steps taken / criminal proceedings	
Goods & Services	Per Schedules	318
Interest and rent on land	Per Schedules	303
Total		621

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

30. Related party transactions

The Department is involved in the KwaZulu-Natal Education Development Trust. This trust is operated in conjunction with major donors in the private sector. The department exercises significant influences over the activities of the trust as majority of the Trustees are officials of the Department of Education. No voted funds were transferred to the trust during the 2010/11 financial year. No funds were received from the Flemish Government on behalf of the trust for the 2010/11 financial year as a result no funds were credited to the bank account of the KwaZulu-Natal Education Development Trust. The Department acts as an agent in respect of the receipt of these funds.

31. Key management personnel
Description

	No of Individuals	2010/11 R'000	2009/10 R'000
Political Office Bearers	1	1,492	1,458
Officials			
Level 15 to 16	4	3,204	4,188
Level 14	16	12,057	12,232
Family members of key management personnel	19	5,600	-
Total		22,353	17,878

32. Impairment and other provisions

Impairment			
Investments	-	-	-
Loans	-	-	-
Debtors	2,027	36,518	
Other	-	-	-
Total	2,027	36,518	

33. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals/ Transfers	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT					
Transport assets	112,284	-	27,637	-	139,921
Computer equipment	55,804	-	11,108	-	66,912
Furniture and Office equipment	18,376	-	20,862	20,529	18,709
Other machinery and equipment	991	-	35	-	1,026
TOTAL MOVABLE TANGIBLE ASSETS	187,455	-	59,642	20,529	226,568

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

During the year the department acquired R 20,529,000 (2010: R 72,823,000) of machinery and equipment on behalf of Non Section 21 schools. This amount is reflected in both additions and disposals.

33.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSET PER ASSET
REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Cash	Non-Cash	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	52,559	-	(24,922)	27,637
Computer Equipment	11,108	-	-	11,108
Furniture and Office equipment	20,845	17	-	20,862
Other machinery and equipment	35	-	-	35
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	84,547	17	(24,922)	59,642

33.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET
REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Sold cash	for Transfer out of destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	20,529	20,529	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	20,529	20,529	-

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

33.3 Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening Balance	Additions	Disposals/ Transfers	Closing Balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	70,286	49,038	7,040	112,284
Computer equipment	44,802	11,002	-	55,804
Furniture and Office equipment	12,502	78,697	72,823	18,376
Other machinery and equipment	607	384	-	991
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	128,197	139,121	79,863	187,455

34. Minor Assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2011

	Intangible assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Opening balance	105	26,762	26,867
Additions	-	814	814
TOTAL	105	27,576	27,681
Number of R1 minor assets	-	58,614	58,614
Number of minor assets at cost	-	16,419	16,419
TOTAL	-	75,033	75,033

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets	Machinery and Equipment	Total
	R'000	R'000	R'000
Minor assets	105	26,762	26,867
TOTAL	105	26,762	26,867
Number of R1 minor assets	-	58,515	58,515
Number of minor assets at cost	-	15,974	15,974
TOTAL	-	74,489	74,489

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

35. Intangible Capital Assets
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening Balance	Current Year Adjustments to prior year balances	Additions	Closing Balance
	R'000	R'000	R'000	R'000
Computer Software	1,163	-	-	1,163
TOTAL INTANGIBLE CAPITAL ASSETS	1,163	-	-	1,163

35.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash R'000	Total R'000
Computer Software	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	-

35.2 Movement for 2009/10
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening Balance	Additions	Closing Balance
	R'000	R'000	R'000
Computer Software	1,102	61	1,163
TOTAL INTANGIBLE CAPITAL ASSETS	1,102	61	1,163

36. Immovable Tangible Capital Assets
36.1 ADDITIONS

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	(Capital work-in-progress current costs and finance lease payments)	Total
	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	960,359	(960,359)	-
Non-residential buildings	960,359	(960,359)	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	960,359	(960,359)	-

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
3.13 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	2010/11						2009/10	
	GRANT ALLOCATION			SPENT			Division of Revenue Act	R'000
	Division of Revenue Act/ Provincial Grants	R'000	Roll Overs	DORA Adjustments	Other Adjustments	Total Available		
Division of Revenue Act:								
National Department of Education – HIV / AIDS	42,686	-	-	-	-	42,686	39,998	39,672
National Department of Education – National school Nutrition Programme	855,285	-	-	-	-	855,285	753,216	603,211
Technical Secondary School Recap Grant	15,274	-	-	-	-	15,274	15,039	-
FET College Sector Grant	649,177	-	-	-	-	649,177	648,820	-
Expanded Public Works Programme	500	-	-	-	-	500	500	-
Provincial Grants:								
Provincial Treasury – Provincial Infrastructure Grant	1,035,501	-	-	-	-	1,035,501	1,035,501	746,136
Total	2,598,423	-	-	-	-	2,598,423	2,493,074	1,389,019

Expanded Public Works Programme funds has not been received by the department amounting to R 500 ('000).

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO PROVINCIAL DEPARTMENTS AND MUNICIPALITIES

NAME OF DEPARTMENT	GRANT ALLOCATION			TRANSFER		SPENT			2009/10	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred	Amount Received by department R'000	Amount Spent by department R'000		% of Available funds spent by department
KwaZulu-Natal Department of Transport	-	-	1,375	1,375	1,375	100%	-	-	-	426
Total	-	-	1,375	1,375	1,375		-	-		426

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	
EDTP SETA	22,975	-	(593)	22,382	16,552	74%	19,278
TOTAL	22,975	-	(593)	22,382	16,552		19,278

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1C

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Administration	-	-	12	12	12	100%	-
Public ordinary school education	1,055,668	-	(28,125)	1,027,543	1,027,543	100%	1,013,510
Independent schools	59,772	-	-	59,772	58,524	98%	54,098
Public special school education	118,312	-	(1,109)	117,203	69,603	59%	71,041
FET Institutions	476,716	-	(334)	476,382	476,025	100%	363,575
Early childhood development	26,619	-	(334)	26,285	-	-	12
TOTAL	1,737,087	-	(29,890)	1,707,197	1,631,707		1,502,236

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	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							
Employees	53,126	-	29,078	82,204	75,055	91%	62,500
Act of Grace – Deceased learners	-	-	30	30	30	100%	191
TOTAL	53,126	-	29,108	82,234	75,085		62,691

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIPS	2010/11 R'000	2009/10 R'000
Received in cash			
Vivlia Publishers	Donations to Education Summit	15	-
RWL Furniture	Donations to Education Summit	10	-
ESP	Donations to Education Summit	10	-
Invictus	Donations to Education Summit	10	-
Cambridge University Press	Donations to Education Summit	5	-
Everybody's Books	Donations to Education Summit	5	-
Shuter & Shooter Publishers	Donations to Education Summit	15	-
Smile SA	Donations to Education Summit	15	-
Macmillan SA	Donations to Education Summit	20	-
SJS Consulting	Donations to Education Summit	2	-
Sizwe IT Group	Donations to Education Summit	10	-
Wamark Educational Publishers	Donations to Education Summit	5	-
Vulindlela Security	Donations to Education Summit	5	-
Microsoft	Donations to Education Summit	5	-
Nasou Via Afrika	Donations to Education Summit	5	-
Heinemann Publishers	Donations to Education Summit	15	-
Oshlanga Enterprise	Donations to Education Summit	5	-
MIET	Donations to Education Summit	5	-
Oxford University Press	Donations to Education Summit	5	-
Dimension Data	Donations to Education Summit	10	-
Windy Shanks Trading	Donations to Education Summit	5	-
Sub total		182	-

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

ANNEXURE 1E (Continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIPS	2010/11 R'000	2009/10 R'000
Received in kind			
MiET	Education Centres	22,571	-
Nutrend	Corporate gifts	2	-
Answer Series	Study guides	280	-
Society for Promotion of Japanese Diplomacy	Library buses	-	52
Sub total		22,853	52
Total		23,035	52

