



education

Department:
Education
PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT

2016/2017 FINANCIAL YEAR

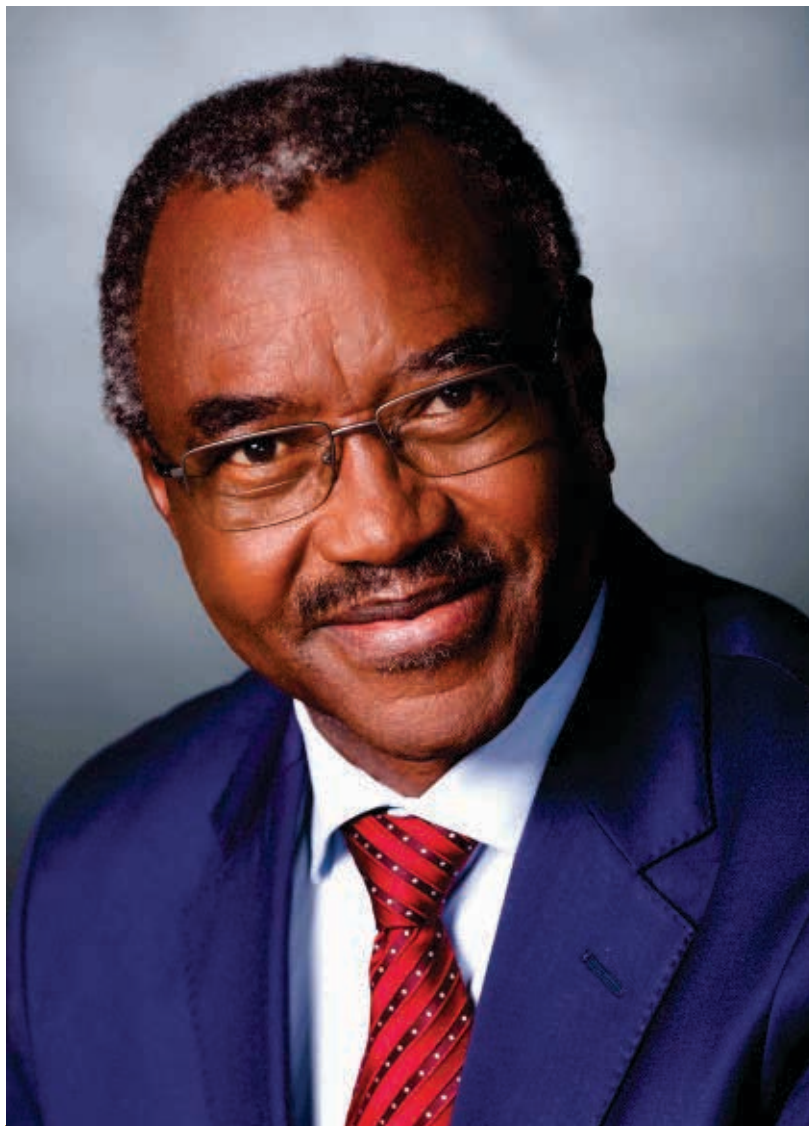


"Championing Quality Education - Creating and Securing a Brighter Future
Ukuqhakambisa Imfundo Yeqophelo Eliphezulu - Ukwenza Nokuqinisekisa Ikusasa Eliqhakazile....."

VOTE 5



His Excellency Mr Jacob G. Zuma
The President of the Republic of South Africa



Hon. Mr Willies Mchunu, MPL
Premier of the Province of KwaZulu-Natal



Hon. Mr Mthandeni Dlungwane, MPL
KwaZulu-Natal Legislature MEC: Education
KwaZulu-Natal Provincial Government



Dr E.V. Nzama
Head of Department : Education
KwaZulu-Natal



**DEPARTMENT OF EDUCATION
PROVINCE OF KWAZULU-NATAL
VOTE NO. 5**

**ANNUAL REPORT
2016/2017 FINANCIAL YEAR**



**KwaZulu-Natal Department of Education
ANNUAL REPORT 2016/2017**

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PART A



DEPARTMENT OF EDUCATION KZN
Annual Report 2016/17

GENERAL INFORMATION

1 DEPARTMENT GENERAL INFORMATION

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2 LIST OF ABBREVIATIONS/ACRONYMS

| | |
|---------|--|
| ABET | Adult Basic Education and Training |
| ACE | Advanced Certificate in Education |
| AET | Adult Basic Education and Training |
| AGSA | Auditor General of South Africa |
| AO | Accounting Officer |
| ASER: | Age Specific Enrolment |
| AFS | Annual Financial Statement |
| BREPRCO | Budget Review Expenditure Performance and Risk Committee |
| CAPS | Curriculum Assessment Policy Statement |
| CASS | Continuous Assessment |
| CEM | Council of Education Ministers |
| CHE | Committee on Higher Education |
| CPF | Community Policing Forum |
| DBE | Department of Basic Education |
| DHET | Department of Higher Education and Training |
| DTC | Departmental Training Committee |
| ECD | Early Childhood Development |
| EE | Employment Equity |
| EMIS | Education Management Information System |
| EPWP | Expanded Public Works Programme |
| EFA | Education for All |
| 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 |
| HEI | Higher Education Institution |
| HRD | Human Resource Development |
| HSRC | Human Sciences Research Council |
| ICT | Information and Communication Technology |
| IDP | Integrated Development Programme |
| IP | Infrastructure Plan |
| IQMS | Integrated Quality Management System |
| ICT | Information and Communication Technology |
| IQMS | Integrated Quality Management System |
| KZN | KwaZulu-Natal |
| KZNDoe | KwaZulu-Natal Department of Education |
| LTSM | Learning and Teaching Support Materials |
| LURITS | Leaner Unit Record Information and Tracking System |
| MDG | Millennium Development Goals |



| | |
|----------|---|
| MEC | Member of the Executive Council |
| MTEF | Medium-Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| MST | Mathematics, Science and Technology |
| NCS | National Curriculum Statements |
| NEIMS | National Education Infrastructure Management System |
| NEPA | National Education Policy Act |
| NGO | Non-Governmental Organisation |
| NQF | National Qualifications Framework |
| NSC | National Senior Certificate |
| NSNP | National School Nutrition Programme |
| NSSF | Norms and Standards for School Funding |
| PAJA | Promotion of Administrative Justice Act |
| PED | Provincial Department of Education |
| PEDs | Provincial Education Departments |
| PFMA | Public Finance Management Act |
| PGDP | Provincial Growth Development Plan |
| PGDS | Provincial Growth Development Strategy |
| PPP | Public-Private Partnership |
| PSA | Public Service Act |
| RCL | Representative Council of Learners |
| SACMEQ | Southern Africa Consortium for Monitoring Educational Quality |
| RPL | Recognition for Prior Learning |
| SIAS | Screening, Identification, Assessment and Support (SIAS) Strategy |
| SAQA | South African Qualifications Authority |
| SASA | South African Schools Act |
| SASAMS | South African School Administration and Management System |
| SCM | Supply Chain Management |
| SDIP | Service Delivery Improvement Plan |
| SDP | School Development Plan |
| SGB | School Governing Body |
| SITA | State Information Technology Agency |
| SMME | Strategic Management, Monitoring and Evaluation |
| SMS | Senior Management Service |
| Stats-SA | Statistics South Africa |
| RCL | Representative Council of Learners |
| SASA: | South African Schools' Act |
| SASAMS: | School Administration and Management System |
| SGB: | School Governing Body |
| SITA | State Information Technology Agency |
| SMT: | School Management Team |
| WSE: | Whole-School Evaluation |
| | |