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 1F

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Royal Netherlands Embassy	Educational Centres	(31,247)	31,709	4,366	(3,904)
Total		(31,247)	31,709	4,366	(3,904)

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 - LOCAL

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 1 April 2010	Guarantees draw downs during the year	Guarantees/ Repayments/ Cancelled/ reduced/ released during the year	Closing balance 31 March 2011	Guaranteed interest outstanding as at 31 March 2011	Realised losses not recoverable, i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor Vehicles								
		-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-
Housing								
Standard Bank		-	5,487	-	2,225	3,262	-	-
FNB		-	8,500	-	4,727	3,773	-	-
Nedbank		-	3,037	-	1,188	1,849	-	-
ABSA		-	11,125	-	4,338	6,787	-	-
Peoples Bank FBC		-	135	-	116	19	-	-
Old Mutual		-	8,907	-	5,606	3,301	-	-
Hlano Financial services		-	14	-	-	14	-	-
Ithala Limited		-	15,630	-	7,706	7,924	-	-
Free State development		-	33	-	-	33	-	-
Green Start HL		-	160	-	74	86	-	-
Company Unique Finance		-	69	-	(19)	88	-	-
Sub total		-	53,097	-	25,961	27,136	-	-
TOTAL		-	53,097	-	25,961	27,136	-	-

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of Liability	Opening Balance 1 April 2010 R '000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Closing Balance 31 March 2011 R'000
Claims against the department Legal Claims	175,072	70,484	-	245,556
Total	175,072	70,484	-	245,556

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 3 CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed Balance		Unconfirmed balance		Total	
	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
DEPARTMENTS						
KwaZulu-Natal Office of the Premier	-	-	-	3	-	3
Other	-	-	-	8	-	8
Department of Basic Education	-	-	-	4,740	-	4,740
Gauteng Department of Education	-	-	304	131	304	131
Western Cape Department of Education	-	-	-	6	-	6
Mpumalanga Department of Education	-	-	17	473	17	473
Eastern Cape Department of Education	-	-	44	598	44	598
National Department of Health	-	-	-	12	-	12
Government communications	-	-	-	10	-	10
Limpopo Department of Education	-	-	-	197	-	197
North West Provincial Department of Education	-	-	-	14	-	14
Northern Cape Provincial Department of Education	-	-	-	17	-	17
Education	-	-	-	4	-	4
KZN Public Works	-	-	-	246	44	246
KZN Agriculture	-	-	44	656	-	656
University of WITS	-	-	-	-	37	-
Higher Education & Training	-	-	14	-	14	-
KwaZulu-Natal Department of Health	-	-	8	-	8	-
KZN Department of Social Development	-	-	2	-	2	-
National Labour	-	-	5	-	5	-
National Department of Rural Development	-	-	-	-	-	-
TOTAL	-	-	475	7,115	475	7,115

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

ANNEXURE 4

INTER-GOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		TOTAL	
	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
DEPARTMENTS						
Current						
KwaZulu-Natal Department of Transport	2,921	46,902	5,396	616	8,317	47,518
KwaZulu-Natal Department of Public Works	46,412	220,162	-	-	46,412	220,162
Department of Justice	1,577	430	119	-	1,696	430
KwaZulu-Natal Office of the Premier	169	521	-	340	169	861
KwaZulu-Natal Department of Health	-	-	1,000	971	1,000	971
Human Settlements	-	1	-	-	-	1
National Prosecuting Authority						
of SA	11	-	-	-	11	-
Mpumalanga Provincial						
Department of Education	162	-	-	-	162	-
KZN Provincial Treasury	40,351	-	-	-	40,351	-
Total	91,603	268,016	6,515	1,927	98,118	269,943

KWAZULU-NATAL - DEPARTMENT OF EDUCATION VOTE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

ANNEXURE 5
INVENTORY

	2010/11		2009/10	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening Balance	-	9,881	-	9,756
Add: Additions/Purchases – Cash	-	436,452	-	1,185,389
Add: Additions – Non – cash	-	82	-	-
(Less): Disposals	-	(240)	-	-
(Less): Issues	-	(333,774)	-	(1,185,264)
Closing balance	-	112,401	-	9,881

No quantities have been disclosed as the inventory consists of different types of inventory and each type of inventory has a different unit of measure. This annexure discloses opening, movements and closing values relating to the departments stores and Edu-Solutions Warehouse. This excludes "Inventory" as represented by National School Nutrition Programme, Learner Teacher Support Material, certain directorates that purchase on their own behalf and any other that the department buys on behalf of schools.

3.14 SCHEDULE OF IMMOVABLE ASSETS, LAND AND SUB SOIL ASSETS

Annexure A

KwaZulu-Natal Department of Education

SCHEDULE-IMMOVABLE ASSETS, LAND AND SUB SOIL ASSETS

Opening balances - 2007/2008

In the 2006/07 financial year the department applied Accounting Circular 1 of 2007. The impact of this circular on the financial statements resulted in the cumulative balances on buildings being transferred to the provincial Department of Works. The balance that was transferred was **R 2,384,355,000** under the category *Buildings and other fixed structures*.

Movements to immovable assets - 2007/2008

The department has applied the exemption as granted by the National Treasury and thus immovable assets have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2007/08 financial year on buildings recorded under the category *Buildings and other fixed structures* were **R 913,233,000**.

Disposals

The department did not dispose of any additions on buildings for the 2007/08 financial year.

Movements to immovable assets - 2008/2009

The department has applied the exemption as granted by the National Treasury and thus where there is uncertainty with regards to ownership of immovable assets; these have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2008/09 financial year on buildings recorded under the category *Buildings and other fixed structure* was **R 1,145,450,000**.

Disposals

The department did not dispose of any additions on buildings for the 2008/09 financial year.

Movements to immovable assets - 2009/2010

The department has applied the Guidelines as issued by the National Treasury and thus where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalised, these assets must not be disclosed in the notes to the annual financial statements. The register for immovables in the Province of KwaZulu Natal resides with the Department of Public Works.

Additions

The additions for the 2009/2010 year recorded on *Buildings and other fixed structures* are **R 1,288,343,000**.

Work-in-progress

The work-in-progress as at 31 March 2010 recorded on *Buildings and other fixed structures* are **R 798,381,000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2009/10 financial year.

Movements to immovable assets - 2010/2011

The department has applied the Guidelines as issued by the National Treasury and thus where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalised, these assets must not be disclosed in the notes to the annual financial statements. The register for immovables in the Province of Kwa-Zulu Natal resides with the Department of Public Works.

Additions

The additions for the 2010/2011 year recorded on *Buildings and other fixed structures* are **R 1,836,333,000**.

Work-in-progress

The work-in-progress as at 31 March 2011 recorded on *Buildings and other fixed structures* are **R 960,359,000**.

Annexure A

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2010/11 financial year.

The supplementary information presented does not form part of the annual financial statements and is unaudited.