3 FOREWORD BY THE MINISTER/MEC



Hon. Mr Mthandeni Khethomthandayo Dlungwane, MPL

MEC: Education KwaZulu-Natal Provincial Government

The NDP's vision for 2030 is that South Africans should have access to training and education of the highest quality, characterised by significantly improved learning outcomes. In pursuit of this mandate, this report seeks to account on the extent to which the department performed regarding the execution of the apex priorities of Government.

While we have faced severe budget constraints, we have managed to deliver on all statutory obligations with regard to access and promoting equity, while producing high quality academic results. The Department commenced the 2017 Academic Year at the backdrop of the increase of our matric results from 60.7% in 2015 to 66.4% in 2016. This was a result of our coordinated efforts that were aimed specifically at ensuring that requisite work was conducted inside the classroom thus empowering our learners with the required knowledge to perform at a standard that produced the results mentioned above.

The provision of education continues to play an important part in the developmental agenda of our Country and Province. The skills and knowhow required for a fast developing nation can be made available through an aggressive intervention in the provision of quality education both at basic and tertiary levels. If the province is to positively contribute to the attainment of the national development plan, there needs to be an unwavering commitment in providing increased higher education access opportunities for the citizens of our province and country. We need to increase the building of centres of excellence in the sciences and expand social and economic infrastructure that benefits basic and tertiary education facilities. The only way that we can guarantee development and global competitiveness is if we focus on building our education system.

The Department of Education embraces the concept of radical economic transformation as espoused by the government of the day. We regard our role in the programme for radical economic transformation as twofold: firstly, by strengthening technical and vocational education and training for greater links with industrial and agrarian economy skills demand and secondly, by targeting the School Infrastructure Programme, National School Nutrition Programme and the Learner Teacher Support Materials Programme as the focus areas to drive radical economic transformation. In the first instance Technical and Agricultural Schools are at the centre of our programme for radical economic transformation, and in the second instance we will assist black companies to get involved in specialized fields such as the production of materials that are incorporated into works. Here we want to see more black companies getting involved in the productive economy.

We have in the recent past experienced a great deal of instabilities in schools which result from an array of factors. These pose the greatest risks as they undermine stable delivery of teaching and learning at schools. In February this year we constituted a Response Team to address these instabilities in schools. This we did in order to ensure that every school achieves “Basic School Functionality” which is a prerequisite for teaching and learning. As we respond to the instabilities, we continue to emphasise sustainable measures to school management. We want our managers in schools and districts to immediately act when there is a breakdown of normality in schools and when unexpected events which have a destabilizing effect occur in schools. Incompetent and neglectful management will not be tolerated and must be eradicated.

We operate on the premise that everybody has the right to education, which has been recognised since the Universal Declaration of Human Rights (UDHR) in 1948. The right to free and compulsory primary education, without discrimination and of good quality, has been reaffirmed in all major international human rights conventions. Many of these same instruments encourage, but do not guarantee, post-primary education. These rights have been further elaborated to address issues like quality and equity, moving forward the issue of what the right to education means, and exploring how it can be achieved. As a minimum: all the provinces in our country must ensure that basic education is available, accessible, acceptable and adaptable for all. The right of girls to education is one of the most critical of all rights – because education plays an important role in enabling girls and women to secure other rights.

To this end, we have stepped up our efforts at improving educational opportunities for girls to help them develop skills that allow them to make decisions and influence community change in key areas. Our Inclusive Education programme acknowledges the past prejudices against girl learners and vigorously seeks to fully embrace and extend the true potential of the girl learner. We have also intensified our efforts at increasing the number of girl learners pursuing mathematics, science and technology at the further education and training level at schools and beyond.

We have also risen to the challenges of HIV and AIDS, learner pregnancy and substance abuse by putting in place a campaign entitled: “My Life, My Future”. This campaign was designed to effectively bring about change of attitude and behaviour amongst the youth. In keeping with good practice in community interventions with young people, this campaign has been implemented and extended within existing family, school and school community structures. The campaign capacitates parents, educators and learners to work towards the common goals of an inspired healthy life where young people have the courage and motivation to work towards their dreams.

We urge all stakeholders in education to actively participate in the “My Life, My Future” Campaign.

We, as a department believe that it is not just education but the even distribution of educational benefits among our province’s socioeconomic groups, in both rural and urban areas, that is required for poverty reduction.

To ensure a more equitable system, we will continue with our pro-poor policies. Schools in quintile 1, 2 and 3 receive substantial subsidies per learner for educational resources from the department. The no-fee policy has expanded access to education by children from poor communities.

In addition, through National School Nutrition Programme (NSNP) we have ensured that our learners don’t go to classes on empty stomachs. The NSNP was expanded to cover all primary and secondary schools in Quintiles 1, 2 and 3. 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. To date the department is feeding almost 600 000 learners.

As we continue to focus on changing the quality of education in the province, we have enhanced our plans for both the GET and FET phases which we are funding to the tune of R50m.

The plan focuses sharply on critical educational and administrative aspects which include basic school functionality to ensure a conducive atmosphere for effective teaching and learning; effective curriculum delivery and learner attainment which is informed by the National Strategy for Learner Attainment which calls for task on time and time on task; teacher development for continuous development of teachers for the implementation of the modern curriculum; career guidance to empower learners to make informed career choices; promotion of reading, writing and numeracy as foundations for effective learning and stakeholder participation for support and monitoring and to make education a societal issue.

We are highly confident that our efforts will yield positive results in the 2017/18 financial year.

I want to register my profound appreciation to everyone across the education spectrum, including learners, parents, organized labour, school governing bodies and civil society organisations, for their dedication and passionate commitment to education.