SECTION 4

HUMAN RESOURCE MANAGEMENT



4.1 OVERSIGHT REPORT

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - KwaZulu-Natal -

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Provide access to learners 5-15 yrs	Learners between the ages of 7 and 15	Not applicable	100%	97 % access rate
Provide access to learners 16-18 yrs	Learners between the ages of 16 and 18	Not applicable	100%	75% access rate
Access to Grade R learners in public schools	Learners who are 5 years old	Not applicable	100%	95% access rate
Access to ABET Learners	Adult learners	Senior Citizens Out of school youth	1,050 Centres with 54,000 learners	1,048 Centres with 48,000 learners
Skills development in FET Colleges	Learners between the ages of 15 and 18	Adults Out of school youth	32675 (NCV)	20096
Access to LSEN learners	Learners with special education needs	Not applicable	13765	13965

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
<i>Imbizo, meetings</i>	Citizens, Parents, School Communities	Educators and Learners	1 a year
<i>Consultation with unions</i>	Organised Labour		1 meeting per quarter
<i>Workers parliament</i>	Workers		1 per year
<i>Youth Parliament</i>	Youth		1 per year
<i>Womens Parliament</i>	Women		1 per year
<i>Senior Citizen's Parliament</i>	Senior Citizens		1 per year

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
1. Human resource provision and development	1. Communication
2. Legislation and policy enforcement	2. Redress
3. Consultation	3. Transformation
4. Oversight over line function	4. Allocation of resources

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
MEC's Hotline	Queries, Fraud and Corruption
Call Centre	Queries and complaints
Suggestion boxes	Compliments and suggestions

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
1. Grievance Procedure as per Public Service Act and Batho Pele White Paper	83% resolution rate
2. Chapter G of PAM	
3. Web-based electronic complaints management system	
4. Established structures and systems in place to deal with complaints	

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - KwaZulu-Natal - Education
TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Prog 1: administration	1,364,251	778,197	0	0	57.0	230	3,057
Prog 2: public ordinary schools	25,659,140	20,724,520	0	0	80.8	211	98,368
Prog 3: independent schools	59,772	0	0	0	0.0	0	0
Prog 4: public special schools	748,317	447,177	0	0	59.8	150	2,989
Prog 5: further educ. & training	705,883	223,528	0	0	31.7	182	1,227
Prog 6: adult basic educ. & training	140,954	126,226	0	0	89.6	332	87
Prog 7: early childhood development	426,879	218,318	0	0	51.1	206	256
Prog 8: aux & assoc services	464,864	224,973	0	0	48.4	226	240
Total as on Financial Systems (BAS)	29,570,060	22,742,939	0	0	76.9	214	106,224

NB : The average Compensation of employees cost for programmes 1, 6, 7 and 8 are influenced by the Periodic payments made to employees who support these programmes on an ad hoc basis and paid according to the tariffs applicable to the work performed.
The averages reflected in the table are i.r.o the permanent employees of the programme.

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	593,182	2.61	80,301	23,398,877	7,387
Skilled (Levels 3-5)	1,807,044	7.95	124,572	23,398,877	14,506
Highly skilled production (Levels 6-8)	13,041,731	57.34	221,264	23,398,877	58,942
Highly skilled supervision (Levels 9-12)	6,861,957	30.17	275,448	23,398,877	24,912
Senior management (Levels 13-16)	58,763	0.26	763,162	23,398,877	77
Contract (Levels 1-2)	2,869	0.01	159,413	23,398,877	18
Contract (Levels 3-5)	37,127	0.16	113,192	23,398,877	328
Contract (Levels 6-8)	9,374	0.04	195,285	23,398,877	48
Contract (Levels 9-12)	1,911	0.01	477,748	23,398,877	4
Contract (Levels 13-16)	1,871	0.01	935,408	23,398,877	2
Periodical Remuneration	72,524	0.32	11,690	23,398,877	6,204
Abnormal Appointment	254,586	1.12	20,571	23,398,877	12,376
TOTAL	22,742,939	100.00	182,229	23,398,877	124,804

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Prog 1: administration	529,840	68.10	8,312	1.1	21,082	2.7	39,907	5.1	778,197
Prog 2: public ordinary schools	15,163,917	73.20	364	0	573,574	2.8	1,102,742	5.3	20,724,520
Prog 4: public special schools	353,241	79.00	280	0.1	17,747	4	32,647	7.3	447,177
Prog 5: further educ. & training	188,438	84.30	0	0	7,163	3.2	14,508	6.5	223,528
Prog 6: adult basic educ. & training	21,055	16.70	7	0	558	1	968	1	126,226
Prog 7: early childhood development	40,158	18.40	0	0	928	0.4	2,191	1	218,318
Prog 8: aux & assoc services	44,167	19.60	23,763	10.6	1,717	0.8	3,391	1.5	224,973
TOTAL	16,340,816	71.90	32,726	0.1	622,769	2.7	1,196,354	5.3	22,742,939

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - KwaZulu-Natal - Education

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	414,088	70.2	571	0.1	37,404	6.3	34,401	5.8	589,900
Skilled (Levels 3-5)	1,322,010	73.6	11,807	0.7	67,367	3.8	95,394	5.3	1,796,257
Highly skilled production (Levels 6-8)	9,297,874	71.7	14,244	0.1	374,047	2.9	775,645	6	12,966,834
Highly skilled supervision (Levels 9-12)	4,997,492	72	5,565	0.1	143,130	2.1	289,078	4.2	6,941,382
Senior management (Levels 13-16)	47,674	68	0	0	526	0.7	1,134	1.6	70,117
Contract (Levels 1-2)	2,642	92.7	0	0	29	1	43	1.5	2,851
Contract (Levels 3-5)	34,119	92.5	516	1.4	172	0.5	391	1.1	36,898
Contract (Levels 6-8)	8,168	86	3	0	94	1	232	2.4	9,500
Contract (Levels 9-12)	1,507	72.3	0	0	0	0	14	0.7	2,084
Contract (Levels 13-16)	1,523	77.9	0	0	0	0	22	1.1	1,955
Periodical Remuneration	38	0.1	0	0	0	0	0	0	72,569
Abnormal Appointment	213,682	84.6	0	0	0	0	0	0	252,593
TOTAL	16,340,816	71.9	32,726	0.1	622,769	2.7	1,196,354	5.3	22,742,939

HR OVERSIGHT - APRIL 2010 to MARCH 2011 - KwaZulu-Natal - Education

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Prog 1: administration, Permanent	3,886	3,208	17.4	226
Prog 2: public ordinary school, Permanent	108,335	98,154	9.4	2,132
Prog 2: public ordinary school, Temporary	16	16	0	0
Prog 4 : public special schools*, Permanent	3,370	2,995	11.1	42
Prog 5:further educ & train*, Permanent	1,364	1,233	9.6	112
Prog 5:further educ & train*, Temporary	2	2	0	0
Prog 6:adult basic educ & train*, Permanent	90	84	6.7	0
Prog 7 : early childhood dev*, Permanent	321	262	18.4	1
Prog 8:aux & assoc services*, Permanent	296	270	8.8	49
TOTAL	117,680	106,224	9.7	2,562

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	8,480	7,584	10.6	113
Lower skilled (Levels 1-2), Temporary	8	8	0	0
Skilled (Levels 3-5), Permanent	15,590	14,485	7.1	878
Skilled (Levels 3-5), Temporary	10	10	0	0
Highly skilled production (Levels 6-8), Permanent	66,408	58,754	11.5	1,134
Highly skilled supervision (Levels 9-12), Permanent	26,692	24,908	6.7	115
Senior management (Levels 13-16), Permanent	93	76	18.3	0
Contract (Levels 1-2), Permanent	18	18	0	12
Contract (Levels 3-5), Permanent	328	328	0	282
Contract (Levels 6-8), Permanent	48	48	0	26
Contract (Levels 9-12), Permanent	4	4	0	1
Contract (Levels 13-16), Permanent	1	1	0	1
TOTAL	117,680	106,224	9.7	2,562

TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	135	92	31.9	1
Agriculture related, Permanent	17	15	11.8	0
Appraisers-valuers and related professionals, Permanent	1	1	0	0
Archivists curators and related professionals, Permanent	1	1	0	0
Artisan project and related superintendents, Permanent	1	1	0	0
Auxiliary and related workers, Permanent	365	321	12.1	8
Boiler and related operators, Permanent	19	18	5.3	0
Building and other property caretakers, Permanent	374	335	10.4	3
Bus and heavy vehicle drivers, Permanent	80	76	5	0
Cleaners in offices workshops hospitals etc., Permanent	4,054	3,734	7.9	54
Client inform clerks(switchboard reception inform clerks), Permanent	7	6	14.3	0
Communication and information related, Permanent	9	8	11.1	1
Computer system designers and analysts., Permanent	2	2	0	2
Educationists., Permanent	35	31	11.4	0
Farm hands and labourers, Permanent	62	51	17.7	0