Hon. Mthandeni Dlungwane, MPL
KwaZulu-Natal Legislature MEC: Education
Date: 31 August 2017

4 REPORT OF THE ACCOUNTING OFFICER



Dr E.V. Nzama

Head of Department: Education KwaZulu Natal

OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT:

1. TRANSFORMATION OF THE SCHOOLING SYSTEM

This programme was implemented with the focus on community involvement in all schools, through the resuscitation of the Quality Learning and Teaching Committees (QLTC) in an attempt to intensify parental involvement as part of curriculum management and delivery. These committees were constituted by stakeholders at various levels, aimed at ensuring they are actively involved in education.

The alignment of schools remains a focus of the department. As such, special attention was paid to multi-grade schools through the introduction of a specially designed toolkit for these schools, through the rural academic support section of the department. In initiating this programme, a conscious decision was taken to address those schools that would have a minimal financial implication on the department. To date, the department has been able to consolidate a total of 171 schools in respect of this programme. Learners from consolidated Section 14 Schools were placed at Boarding Schools.

1.1 Revitalization and Expansion of Technical High Schools

Thirty two technical schools to date are fully equipped to support technical subjects. The Department has completed 15 workshops in 6 technical high schools. Training of 336 teachers in technical subjects was undertaken to offer technical subjects at these schools, particularly the specialisation areas within each field of study. Currently, 20 schools are offering maritime study subjects.

The Department is fully aware of the need to strengthen the teaching of technical subjects to meet the demands of the changing economy. To this end a new curriculum with specialisation in Grades 10 and 11 technical subjects is currently being implemented. These specialisations are: Welding, Fitting and Machining, Construction, Woodworking, Civil Services, Motor Mechanics, and Electrical Technology specialisation fields. A total of 413 teachers were trained for the implementation of this curriculum in 2016.

The Department's short to medium term goal is to increase the number of schools that offer technical subjects especially in the rural areas. It is envisaged that this move will assist in reducing the levels of unemployment in the province. The Department will build and fully equip a few more new technical schools. In addition, the Department plans to encourage complex secondary schools to offer at least one technical subject.

1.2 Expansion of Agricultural High Schools

The Department is focusing on strengthening the teaching of Agricultural Science in schools as a measure to contribute towards food security for the future generations. Four schools in the province have been recapitalised into full Agricultural Schools. These are: Weston Agricultural College; James Nxumalo Agricultural School; Vryheid Landbou Skool; and Shakaskraal Secondary School

Through a partnership with the Department of Agriculture and Rural Development KZNDOE continues to provide support in maintaining these agricultural schools.

There are another 574 schools in the province that offer Agricultural Science as a subject.

Currently KZNDOE is in discussion with the Department of Agriculture and Rural Development with a view of signing a new Memorandum of Agreement that will assist the Department in increasing the number of Agricultural Schools and also assist in increasing the number of schools that offer Agricultural Science as a subject.

1.3 Maritime Education

The Department continues to expand maritime education to expose learners to the maritime sector as outlined in the National Development Plan (NDP) and further outlined in the objectives of Operation Phakisa for the Blue Economy which was launched by the President in 2014.

There are currently twenty (20) schools offering Maritime Economics as part of their curriculum in KZN spread across eight (8) districts, with 1 600 learners in Grades 10-12 as compared to five (5) schools in 2014. Three (3) of these schools are now offering a full suite of Maritime Studies' subjects, viz. Nautical science and Maritime Economics in Grades 10-12.

1.4. Three Stream Model

The Three Stream Model is the concept whereby the country is rolling out three streams of curriculum that will cater for diverse interests and abilities of learners across the spectrum. Historically the country had an Academic Stream which is pursued by 80% of learners and the Technical Vocational Stream followed by the remaining 20% of learners.

The Technical Occupational Stream is being introduced as a curriculum to cater for all learners who

demonstrate an interest in a skills based curriculum.

The implementation realities of the Technical Occupational Stream have necessitated that it be restricted only to schools of skills that currently accommodate learners with special needs and there are 5 such schools in the province.

Teachers have already been trained to pilot this new project in 2017 while plans are in place to update the equipment in preparation for 2018. An amount of R3million has been allocated to this programme.

With the new diversified curriculum, the Department seeks to prepare our youth to create jobs instead of being job seekers. This stream will ensure that learners who cannot benefit maximally from the Academic Stream, will leave school fully equipped with the necessary skills. The Department believes that it is in this area where the Radical Economic Transformation agenda will make a difference.

2 CURRICULUM AND ASSESSMENT

The department maintained the intervention programmes of previous years, but the main aspect of curriculum delivery and support focussed on the role of circuit managers as curriculum delivery supervisors, the audit of curriculum delivery, reskilling of teachers through improved teacher development strategies, as well as improvement of assessment strategies in the General Education and Training band. Subject advisors and circuit managers assisted schools to monitor curriculum coverage using a very effective monthly instrument. There was regular monitoring of curriculum coverage by the School Management Teams (SMTs). Schools received well prepared lesson plans coupled with assessment exercises and memoranda. These exercises helped teachers to get feedback after teaching each aspect of work. Schools had curriculum delivery targets which were monitored by the circuit management on a monthly basis. Schools wrote common tests as part of Continuous Assessments (CASS) in all subjects, where they obtained less than 75 per cent. The schools were sampled for moderation by subject.

3 PROVISION OF LEARNER TEACHER SUPPORT MATERIAL (LTSM)

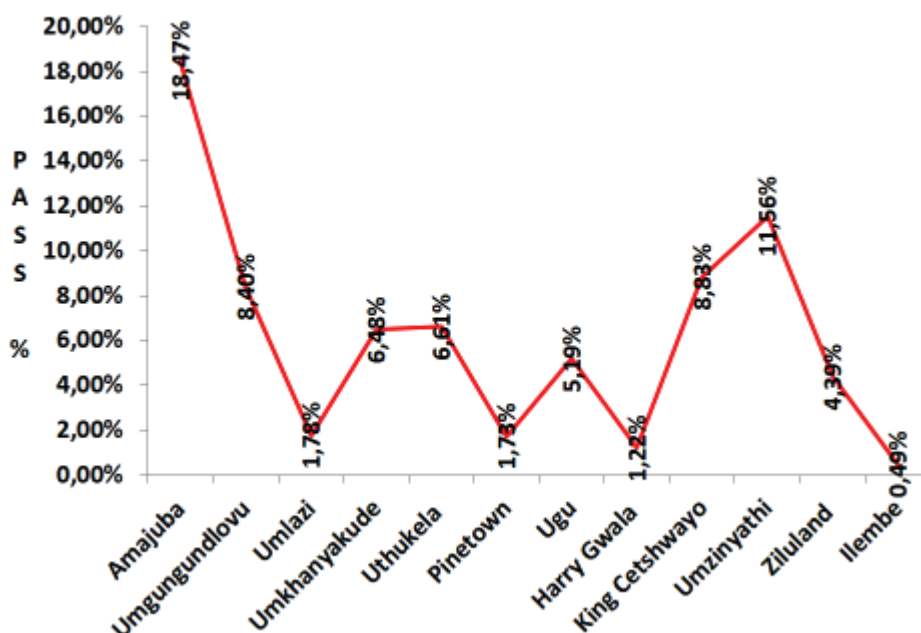
The provision and availability of LTSM on the first day of school in all schools is one of the contributory factors to the provision of quality education. The 2016/17 distribution of LTSM for all schools, including ECD transfers to schools, was completed in November 2016. Text book coverage is still a challenge for some grades. Up until Grade 7, textbook coverage is at 100 per cent, but challenges continued to be experienced from Grade 8 upwards. The provision of school furniture for new schools built in the last three years was provided for from the infrastructure budget. There is still a backlog of school furniture for all grades and this will continue to be addressed in 2017/18 through reprioritisation of funds. An amount of R20 million was provided for transfers to ECD classes and this was transferred to most schools and procurement of LTSM for these schools was also undertaken.

4 NATIONAL SENIOR CERTIFICATE EXAMINATIONS

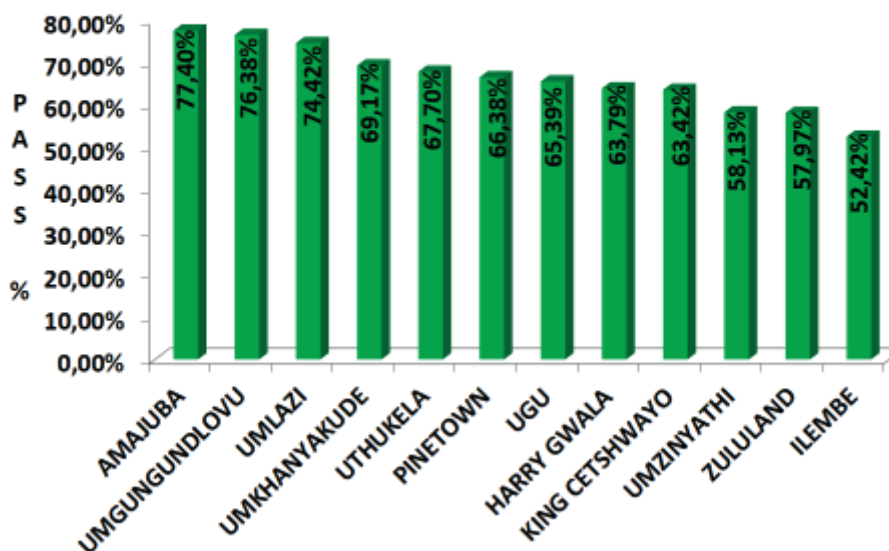
The 2016 Grade 12 class was the third group to write the CAPS aligned examination. The 2015 results indicated a drastic decline compared to the previous year. The department therefore developed an academic improvement plan which focused on basic school functionality, curriculum delivery and learner attainment, teacher development and reading promotion. This included the “Bounce Back” intervention programme which took place during weekends and holidays, especially the July and September holidays. Teacher training in content and methodology was undertaken for Accounting, Business Studies, Economics and languages. All Mathematics teachers for Grade 8 and 9 were provided with lesson plans including “Sasol-Inzalo” workbooks and teacher guides which were distributed to districts. The workbooks combine both subjects into a single, comprehensive school book, as well as teacher manuals. The workbooks are made available at no cost for Grades 4 to 6.

There were 147 646 candidates, which included 12 938 progressed learners, who sat for the 2016 National Senior Certificate (NSC) examinations in October/November 2016 in KZN. In 2016, all the large gateway subjects improved except for Business Studies. Mathematics Literacy improved from 57.66 per cent in 2015 to 65.45 per cent in 2016, Physical Sciences improved from 51.81 per cent in 2015 to 57.76 per cent in 2016, and Mathematics improved from 33.23 per cent in 2015 to 37.91 per cent in 2016. The province performed well in other subjects, such as Agricultural Technology, Consumer Studies, Civil Technology Engineering Graphics and Design, Mechanical Technology, etc. They obtained 90 per cent and above.