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy rate	Number of Posts Filled Additional to the Establishment
Farming forestry advisors and farm managers, Permanent	2	2	0	0
Finance and economics related, Permanent	33	20	39.4	1
Financial and related professionals, Permanent	101	57	43.6	0
Financial clerks and credit controllers, Permanent	415	356	14.2	1
Financial clerks and credit controllers, Temporary	1	1	0	0
Food services aids and waiters, Permanent	147	130	11.6	1
Food services workers, Permanent	2	2	0	0
Head of department/chief executive officer, Permanent	1	0	100	0
Health sciences related, Permanent	1	1	0	0
Household and laundry workers, Permanent	614	523	14.8	8
Household food and laundry services related, Permanent	4	2	50	0
Housekeepers laundry and related workers, Permanent	329	308	6.4	0
Human resources & organisat developm & relate pro	129	72	44.2	0
Human resources clerks, Permanent	535	471	12	19
Human resources related, Permanent	132	100	24.2	4
Information technology related, Permanent	11	11	0	11
Language practitioners interpreters & other commun	1	1	0	0
Legal related, Permanent	14	7	50	0
Librarians and related professionals, Permanent	44	42	4.5	0
Librarians and related professionals, Temporary	1	1	0	0
Library mail and related clerks, Permanent	323	299	7.4	27
Light vehicle drivers, Permanent	166	115	30.7	1
Logistical support personnel, Permanent	2	2	0	0
Material-recording and transport clerks, Permanent	66	60	9.1	0
Messengers porters and deliverers, Permanent	101	94	6.9	0
Motor vehicle drivers, Permanent	1	1	0	0
Occupational therapy, Permanent	3	0	100	0
Other administrat & related clerks and organisers, Permanent	4,852	4,573	5.8	204
Other administrat & related clerks and organisers, Temporary	16	16	0	0
Other administrative policy and related officers, Permanent	133	96	27.8	3
Other information technology personnel., Permanent	24	24	0	6
Other machine operators, Permanent	12	9	25	0
Other occupations, Permanent	61,596	53,632	12.9	2,100
Other printing trade workers, Permanent	3	3	0	0
Photographic lithographic and related workers, Permanent	9	9	0	1
Printing and related machine operators, Permanent	22	20	9.1	0
Professional nurse, Permanent	34	28	17.6	0
Rank: Departmental head transitional, Permanent	4	3	25	0
Rank: Departmental head, Permanent	1,894	1,744	7.9	0
Rank: Deputy principal, Permanent	85	79	7.1	2
Rank: Education specialist (feti), Permanent	53	44	17	0
Rank: Education specialist (school-based), Permanent	3	3	0	0
Rank: Education specialist deputy chief (feti), Permanent	4	3	25	0
Rank: Education specialist deputy chief (office based), Permanent	16	12	25	0
Rank: Education specialist senior (feti), Permanent	24	23	4.2	0
Rank: Education specialist senior (office based), Permanent	2	2	0	0
Rank: Education therapist (ther/psyc), Permanent	68	60	11.8	0
Rank: Lecturer (feti), Permanent	242	214	11.6	1
Rank: Principal (p3s3t3ss3), Permanent	1	1	0	1
Rank: Principal deputy (feti), Permanent	2	2	0	0
Rank: Principal deputy (school-based), Permanent	1	1	0	0
Rank: Principal gr10 (feti), Permanent	1	1	0	0
Rank: Principal gr7, Permanent	1	1	0	0
Rank: Principal gr9, Permanent	3	2	33.3	0
Rank: Principal p1 (transitional), Permanent	1	1	0	0
Rank: Principal p1, Permanent	24	22	8.3	0
Rank: Principal p2 (transitional), Permanent	11	9	18.2	0
Rank: Principal p2, Permanent	265	252	4.9	0
Rank: Principal p3 (transitional), Permanent	1	1	0	0
Rank: Principal p3, Permanent	115	108	6.1	0
Rank: Principal p4, Permanent	1	1	0	0
Rank: Teacher (school-based), Permanent	1	0	100	0
Rank: Teacher, Permanent	35,456	33,999	4.1	25
Risk management and security services, Permanent	14	9	35.7	0
Secretaries & other keyboard operating clerks, Permanent	307	272	11.4	66
Security guards, Permanent	3,893	3,450	11.4	9
Security officers, Permanent	10	10	0	0
Senior managers, Permanent	94	77	18.1	1
Social sciences supplementary workers, Permanent	15	15	0	0
Social work and related professionals, Permanent	1	1	0	0
Speech therapy and audiology, Permanent	1	1	0	0
Staff nurses and pupil nurses, Permanent	5	5	0	0
Trade labourers, Permanent	18	16	11.1	1
Unknown, Permanent	1	0	100	0
TOTAL	117,680	106,224	9.7	2,562

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TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	8,488	0	0	0	0	0	0
Contract (Levels 1-2)	18	0	0	0	0	0	0
Contract (Levels 3-5)	328	0	0	0	0	0	0
Contract (Levels 6-8)	48	0	0	0	0	0	0
Contract (Levels 9-12)	4	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	15,600	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	66,408	24	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	26,692	2	0	0	0	0	0
Senior Management Service Band A	71	0	0	0	0	0	0
Senior Management Service Band B	16	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	117,680	26	0	0	0	0	0

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	5	0	0	0	5
Male	2	0	0	0	2
Total	7	0	0	0	7
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
0	0	0	0	0	0
0	0	0	0	0	0
Total	0	0	0	0	0
Percentage of Total Employment	0	0	0	0	0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	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	0	0	0	0

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TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	7,208	429	141	2
Lower skilled (Levels 1-2), Temporary	9	0	0	0
Skilled (Levels 3-5), Permanent	14,886	6,006	5,200	34.9
Skilled (Levels 3-5), Temporary	9	0	0	0
Highly skilled production (Levels 6-8), Permanent	58,770	2,977	3,837	6.5
Highly skilled supervision (Levels 9-12), Permanent	23,856	93	772	3.2
Senior Management Service Band A, Permanent	63	0	7	11.1
Senior Management Service Band B, Permanent	14	0	0	0
Senior Management Service Band C, Permanent	3	0	1	33.3
Senior Management Service Band D, Permanent	2	0	1	50
Contract (Levels 1-2), Permanent	13	49	9	69.2
Contract (Levels 3-5), Permanent	167	465	457	273.7
Contract (Levels 6-8), Permanent	46	16	18	39.1
Contract (Levels 9-12), Permanent	4	2	1	25
Contract (Band A), Permanent	4	2	2	50
TOTAL	105,054	10,039	10,446	9.9

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	56	2	8	14.3
Agriculture related, Permanent	6	2	0	0
Ambulance and related workers, Permanent	1	0	0	0
Archivists curators and related professionals, Permanent	1	0	0	0
Artisan project and related superintendents, Permanent	5	0	0	0
Auxiliary and related workers, Permanent	213	57	17	8
Boiler and related operators, Permanent	21	0	1	4.8
Building and other property caretakers, Permanent	276	13	13	4.7
Bus and heavy vehicle drivers, Permanent	101	7	5	5
Cleaners in offices workshops hospitals etc., Permanent	3,827	220	123	3.2
Client inform clerks (switchboard reception clerks), Permanent	14	0	1	7.1
Communication and information related, Permanent	10	1	1	10
Conservation labourers, Permanent	12	0	0	0
Farm hands and labourers, Permanent	62	3	3	4.8
Farming forestry advisors and farm managers, Permanent	2	0	0	0
Finance and economics related, Permanent	19	0	0	0
Financial and related professionals, Permanent	32	1	1	3.1
Financial clerks and credit controllers, Permanent	276	18	23	8.3
Financial clerks and credit controllers, Temporary	1	0	0	0
Food services aids and waiters, Permanent	114	29	5	4.4
Food services workers, Permanent	1	0	0	0
General legal administration & rel. professionals, Permanent	4	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Health sciences related, Permanent	3	0	0	0
Household and laundry workers, Permanent	775	20	35	4.5
Household food and laundry services related, Permanent	19	0	1	5.3
Housekeepers laundry and related workers, Permanent	79	6	2	2.5
Human resources & organisational development & related professionals, Permanent	69	0	2	2.9
Human resources clerks, Permanent	477	14	19	4
Human resources related, Permanent	119	4	8	6.7
Information technology related, Permanent	12	1	1	8.3
Language practitioners interpreters & other communication professionals, Permanent	2	0	0	0
Legal related, Permanent	4	0	0	0
Librarians and related professionals, Permanent	7	0	0	0
Library mail and related clerks, Permanent	256	28	32	12.5
Library mail and related clerks, Temporary	1	0	0	0
Light vehicle drivers, Permanent	64	7	2	3.1
Logistical support personnel, Permanent	9	0	0	0
Material-recording and transport clerks, Permanent	84	2	8	9.5
Messengers porters and deliverers, Permanent	44	0	0	0
Motor vehicle drivers, Permanent	14	0	0	0
Not available, Permanent	0	1	0	0
Other administrative & related clerks and organisers, Permanent	4,522	498	506	11.2
Other administrative & related clerks and organisers, Temporary	15	0	0	0
Other administrative policy and related officers, Permanent	75	1	2	2.7
Other information technology personnel, Permanent	28	0	1	3.6
Other machine operators, Permanent	3	0	0	0
Other occupations, Permanent	89,475	8,908	9,506	10.6
Other occupations, Temporary	1	0	0	0
Photographic lithographic and related workers, Permanent	14	0	0	0
Physiotherapy, Permanent	1	0	0	0
Printing and related machine operators, Permanent	9	0	0	0
Professional nurse, Permanent	27	4	2	7.4
Rank: Unknown, Permanent	29	0	0	0
Risk management and security services, Permanent	9	0	0	0
Secretaries & other keyboard operating clerks, Permanent	317	55	61	19.2
Security guards, Permanent	3,299	134	45	1.4
Security officers, Permanent	19	0	1	5.3
Senior managers, Permanent	86	2	11	12.8
Social sciences supplementary workers, Permanent	15	0	0	0
Staff nurses and pupil nurses, Permanent	4	0	0	0
Trade labourers, Permanent	13	1	0	0
TOTAL	105,054	10,039	10,446	9.9

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	546	5.2	0.5	10,446	105,054
Resignation, Permanent	1,547	14.8	1.5	10,446	105,054
Expiry of contract, Permanent	7,589	72.6	7.2	10,446	105,054
Transfers, Permanent	2	0	0	10,446	105,054
Discharged due to ill health, Permanent	62	0.6	0.1	10,446	105,054
Dismissal-misconduct, Permanent	76	0.7	0.1	10,446	105,054
Retirement, Permanent	617	5.9	0.6	10,446	105,054
Other, Permanent	7	0.1	0	10,446	105,054
TOTAL	10,446	100	9.9	10,446	105,054

Resignations as % of Employment
9.9

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	56	5	8.9	31	55.4
Agriculture related	6	1	16.7	4	66.7
Ambulance and related workers	1	0	0	1	100
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	5	4	80	1	20
Auxiliary and related workers	213	25	11.7	121	56.8
Boiler and related operators	21	1	4.8	14	66.7
Building and other property caretakers	276	26	9.4	158	57.2
Bus and heavy vehicle drivers	101	2	2	78	77.2
Cleaners in offices workshops hospitals etc.	3,827	462	12.1	2,460	64.3
Client inform clerks (switchboard reception inform clerks)	14	0	0	9	64.3
Communication and information related	10	0	0	9	90
Conservation labourers	12	0	0	7	58.3
Farm hands and labourers	62	0	0	33	53.2
Farming forestry advisors and farm managers	2	0	0	0	0
Finance and economics related	19	3	15.8	12	63.2
Financial and related professionals	32	1	3.1	18	56.3
Financial clerks and credit controllers	277	17	6.1	184	66.4
Food services aids and waiters	114	5	4.4	69	60.5
Food services workers	1	0	0	1	100
General legal administration & rel. professionals	4	1	25	4	100
Head of department/chief executive officer	1	0	0	0	0
Health sciences related	3	0	0	3	100
Household and laundry workers	775	113	14.6	514	66.3
Household food and laundry services related	19	0	0	15	78.9
Housekeepers laundry and related workers	79	4	5.1	54	68.4
Human resources & organisational development & related professions	69	5	7.2	42	60.9
Human resources clerks	477	59	12.4	273	57.2
Human resources related	119	7	5.9	69	58
Information technology related	12	0	0	1	8.3
Language practitioners interpreters & other communication	2	0	0	1	50
Legal related	4	0	0	4	100
Librarians and related professionals	7	0	0	4	57.1
Library mail and related clerks	257	6	2.3	165	64.2
Light vehicle drivers	64	5	7.8	31	48.4
Logistical support personnel	9	0	0	1	11.1
Material-recording and transport clerks	84	5	6	37	44
Messengers porters and deliverers	44	1	2.3	26	59.1
Motor vehicle drivers	14	0	0	7	50
Other administrative & related clerks and organisers	4,537	564	12.4	2,942	64.8
Other administrative policy and related officers	75	7	9.3	31	41.3
Other information technology personnel	28	0	0	12	42.9
Other machine operators	3	0	0	2	66.7
Other occupations	89,476	3,067	3.4	73,534	82.2
Photographic lithographic and related workers	14	0	0	11	78.6
Physiotherapy	1	1	100	0	0
Printing and related machine operators	9	0	0	9	100
Professional nurse	27	5	18.5	1	3.7
Rank: Unknown	29	0	0	0	0
Risk management and security services	9	0	0	6	66.7
Secretaries & other keyboard operating clerks	317	19	6	152	47.9
Security guards	3,299	70	2.1	1,205	36.5
Security officers	19	0	0	10	52.6
Senior managers	86	0	0	69	80.2
Social sciences supplementary workers	15	15	100	0	0
Staff nurses and pupil nurses	4	0	0	0	0
Trade labourers	13	2	15.4	7	53.8
TOTAL	105,054	4,508	4.3	82,452	78.5

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TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	7,208	642	8.9	4,263	59.1
Lower skilled (Levels 1-2), Temporary	9	0	0	0	0
Skilled (Levels 3-5), Permanent	14,886	886	6	11,645	78.2
Skilled (Levels 3-5), Temporary	9	0	0	1	11.1
Highly skilled production (Levels 6-8), Permanent	58,770	1,670	2.8	53,968	91.8
Highly skilled production (Levels 6-8), Temporary	0	0	0	5	0
Highly skilled supervision (Levels 9-12), Permanent	23,856	1,308	5.5	12,473	52.3
Senior management (Levels 13-16), Permanent	82	0	0	65	79.3
Contract (Levels 1-2), Permanent	13	0	0	2	15.4
Contract (Levels 3-5), Permanent	167	1	0.6	70	41.9
Contract (Levels 6-8), Permanent	46	0	0	9	19.6
Contract (Levels 9-12), Permanent	4	1	25	0	0
Contract (Levels 13-16), Permanent	4	0	0	4	100
TOTAL	105,054	4,508	4.3	82,505	78.5

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	38	1	7	47	5	24	0	2	26	0	77
Professionals, Permanent	23,850	299	2,905	27,053	729	53,203	737	5,960	59,900	2,585	90,268
Technicians and associate professionals, Permanent	98	6	29	133	7	211	12	48	271	30	441
Clerks, Permanent	1,137	11	254	1,402	12	3,731	67	568	4,366	318	6,098
Clerks, Temporary	0	0	0	0	0	0	0	1	1	14	17
Service and sales workers, Permanent	3,128	12	26	3,166	2	344	2	15	361	11	3,540
Craft and related trades workers, Permanent	12	0	1	13	13	5	0	0	5	0	18
Plant and machine operators and assemblers, Permanent	140	4	57	201	1	14	1	0	15	0	217
Elementary occupations, Permanent	2,222	27	83	2,332	26	2,715	50	133	2,898	83	5,339
Elementary occupations, Temporary	0	0	0	0	1	0	0	0	0	0	1
Other, Permanent	63	0	1	64	1	130	0	12	142	1	208
TOTAL	30,688	360	3,364	34,412	783	60,377	870	6,740	67,987	3,042	106,224