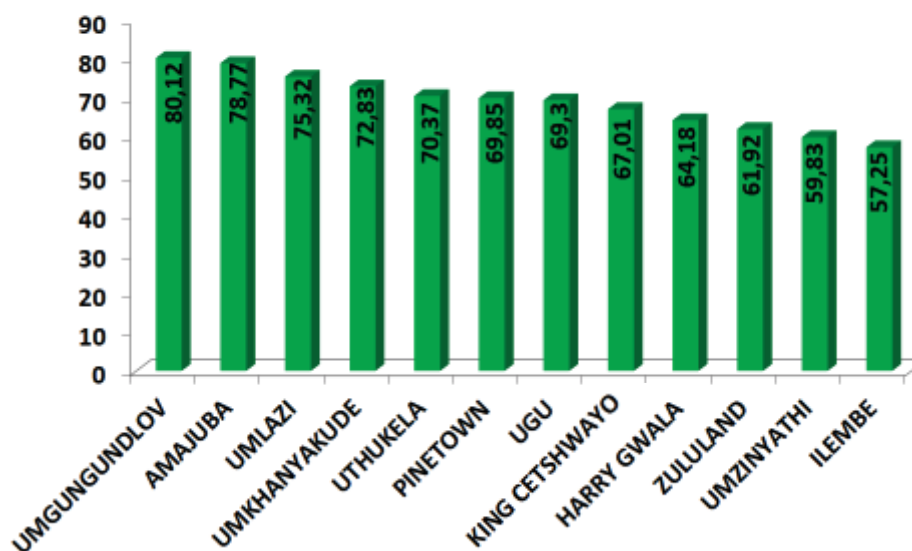
Percentage increase per district



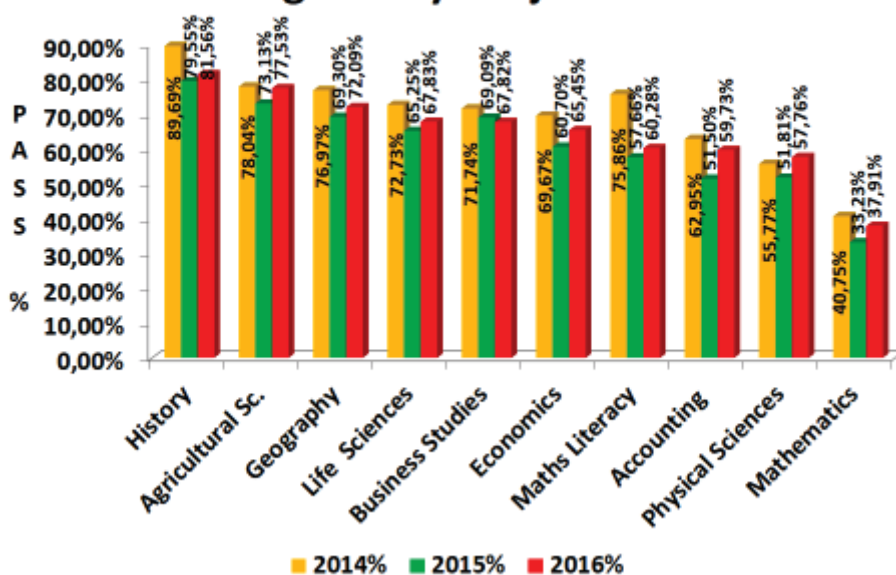
District pass % inclusive of Progressed Learners



District pass % exclusive of Progressed Learners



Provincial performance in large gateway subjects



5 TEACHER PROVISIONING, DEVELOPMENT AND SUPPORT

5.1 Teacher Supply and Demand

The pool of educators in relation to the Post Provisioning Norm (PPN) was capped at 90 057 and was fully funded. This was to ensure that there would be an educator in the classroom at any given time. The learner teacher ratio is currently at 1:30. The attraction of qualified skilled educators into the system remains a constraint towards the delivery of quality education, particularly in gateway subjects like Mathematics and Science. The department engaged with the Department of Higher Education and Training (DHET) on the supply of well qualified educators. Funding was set aside and bursaries were awarded to 508 non-employees who met the necessary criteria and wished to pursue a qualification in the teaching profession.

The projected total demand for teachers is 130 309 whereas the projected total supply is 169 797. The total supply/demand gap is 39 488 in favour of supply. The projected “balance” between supply and demand in KwaZulu-Natal, the province with the highest demand in South Africa is surprisingly healthy. This means that there is no foreseeable challenge in Teacher Supply in the next 5 years. The only challenge for the province is the continuous existence of un-and-under-qualified teachers, especially in Foundation Phase.

Initial teacher training is done through the provision of Funza Lushaka bursaries. At the centre of Funza Lushaka bursary scheme, is the management of graduate placement. This is preceded by purposeful recruitment and continuous support and encouragement during the university academic training to ensure that all processes work towards the eventual effective placement of graduate bursars in teaching positions in schools which have historically found it difficult to attract well-qualified teachers. It is against this backdrop that the Department introduced the Funza Lushaka District-Based Bursary Programme.

To facilitate the recruitment and selection processes in the 2017/18 financial year, DBE and Provincial

officials and Academic Coordinators from the three Universities viz. UKZN, DUT and UNIZULU, and Central Applications Office (CAO) representatives conducted briefing sessions about the procedures and processes of the Funza Lushaka District- Based Bursary Programme in all 12 districts. Principals of Grade 12 offering schools and Life Orientation teachers were invited to attend the briefing sessions because it is schools that identify the high flying learners.

District and provincial selections were conducted by the Funza Lushaka District and Provincial Coordination Committees and a list of selected learners at provincial level were signed off by the HOD. The provincial list was sent to DBE who after the release of the NSC results issued Promissory Letters to prospective bursars who met the requirements of a Bachelors Pass. The successful bursars submitted these Promissory Letters to the local universities for registration in 2017.

The Funza Lushaka District Based Recruitment Campaign is aimed at contributing to the supply of adequately trained teachers through attracting dedicated learners to take up teaching as a profession. The focus is on rural and poor performing schools and post matric students who meet the bursary requirements and HEIs admission criteria.

5.2 Funza Lushaka

Funza Lushaka District Based Recruitment Campaign is a bursary scheme that is aimed at contributing to the supply of adequately trained teachers through attracting dedicated learners to take up teaching as a profession. The focus is on rural and poor performing schools and post matric students who meet the bursary requirements and HEIs admission criteria.

In the 2016/17 academic year 132 students were registered in UKZN, DUT and UNIZULU. The envisaged target of exhausting bursary slots as per target was not reached. One major challenge was that students who applied did not meet both the bursary requirements and the Higher Education Institutions' admission criteria. As a mitigation strategy recruitment and advocacy has been broadened to include Post matric students who meet the admission requirements.

For the 2017/18 academic year 478 students are registered for B. Ed in the aforementioned universities. This is per the allocation by the Department of Basic Education.

5.3 Teacher Development

Teacher development is part of the Department's ongoing programmes to improve the quality of teaching and learning. To this end the Department continued with the renovation and refurbishment of the Provincial Teacher Development Institute that will offer teacher development programmes and ongoing professional support. This Institute will link up with District Teacher Development Centres, commonly known as Education Centres, in providing professional teacher development programmes. ICT driven programmes will be the key feature of teacher development from these centres.

In terms of the ISPFTED 2011-2025 at the level of districts, the Department has established District Teacher Development Centres (DTDCs). These are physical sites located in districts and accessible to teachers working in surrounding schools. They serve as local sites for curriculum support staff and for teachers. At these sites teachers are able to access shared resources, attend courses and hold Professional Learning Communities (PLC) meetings. District Teacher Development Centres (DTDCs) plan and conduct professional

development activities in collaboration with the Provincial Teacher Development Institute (PTDI). Reports on activities are submitted to the PTDI for onward transmission to the National Curriculum and Professional Development Institute (NCPDI).

Five District Teacher Development Centres have been earmarked to be developed into Microsoft Imagine Academies. These are Mimosadale, Pinetown, Turton, Lamontville and Ezingolweni. Five interns have been trained at the Telkom Learning Centre in Olifantsfontein from 16 May 2016 to 3 June 2016 and placed in these five centres. The interns will work with the relevant centre managers in rolling out the Microsoft Imagine Academies targeting educators and out of school youth. Short Learning Programmes endorsed by SACE will be provided.

Of the 45 existing DTDCs in the Province, four (4) have been identified as having inadequate space and have been relocated in 2016. Capacity building workshops were held for centre managers and support staff in the financial year 2016/2017.

Thirty four (34) Centre managers and 4 e-learning specialists were invited by DBE to participate in an information technology (IT) blended post graduate diploma to be delivered by the University of Johannesburg from 11-14 July 2016. Centre Managers will complete the course on-line.

The province currently has 45 Teacher/Education Centres that are to be transformed into DTDCs. The Teacher/Education Centres are engaged in professional development activities such as meetings and workshops for teachers and principals by subject advisors and circuit managers, respectively.

The implementation of the CPTD Management System means that educators are constantly improving their teaching and management practice.

The system requires that school-based educators engage in professional development programs which have been endorsed by the South African Council for Educators (SACE). During a three- year cycle they are expected to participate in programs which are self-initiated, school-initiated and externally- initiated. To date 7 722 principals and deputy principals and 8 797 Heads of Departments (HODs) have been signed-up for the system and are currently in their first active cycle. They are engaging in workshops, short learning programs, conferences, seminars, conducting research, improving their qualifications, etc and will earn professional development points for their participation in professional development programs.

5.4 Teacher Support

During the financial year under review the Department conducted leadership management and administration mechanisms specifically targeting principals and district officials work sessions to strengthening the effective utilisation of education centres. All districts received Financial Management workshops for principals of underperforming schools.

The training of educators for the purpose of ICT integration in teaching and learning commenced with vigor in 2016. District Officials were workshopped on Monitoring & Evaluation to strengthen the monitoring of under-performing schools. They conducted impact assessment of programmes in their respective districts in the 1st Quarter of the 2017 financial year.

Head Office, District officials and HODs at schools attended a workshop conducted by the South African Council for Educators (SACE) on the Code of Professional Ethics. The HODs are expected to conduct similar workshops for newly-appointed PL1 educators in their respective schools.

Newly-appointed principals, deputy principals and HODs from all 12 districts received induction.

Head Office and District Teacher Development officials were trained on Induction of PL1s. HODs were trained in order for them to induct all newly-appointed PL1 educators in their respective schools.

Induction of newly appointed teachers is a programme run by the department for the newly appointed Post level one (PL1) educators which is aimed at developing effective, efficient and committed teachers who will provide quality teaching and learning in schools. Its main focus is to induct them on their duties and responsibilities.

To date the Department has inducted 605 of the 900 newly appointed educators which accounts for 67% of the planned induction programme. The figure was based on the allocation from the Skills Business Plan.

Self-diagnostic assessments are being conducted for 1 750 Grades 7 – 12 Mathematics and 1 750 English First Additional Language educators from all phases at 14 District Teacher Development Centres to improve the content and pedagogical content knowledge of educators through targeted teacher development programmes.

6 DEVELOPMENT OF STRONG LEADERSHIP AND MANAGEMENT

The department has identified a number of strategic interventions key to improving education governance and management in schools towards an improved quality of education. These include: (a) education management capacitation and resourcing initiatives; (b) improving the school management's capacity to mediate the curriculum; (c) ensuring that principals' role as curriculum and instructional leaders is asserted; (d) ensuring that principals play a prominent role in the regulation of teaching time; (e) ensuring school management engages in monitoring and support for planning and delivery in relation to curriculum coverage (f) ensuring school management play a more prominent role in the procurement and management of books and stationery as well as the quality assurance of tests and the monitoring of results.

6.1 Induction and mentoring

Induction of newly appointed teachers is a programme run by the Teacher Development Directorate for newly appointed Post level one (PL1) educators which is aimed at developing effective, efficient and committed teachers who will provide quality teaching and learning in schools. Its main focus is to induct them on their duties and responsibilities. To date, 605 of the 900 newly appointed educators have been inducted which accounts for 67% of the planned induction.

The rest of the induction commenced in February 2017/18 for the Uthungulu and Uthukela districts. A budget has been set aside to induct 2 000 newly appointed teachers in the 2017/18 financial year.

Newly appointed SMT members were also inducted as part of the professional activity of trying to help

the various categories of new personnel to fit into and adjust to a new working environment as quickly as possible and with minimum disruptions within an organization, so that the goals of the organization can be achieved as effectively as possible. To date 1 468 out of 1 729 newly appointed SMT members have been inducted, which is about 85% of the planned project. Going forward, each district will be engaged on mop-up sessions for the remaining incumbents.

To date, 4 446 out of 5 054 principals and 199 officials comprising of Circuit Managers, Teacher Development Officials and FET as well as GET Officials have been trained on Curriculum Management This 88% achievement in curriculum management training is important as more managers have adequate capacity on the following: giving direction, time management, accounting for non-contact or management time, roles and responsibilities, planning, control measures, curriculum delivery, coordination and organizing curriculum.

The Department also provided focussed training to 1 192 out of 1 340 principals of underperforming schools in 11 districts. The areas of training included financial management, curriculum supervision, leading instruction in schools, and building teams for curriculum coverage.

6.2 Empowerment of female educators

The Department has initiated a programme to empower women called, “Women in and into Management” (WIIM). This is a programme designed to empower, develop and capacitate school based women within the education system. It targets women in management i.e. HODs, Deputies and Principals. It also targets all level one female educators who are aspiring to move and develop further. With this programme the department aims to capacitate women in their managerial capacity so that leadership and management of schools can be enhanced. It promotes opportunities for females and advances their interests and status as leaders in schools first and then in all spheres of community life. It is designed to give special support to female managers in the system as they form part of the designated group and are therefore operating at a disadvantaged background than their male counterparts. The programme seeks to attain gender equality by equipping and developing more women so that they are able to occupy more and higher managerial positions which will lead to achieving gender mainstreaming within the department.

Female Principals Support Programme (FPSP) is a sub-programme under WIIM designed specifically for women principals. The programme is meant to give special support to female principals as leaders of schools who come across unique challenges on a daily basis. Support networks are based on the notion that members get more if they move from operating in isolation to engaging in meaningful dialogue, sharing problem-solving and other relevant skills. The programme promotes joint learning that is only possible through effective communities of practice. FPSP operates through structures that are established in each and every circuit in all districts of the KZN province.

7 INFRASTRUCTURE PLANNING AND DELIVERY MANAGEMENT

7.1 School infrastructure

In the financial year under review the department implemented the published infrastructure norms and standards with added emphasis. This included programmes of new schools, curriculum support classrooms, laboratories, multi-purpose classrooms, the electrification programme, as well as the water and sanitation programme so that basic functionality in all schools can be achieved.

The Department registered the following achievements in regard with public ordinary school infrastructure: 427 schools were provided with water supply; 75 schools were provided with electricity supply; 210 schools were supplied with sanitation facilities; 705 classrooms, 170 specialist rooms, 98 Grade R classrooms and 10 new schools were built; 27 new schools are under construction; and 310 schools are undergoing scheduled maintenance.