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	4	5	0	2	1	0	3	0	8

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Senior Management, Permanent	36	1	7	44	5	23	0	2	25	0	74
Professionally qualified and experienced specialists and	7,230	168	2,005	9,403	487	11,003	274	2,579	13,856	1,163	24,909
Skilled technical and academically qualified workers, jur	13,457	141	1,050	14,648	247	38,235	476	3,570	42,281	1,577	58,753
Semi-skilled and discretionary decision making, Permar	5,231	31	218	5,480	34	8,138	94	468	8,700	270	14,484
Semi-skilled and discretionary decision making, Tempora	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making, Permanent	4,611	18	73	4,702	8	2,731	23	106	2,860	14	7,584
Unskilled and defined decision making, Temporary	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	0	0	0	4	0	0	4	0	4
Contract (Skilled technical), Permanent	21	1	2	24	1	19	0	3	22	1	48
Contract (Semi-skilled), Permanent	90	0	8	98	1	214	2	10	226	3	328
Contract (Unskilled), Permanent	9	0	0	9	0	9	0	0	9	0	18
TOTAL	30,688	360	3,364	34,412	783	60,377	870	6,740	67,987	3,042	106,224

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and	28	1	5	34	0	44	2	4	50	9	93
Skilled technical and academically qualified workers, jur	707	19	77	803	33	1,610	35	264	1,909	234	2,979
Semi-skilled and discretionary decision making, Permar	2,038	4	64	2,106	10	3,535	31	248	3,814	76	6,006
Unskilled and defined decision making, Permanent	213	3	6	222	2	190	5	6	201	4	429
Contract (Professionally qualified), Permanent	0	0	0	0	0	2	0	0	2	0	2
Contract (Skilled technical), Permanent	2	1	1	4	1	8	0	3	11	0	16
Contract (Semi-skilled), Permanent	150	0	9	159	0	287	4	13	304	2	465
Contract (Unskilled), Permanent	29	0	0	29	0	20	0	0	20	0	49
TOTAL	3,167	28	162	3,357	46	5,696	77	538	6,311	325	10,039

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	28	1	6	35	24	5	0	0	1	25	65
Professionally qualified and experienced specialists and	4,780	121	1,390	6,291	4,311	4,698	147	1,438	6,283	767	13,772
Skilled technical and academically qualified workers, junior	12,158	149	1,044	13,451	260	37,028	463	3,080	40,571	1,484	55,666
Skilled technical and academically qualified workers, junior	0	0	0	0	0	0	0	0	0	0	5
Semi-skilled and discretionary decision making, Permanent	4,612	19	171	4,802	16	7,166	71	326	7,563	188	12,569
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making, Permanent	2,606	13	63	2,682	13	2,069	30	92	2,191	34	4,920
Contract (Senior Management), Permanent	2	0	0	2	2	2	0	0	2	0	4
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	3	0	1	4	4	4	0	1	5	0	9
Contract (Semi-skilled), Permanent	23	0	5	28	0	40	1	1	42	1	71
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	2	2
TOTAL	24,212	303	2,680	27,295	725	51,034	712	4,939	56,685	2,480	87,065

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	4	5	0	1	1	1	3	0	8

TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	5	0	0	5	0	3	0	1	4	0	9
Professionally qualified and experienced specialists and	211	2	45	258	36	371	8	38	417	61	772
Skilled technical and academically qualified workers, junior	1,084	19	77	1,180	43	2,080	37	250	2,377	238	3,838
Semi-skilled and discretionary decision making, Permanent	2,012	5	43	2,060	10	2,928	20	147	3,094	36	5,199
Unskilled and defined decision making, Permanent	84	1	0	85	0	48	2	3	53	2	141
Contract (Senior Management), Permanent	0	0	0	0	0	2	0	0	2	0	2
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	1	1	0	2	1	12	0	3	15	0	18
Contract (Semi-skilled), Permanent	147	0	8	155	0	279	4	16	299	3	457
Contract (Unskilled), Permanent	5	0	0	5	0	4	0	0	4	0	9
TOTAL	3,549	28	173	3,750	91	5,736	71	458	6,266	340	10,446

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	1	1	0	1

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Dismissal	14	0	5	19	2	9	0	4	13	0	34
Fine	5	4	0	9	0	0	0	5	5	0	14
Final written warning	70	15	50	135	15	105	16	30	151	10	311
suspended without pay	30	2	16	48	1	10	3	10	23	3	75
Demotion	1	0	3	4	0	0	0	1	1	0	5
Written warning	8	0	10	18	1	3	0	5	8	1	28
Not guilty	15	0	10	25	2	1	0	2	3	2	38
Withdrawn cases	10	0	10	20	0	15	0	3	18	0	40
No outcome	50	5	33	88	1	2	5	21	28	6	123
TOTAL	203	22	141	366	24	145	24	87	256	22	668

TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	33	1	7	32	4	18	0	2	20	1	66
Professionals	175	5	9	189	0	101	1	7	109	2	300
Technicians and Associate Professionals	21	1	4	26	1	13	2	3	18	1	46
Clerks	128	26	30	184	13	166	25	32	235	12	432
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	80	10	5	96	3	50	6	5	64	3	162
TOTAL	437	43	55	527	21	348	33	50	446	19	1,006
Employees with disabilities	1	3	1	5	7	0	1	1	2	4	18

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TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	0	60,375	0	0	0
African, Male	0	30,687	0	0	0
Asian, Female	0	6,740	0	0	0
Asian, Male	0	3,360	0	0	0
Coloured, Female	0	869	0	0	0
Coloured, Male	0	360	0	0	0
Total Blacks, Female	0	67,984	0	0	0
Total Blacks, Male	0	34,407	0	0	0
White, Female	0	3,042	0	0	0
White, Male	0	783	0	0	0
Employees with a disability	0	8	0	0	0
TOTAL	0	106,224	0	0	0

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	0	7,592	0	0	0
Skilled (Levels 3-5)	0	14,495	0	0	0
Highly skilled production (Levels 6-8)	0	58,755	0	0	0
Highly skilled supervision (Levels 9-12)	0	24,908	0	0	0
Contract (Levels 1-2)	0	18	0	0	0
Contract (Levels 3-5)	0	328	0	0	0
Contract (Levels 6-8)	0	48	0	0	0
Contract (Levels 9-12)	0	4	0	0	0
Periodical Remuneration	0	6,204	0	0	0
Abnormal Appointment	0	12,373	0	0	0
TOTAL	0	124,725	0	0	0

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	0	54	0	0	0
Agriculture related	0	8	0	0	0
Ambulance and related workers	0	1	0	0	0
Archivists curators and related professionals	0	1	0	0	0
Artisan project and related superintendents	0	5	0	0	0
Auxiliary and related workers	0	261	0	0	0
Boiler and related operators	0	20	0	0	0
Building and other property caretakers	0	268	0	0	0
Bus and heavy vehicle drivers	0	102	0	0	0
Cleaners in offices workshops hospitals etc.	0	3,884	0	0	0
Client inform clerks (switchboard reception inform clerks)	0	13	0	0	0
Communication and information related	0	10	0	0	0
Conservation labourers	0	12	0	0	0
Farm hands and labourers	0	61	0	0	0
Farming forestry advisors and farm managers	0	2	0	0	0
Finance and economics related	0	19	0	0	0
Financial and related professionals	0	31	0	0	0
Financial clerks and credit controllers	0	284	0	0	0
Food services aids and waiters	0	136	0	0	0
Food services workers	0	1	0	0	0
General legal administration & rel. professionals	0	4	0	0	0
Health sciences related	0	3	0	0	0
Household and laundry workers	0	747	0	0	0
Household food and laundry services related	0	18	0	0	0
Housekeepers laundry and related workers	0	88	0	0	0
Human resources & organisat developm & relate p	0	70	0	0	0
Human resources clerks	0	479	0	0	0
Human resources related	0	112	0	0	0
Information technology related	0	12	0	0	0
Language practitioners interpreters & other commu	0	2	0	0	0
Legal related	0	4	0	0	0
Librarians and related professionals	0	7	0	0	0
Library mail and related clerks	0	258	0	0	0
Light vehicle drivers	0	70	0	0	0
Logistical support personnel	0	9	0	0	0
Material-recording and transport clerks	0	78	0	0	0
Messengers porters and deliverers	0	43	0	0	0
Motor vehicle drivers	0	14	0	0	0
Other administrat & related clerks and organisers	0	4,694	0	0	0
Other administrative policy and related officers	0	71	0	0	0
Other information technology personnel.	0	27	0	0	0
Other machine operators	0	2	0	0	0
Other occupations	0	90,116	0	0	0
Photographic lithographic and related workers	0	13	0	0	0
Physiotherapy	0	1	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Printing and related machine operators	0	9	0	0	0
Probation workers	0	1	0	0	0
Professional nurse	0	29	0	0	0
Rank: Unknown	0	209	0	0	0
Risk management and security services	0	9	0	0	0
Secretaries & other keyboard operating clerks	0	309	0	0	0
Security guards	0	3,401	0	0	0
Security officers	0	18	0	0	0
Senior managers	0	91	0	0	0
Social sciences supplementary workers	0	15	0	0	0
Staff nurses and pupil nurses	0	4	0	0	0
Trade labourers	0	14	0	0	0
TOTAL	0	106,224	0	0	0