The employment of additional technical staff as part of the IDMS went a long way in addressing the challenges of abandoned projects, long completion times, quality of completed work and the escalating costs of projects. The department was allocated additional funds from provincial cash resources, amounting to R100 million in 2016/17 and R50 million in 2017/18, for the improvement of water and sanitation in schools. This was to address the backlog of 453 schools out of 1 206 schools with the improvement of water and sanitation infrastructure, such as the Ventilated Improved Pit (VIP) technology which responds to the minimum norms and standards. The majority of the 453 schools which were attended to in 2016/17 are in the uMzinyathi (140), Zululand (136) and uThukela (82) District Municipalities. The department engaged in a large scale rehabilitation programme of all pit latrine toilets and septic tanks in a desludging programme. This programme was utilised to rehabilitate toilets and wash basins for both teachers and learners in these districts.

7.2 Inappropriate Structures

The Province does not have any schools built entirely of inappropriate material but where there are structures with inappropriate material as part of the school infrastructure, the Department replaces that infrastructure. As part of this intervention, the department has completed the following schools namely; Enhlanhleni Combined, Lembe Primary and Ingweni Phaphama Primary School.

7.3 Special schools infrastructure

The department continued to focus on the provision of special schools' infrastructure in order to grant access to education for learners with special needs. This included projects such as the construction of a new school, as well as boarding facilities, namely Pholela Special School in the Harry Gwala District Municipality and Ukukhanyakomsinga in the uMzinyathi District Municipality.

7.4 ECD infrastructure

In 2016/17, the department increased the number of ECD classrooms by 98 so that more schools that offer Grade R will have appropriate facilities.

7.5 New Schools

The Department has built 10 new schools in the 2016/17 financial year. They are: Mampunga Primary, Umvuzo Secondary, Indawana Secondary, Isolemamba Secondary, Quarry Heights Primary, Luthuli Secondary, Mzamo High, Hibiscus Primary, Ntulabakayise High and Welabasha High.

7.6 Fencing

A total of 879 fencing projects were identified for fencing of which 691 were completed in the 2016/17 financial year. The security of learners and teachers has been enhanced as a result thereof.

7.7 Learners with Special Education Needs (LSEN)

Two Special Schools were completed in 2016/17. They are New Khulani Special School in Umkhanyakude

District and Inkanyezi Training Centre Special School in UThukela District. Malezulu Special School (Daniel Mzamo Special School) which is at construction stage is expected to be completed by 31 May 2017.

7.8 Power Supply/ Electrification

The Department continues to address the issue of schools without electricity as this has now become a Norm as per the South African Schools Act. The programme has a great dependency on Eskom and the proximity of the affected schools to the national grid.

The delivery of electricity is being retarded by the dependency on electrical grid and the vandalism of solar panels where previously used. The KZNDoE is currently investigating the possibility of providing generators for schools where grid or solar are not viable. The Department has had engagements with the Department of Public Works regarding appropriate options and alternative solutions.

The need to reinstate installations at schools because of vandalism exacerbates the problem. There is also the issue of non-payment of bills by the schools resulting in the schools being cut off by the relevant utility companies or Municipalities, subsequently the schools being reported as having no electricity. The Department has intervened by issuing a circular advising the schools that they can alternatively utilise prepaid electricity where appropriate.

There are currently 100 projects that are being implemented and are in various stages of implementation.

8 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The procurement process set aside through Operation Phakisa in 2016/17 resulted in 30 Maths, Science and Technology (MST) focus schools being supplied with ICT infrastructure, ICT gadgets and broadband connectivity to support the delivery and management of curriculum. The Department set up a server to store and process data using a web-based business intelligence (BI) tool. This process initiated the realisation of the benefits of technology-driven systems and applications using a multi-pronged strategy. This will ensure that a foundation will be laid in 2017/18 from which the ICT vision of the department can be launched, both in terms of administration requirements as well as the delivery and management of the school curriculum.

Government's response in terms of the effective use of ICT in Education as set out in the White Paper on e-Education (2004) is not yet achieved. There are a number of factors that have, and still continue to, contribute to the lack of progress in the provision and utilisation of ICT resources and infrastructure in schools. Some of these factors include inadequate funding, lack of human resource capacity at all levels of the education system, low levels of school e-readiness, and the lack of appropriate teacher knowledge and skills to effectively apply e-learning instructions in the classroom. However, this is being reviewed by the department with the intention to address the challenges.

In the 2016/17 Financial Year, the department invested at least R10 million on the acquisition of the IT Server Infrastructure and the backup solutions to deliver reliable and citizen-centric IT solutions.

The department entered into a Microsoft Schools Agreement with Microsoft, allowing all KZN public schools to access all Microsoft product suites embedded in the agreement at no cost to the school. This is one

drive by the department aimed at curbing the installation of unlicensed or pirated copies of Microsoft products at public schools in KwaZulu-Natal. In the 2016/17 financial year, 1 106 Microsoft start-up media kits were disseminated to public schools in KwaZulu-Natal and a dedicated portal has been created to also accommodate remote access to the media kit.

The integral part of Operation Phakisa is achieving fully integrated e-classroom solution for learners and educators across the province. In 2016/17 the department invested R40 million in the acquisition of 2 400 tablets, 60 laptops, 30 desktops, 420 interactive white boards to mention a few. Sixty (60) public schools within uMkhanyakude and uMzinyathi districts ranked quintile 1, 2 or 3 were identified to benefit from this initial undertaking.

ICT is seen as a catalyst in terms of continuing with the quest for quality education. Various ICT platforms have been introduced in the province and the department will strengthen these. A cyber school technology solution is being investigated. This provides technology based educational services offering integrated offline and online solutions aimed at empowering teachers and engaging students better in the teaching and learning of Mathematics and Sciences and other subjects. If successful, this tool will be used to provide quality educational services to enhance the online educational environment. This will be a one-stop site for development, e-learning and communication solutions that work with experienced educators across the globe in designing and developing digital educational resources, portal and learning management systems. At an administration level, the progressive upgrading of IT infrastructure will continue. Furthermore, investigations into various administrative systems are being pursued with a view to improving the efficiencies of the administration.

9 SCHOOL FUNCTIONALITY AND COMMUNITY INVOLVEMENT

The School Functionality Monitoring Programme initiated in 2006, continued to provide an important monitoring intervention towards achieving functional schools throughout the province. In 2016/17 the programme continued to provide valuable inputs and guidance to the department's management on strategies to deal with various challenges that make schools dysfunctional and work as barometers indicating policy implementation failures or successes and the end of the examination results.

One of the most important indicators of school functionality is School Safety. The violence experienced in communities, which at times spill over to schools are a cause for great concern as they compromise school functionality.