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	0	60	0	0	0	0	0
Band B	0	14	0	0	0	0	0
Band C	0	2	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	0	77	0	0	0	0	0

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TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Lower skilled (Levels 1-2)	2	0.3	1	0.2	-1	3.7	686	659	-27
Skilled (Levels 3-5)	276	40.2	202	30.7	-74	274.1	686	659	-27
Highly skilled production (Levels 6-8)	362	52.8	411	62.4	49	-181.5	686	659	-27
Highly skilled supervision (Levels 9-12)	26	3.8	26	3.9	0	0	686	659	-27
Periodical Remuneration	18	2.6	17	2.6	-1	3.7	686	659	-27
Abnormal Appointment	2	0.3	2	0.3	0	0	686	659	-27
TOTAL	686	100	659	100	-27	100	686	659	-27

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	3	0.4	2	0.3	-1	3.7	686	659	-27
Elementary occupations	3	0.4	2	0.3	-1	3.7	686	659	-27
Other occupations	678	98.8	652	98.9	-26	96.3	686	659	-27
Professionals and managers	2	0.3	2	0.3	0	0	686	659	-27
Social natural technical and medical sciences+sup	0	0	1	0.2	1	-3.7	686	659	-27
TOTAL	686	100	659	100	-27	100	686	659	-27

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TABLE 9.1 - Sick Leave for Jan 2010 to Dec 2010

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	8,237	88.1	1,098	4.5	8	1,686	24,382	7,258
Skilled (Levels 3-5)	21,899	83	2,871	11.8	8	6,290	24,382	18,175
Highly skilled production (Levels 6-8)	127,135	87.4	14,557	59.7	9	72,459	24,382	111,060
Highly skilled supervision (Levels 9-12)	49,407	88.6	5,636	23.1	9	43,528	24,382	43,788
Senior management (Levels 13-16)	190	87.4	34	0.1	6	526	24,382	166
Contract (Levels 1-2)	3	0	2	0	2	1	24,382	0
Contract (Levels 3-5)	704	67.2	153	0.6	5	202	24,382	473
Contract (Levels 6-8)	115	87	28	0.1	4	60	24,382	100
Contract (Levels 9-12)	1	0	1	0	1	2	24,382	0
Not Available	9	11.8	2	0	4	6	24,382	1
TOTAL	207,699	87.2	24,382	100	9	124,760	24,382	181,021

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2010 to Dec 2010

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	477	100	10	2.6	48	104	477	391
Skilled (Levels 3-5)	903	100	16	4.1	56	265	903	391
Highly skilled production (Levels 6-8)	12,252	100	265	67.8	46	7,155	12,252	391
Highly skilled supervision (Levels 9-12)	5,778	100	99	25.3	58	5,183	5,778	391
Contract (Levels 3-5)	1	100	1	0.3	1	0	1	391
TOTAL	19,411	100	391	100	50	12,707	19,411	391

TABLE 9.3 - Annual Leave for Jan 2010 to Dec 2010

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	10,417	10	998
Skilled (Levels 3-5)	28,032	14	2,016
Highly skilled production (Levels 6-8)	26,216	10	2,558
Highly skilled supervision (Levels 9-12)	29,695	12	2,485
Senior management (Levels 13-16)	991	14	69
Contract (Levels 1-2)	86	10	9
Contract (Levels 3-5)	2,400	10	237
Contract (Levels 6-8)	618	16	38
Contract (Levels 9-12)	36	9	4
Contract (Levels 13-16)	12	12	1
TOTAL	98,504	12	8,415

TABLE 9.4 - Capped Leave for Jan 2010 to Dec 2010

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2010	Number of Employees as at 31 December 2010
Lower skilled (Levels 1-2)	36	3	55	13	56,727	1,031
Skilled (Levels 3-5)	291	5	55	58	137,260	2,489
Highly skilled production (Levels 6-8)	5,328	4	50	1,515	1,431,438	28,563
Highly skilled supervision (Levels 9-12)	5,965	5	72	1,174	1,709,501	23,699
Senior management (Levels 13-16)	3	3	115	1	6,329	55
TOTAL	11,623	4	60	2,761	3,341,255	55,837

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for	25,961	2,860	9,077
Current leave payout on termination of service for	11	7	1,571
TOTAL	25,972	2,867	9,059

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TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Educators	Awareness campaign Distribution of condoms Prevention, Care, Treatment & Access

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide 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.	Yes		Dr SZ Mbokazi: Senior General Manager- Human Resource & Administration Services
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	Yes		EAP Sub Directorate with one EAP Practitioner per District and 2 EAP Practitioners at Head Office. The Budget is +-R5m
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		1. The management of referrals. 2. Management of HIV and AIDS in a workplace. 3. Provision of Wellness Programmes
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.	Yes		Dr SZ Mbokazi: SGM-HR & Admin Services : Chairperson, Dr H.P. Gumede: GM: Delivery Support Services, Mr. L. Rambaran: GM: Financial Support Services, Dr L.T. Mbatha: GM: Curriculum, Mr G.N. Ngcobo: GM: HR, Mr M.R.C. Msweli: Manager HRD Planning & PSA HRD, Mrs T. Sifunda: Manager
5. Has the department reviewed the employment policies and practices of your department 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.	Yes		Recruitment Policy
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.	Yes		Conducting HIV and Aids workshops on HIV and AIDS Laws and Policies
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Number of employees disclosing their status has increased.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		No	

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TABLE 11.1 - Collective Agreements

Subject Matter	Date
No collective agreements were concluded for this financial year.	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Dismissal	34	5	34
Fine	14	2	14
Final written warning	311	47	311
Suspended without pay	75	11	75
Demotion	5	1	5
Written warning	28	4	28
Not guilty	38	6	38
Withdrawn cases	40	6	40
No outcome	123	18	123
TOTAL	668	100	668

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Absence	38	4.4	38
Attempt to assault	24	3	24
Improper conduct	0	0	0
Damaged/or causeloss	11	1	11
Participation in unlawful strike	0	0	0
Ghost educator	0	0	0
Insurbordination	36	4	36
Corporal punishment	0	0	0
Fraud	460	54	460
Alcohol abuse	16	2	16
Mismanagement of funds	100	12	100
Fake qualifications	123	15	123
Dishonesty	0	0	0
Forgery	0	0	0
Murder	1	0.1	1
Sexual misconduct	38	404	38
TOTAL	847	100	847

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
Promotion	489	93	489
Non payment of allowances	24	5	24
Unfair termination of contract	12	2	12
TOTAL	525	100	525

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TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	15	11.8
Dismissed	112	88.2
Total	127	

TABLE 11.6 - Strike Actions

Strike Actions	
Total number of person working days lost	12
Total cost(R'000) of working days lost	381,989,369
Amount (R'000) recovered as a result of no work no pay	144,728,621

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	36
Number of people whose suspension exceeded 30 days	36
Average number of days suspended	197
Cost (R'000) of suspensions	4,320,000

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TABLE 12.1 - Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	26	0	8	0	8
	Male	52	0	15	0	15
Professionals	Female	54,910	710	45,360	0	46,070
	Male	29,482	409	34,615	0	35,024
Technicians and associate professionals	Female	840	0	19	0	19
	Male	1,073	0	20	0	20
Clerks	Female	4,046	0	519	0	519
	Male	3,376	0	264	0	264
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	3,956	0	367	0	367
	Male	3,025	0	430	0	430
Gender sub totals	Female	63,778	710	46,273	0	46,983
	Male	37,008	409	35,344	0	35,753
Total		100,786	1,119	81,617	0	82,736

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	26	0	0	20	20
	Male	52	0	0	46	46
Professionals	Female	54,910	189	0	0	189
	Male	29,482	111	0	0	111
Technicians and associate professionals	Female	840	0	20	0	20
	Male	1,073	0	26	0	26
Clerks	Female	4,046	0	235	0	235
	Male	3,376	0	197	0	197
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	3,956	0	63	0	63
	Male	3,025	0	99	0	99
Gender sub totals	Female	63,778	189	318	20	527
	Male	37,008	111	322	46	479
Total		100,786	300	640	66	1,006

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TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	73	93.6
Temporary Total Disablement	5	6.4
Permanent Disablement	0	0
Fatal	0	0
Total	78	

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TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Various	-	261	R528 p.h. 3.36 per Km

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
As per financial statements	-	261	89,022,553

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Various	-	-	-

TABLE 14.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
As per financial statements	-	261	313,669

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Various	-	261	313,669

TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Various	-	-	-

CONCLUSION

The Annual Report 2010/11 responded to the commitments expressed by the Department in the Annual Performance Plan 2010/11. This Report has informed our stakeholders on what progress the Department has made in the achievement of its objectives; moreover it has justified the Department's performance and financial position for the 2010/11 financial year.

The accomplishment of the Department can be measured by the numerous interventions, programmes and projects which collectively contributed to increasing access to suitable infrastructure, increasing access to knowledge and knowledge creation, increasing access to economic activities and promoting socio-cultural access that has been a barrier to the majority of people of KwaZulu-Natal.

The Department will continue to review systems and procedures in an attempt to ensure excellent service delivery to the people of KwaZulu-Natal in line with our aim of uplifting and empowering the nation.

GLOSSARY OF TERMS

GLOSSARY OF TERMS

The definitions attached to particular terms *in this document* are provided below. These definitions may differ slightly from definitions employed in other Government planning contexts, for instance that of the Provincial Governments in general or that of another sector at the national level, e.g. health.

Programme Performance Measure [PPM]	Performance measures are national indicators linked to specific statistics. They are used to gauge performance in the education system. Each performance measure is linked to one measurable objective. Each performance measure takes the form of one provincial time series statistic.
Performance Target [PT]	A performance target is one numerical value for one future period in time with respect to a performance measure. Performance targets indicate in a precise manner the improvements that are envisaged in the education system.
Strategic Goal [SG]	Strategic goals are goals that determine the overall medium to long-term direction of the pre-tertiary education system. They reside at the top of the hierarchy of planning elements.
Strategic Objective [SO]	Strategic objectives are one level below the strategic goals. Their focus is more specific than that of the strategic goals. Most strategic objectives are linked to one provincial budget programme, though some may be generic to the sector as a whole.
The baseline	the current level of performance that the institution aims to improve. The initial step in setting performance targets is to identify the baseline, which in most instances is the level of performance recorded in the year prior to the planning period.
Performance targets	a specific level of performance that the institution, programme or individual is aiming to achieve within a given time period
Programme Performance Measure	Is a nationally determined indicator with specific numerical that track progress towards achievement of a sector priority
Performance standards	express the minimum acceptable level of performance, or the level of performance that is generally expected
Cost or Price indicators	important in determining the economy and efficiency of service delivery.
Distribution indicators	relate to the distribution of capacity to deliver services and are critical to assessing equity across geographical areas, urban-rural divides or demographic categories. Such information could be presented using geographic information systems.
Quantity indicators	relate to the number of inputs, activities or outputs. Quantity indicators should generally be time-bound; e.g. the number of inputs available at a specific point in time, or the number of outputs produced over a specific time period.
Quality indicators	reflect the quality of that which is being measured against predetermined standards. Such standards should reflect the needs and expectations of affected parties while balancing economy and effectiveness. Standards could include legislated standards and industry codes.
Dates and time frame indicators	reflect timeliness of service delivery. They include service frequency measures, waiting times, response time, turnaround times, time frames for service delivery and timeliness of service delivery.
Adequacy indicators	reflect the quantity of input or output relative to the need or demand - "Is enough being done to address the problem?"
Accessibility indicators	reflect the extent to which the intended beneficiaries are able to access services or outputs. Such indicators could include distances to service points, travelling time, waiting time, affordability, language, accommodation of the physically challenged.
Economy indicators	explore whether specific inputs are acquired at the lowest cost and at the right time; and whether the method of producing the requisite outputs is economical
Efficiency indicators	explore how productively inputs are translated into outputs. An

	efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output. Efficiency indicators are usually measured by an input:output ratio or an output:input ratio. These indicators also only have meaning in a relative sense. To evaluate whether an institution is efficient, its efficiency indicators need to be compared to similar indicators elsewhere or across time. An institution's efficiency can also be measured relative to predetermined efficiency targets.
Effectiveness indicators	explore the extent to which the outputs of an institution achieve the desired outcomes. An effectiveness indicator assumes a model of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals.
Equity indicators	explore whether services are being provided impartially, fairly and equitably. Equity indicators reflect the extent to which an institution has achieved and been able to maintain an equitable supply of comparable outputs across demographic groups, regions, urban and rural areas, and so on
Activities	The processes or actions that use a range of inputs to produce and output an ultimately an outcome
Inputs	The resources that contribute to the production and delivery of an output
Outputs	The goods and services produced by an institution for delivery.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving particular outputs.
Performance Indicator	Identify specific numerical that track progress towards the achievement of a goal.
Baselines	The current performance levels that the institution aims to improve when setting performance targets

ACRONYMS

ABET	Adult Basic Education and Training
AFET	Adult Further Education and Training
ASGI-SA	Accelerated and Shared Growth Initiative
CEM	Council of Education Ministers
CEO	Chief Executive Officer
CLC	Community Learning Centre
CTI	Cape Teaching Institute
DoE	National Department of Education
DTC	Departmental Training Committee
ECD	Early Childhood Development
EE	Employment Equity
EFA	Education For All
EMIS	Education Management Information System
EPWP	Expanded Public Works Programme
ETDP	Education, Training and Development Practices
EWP	Employee Wellness Programme
FET	Further Education and Training
FETC	Further Education and Training Certificate
FETMIS	Further Education and Training Management Information System
FTE	Full-Time Equivalent
GET	General Education and Training
GETC	General Education and Training Certificate
HEDCOM	Heads of Education Departments' Committee
HRD	Human Resource Development
ICT	Information and Communication Technology
IQMS	Integrated Quality Management System
LSEN	Learners with Special Education Needs
LTSM	Learning and Teaching Support Materials
MEC	Member of the Executive Council
MTEF	Medium-term expenditure framework
NCS	National Curriculum Statements
NGO	Non-Governmental Organisation
NQF	National Qualifications Framework

NSNP	National School Nutrition Programme
NSSF	Norms and Standards For School Funding
PED	Provincial Department of Education
PFMA	Public Finance Management Act
PPP	Public-private partnership
QUIDS-UP	Quality Improvement, Development, Support and Upliftment Programme
RCL	Representative Council of Learners
RPL	Recognition for Prior Learning
SAQA	South African Qualifications Authority
SASA	South African Schools Act
SDIP	Service Delivery Improvement Plan
SGB	School Governing Body
SITA	State Information Technology Agency