The Department implemented a school safety programme which is aimed at training school safety committees and liaise with South African Police Services (SAPS) Station Commanders to fight against theft and vandalism in schools.

The Department also implemented the Quality Learning and Teaching Campaign (QLTC) in order to assist schools to get support from communities in the areas where they are located.

The other important element of a functional school is the provision of adequate LTSM on time. The Basic Education Sector Plan for LTSM procurement provides LTSM procurement guidelines and timeframes to ensure timeous delivery of all LTSM to schools. The provision and availability of LTSM on the first day of

school at all schools is essential for the creation of a conducive atmosphere for quality teaching and learning and setting the tone for the year in support of school functionality. As such, with regard to the schools that the KwaZulu-Natal Department of Education procures on behalf of, 100% of textbooks requisitioned were delivered to schools by the end of November 2016 in preparation for the 2017 school year. In addition, school-based textbook procurement by schools with Section 21(1) (c) of SASA that opt for own textbook procurement was closely monitored.

10 EARLY CHILDHOOD DEVELOPMENT

The target set by White Paper 5 of 2000 with respect to 5 year olds accessing Grade R by 2014 was 85%. The department is currently performing at 97% which is an overachievement, exceeding the Universal Access target by 12% and has moved on to address the challenge of the quality of education that is offered.

The province is now focussing on 0-4 year olds. The Department of Education together with the Department of Social Development are collaboratively implementing measures to ensure access to education to this cohort of learners. The Department has appointed new ECD practitioners to accommodate additional classes and learners. The stipend of Grade R Practitioners was increased from R6 000 to R6 500 per month with effect from 1 April 2017. The appointment of additional 80 Grade R classes in Quintile 1, 2 and 3 schools was finalised in March 2017 to coincide with the end of financial year. The training of all (6 400) Grade R Practitioners in the utilization of reading and writing resource materials was finalized in December 2016.

Five hundred and seventy two (572) practitioners registered with Umfolozi TVET College for the level 4 ECD qualification completed the Diploma in March 2017. At the end of the training the practitioners qualified for NCF level 4 at ECD Sites. Five hundred (500) ECD practitioners have received in-service training on the implementation of the NCF.

The Department has established the Provincial Integrated Framework for ECD support in partnership with Social Cluster Departments. We also established a partnership with Assupol Community Trust that provides ECD infrastructure support to Msinga and Nquthu Local municipalities. Other partnerships are with the National Lotteries Commission and National Development Agency.

11 NATIONAL SCHOOL NUTRITION PROGRAMME

The NSNP is one of the key strategies of the department that seeks to address poverty among the poor communities by identifying and developing local co-operatives to participate in the programme as service providers. This contributes to the enhancement of job opportunities for local people in various district municipalities. The NSNP provides nutritious meals to 2 273 395 learners in 5 277 schools throughout the province. Learners are served with a standardised menu on a daily basis that is comprised of a balanced meal which includes starch, vitamins, minerals, necessary micro-nutrients, protein and vegetables. As part of job creation, there are also 10 973 parents of learners in participating schools that are employed as food handlers to prepare meals for the learners, and are allocated a stipend of R1 000 per month at a ratio of 1:200 learners. All learners in quintiles 1, 2 and 3 schools continued to be fed through the NSNP grant. The grant framework includes a deworming programme, and allows for the inclusion of 144 181 learners from quintile 4 and 5 primary schools who come from impoverished families, but are attending these schools.

12 ‘NO FEE’ SCHOOLS

Public ordinary schools in the Province of KwaZulu-Natal are funded below the National Target amount due to lack of funds. However as a result of implementation of the contestation process, following fair and transparent procedures, the no-fee learners constitute more than the National target percentages. Whereas the no-fee learners’ provincial percentage total should be 65%, it is currently at 76%, therefore no fee learners in the province are oversubscribed by 11%. There are now only 15% of schools that are fee paying, and an overwhelming 85% of public ordinary schools in the province are no-fee.

13 LEARNER TRANSPORT

Currently the Department is providing subsidized dedicated Learner Transport to 47 747 Learners in 320 Schools in the province’s 12 Districts.

The Department procured eight (8) Ferry boats for Learners crossing Dams or Rivers to schools. This is an ongoing project to be piloted in the Province.



14 EXPANSION OF INCLUSIVE EDUCATION

Transversal collaborative initiatives with other Departments are currently implemented. From the Department of Health we are accessing assistive devices, support from therapists, and establishment of Special Care Centres. Through the Department of Social Development we are accessing social grants, support to out-of-school youth and youth in conflict with the law. Development of Individual Support programs.

Through the Sukuma Sakhe Program we are promoting access to education for children with disabilities.

Children from poorer households who are experiencing barriers to learning can attend Full-Service Schools

established in the communities in which they reside. FSS are supported by Learner Support Educators and School Counsellors to support learners, teachers and mainstream schools in the Circuit. In addition there are School and District-Based Support Teams.

15 SPECIAL NEEDS EDUCATION

In 2016-17 the Department focused in 2016-17 on:

- Increasing school retention for vulnerable learners with psychosocial, health (eg TB, HIV AIDS) and behavior related barriers;
- Reducing social ills like learner pregnancy and substance abuse; and
- Promoting achievement behaviour among learners.

Currently the Department is providing access to 18 996 learners with barriers to learning in 74 public special schools and 27 resource centres with 1 600 teachers and 181 specialists.

There are 138 000 learners with special needs in mainstream, special and full service schools. They are provided with assessment, career guidance, remedial education, counselling and support programmes.

Opportunities to appoint new staff with specialized skills are limited owing to financial constraints. The alternative is to build capacity and undertake professional development of existing teachers. The Provincial Training Team has completed District Training of 12 Teams in Screening, Identification, Assessment and Support, and Curriculum Differentiation. Through this process educators will be trained to screen learners, identify barriers that prohibit learning and thereafter provide the appropriate individual support.

The Department hosted a Disability summit in 2016 during which sign language interpretation and hearing aids were provided to participants. All the Disability summit resolutions were incorporated into the Departmental Annual Performance Plan.

There are 8 schools for the Deaf and 3 special schools with Deaf units that have received an allocation ranging from R300 000 to R400 000 for implementation of South African Sign Language (SASL). Training in SASL was provided for 75 educators from Schools that accommodate Deaf learners. Seventy Three (73) educators have an NQF level 4 qualification in SASL.

Braille Resource Centres have been established in 3 special schools that accommodate learners with visual impediments. Equipment for the resources centres has been delivered.

16 HIV/AIDS, LIFE SKILLS: MY LIFE MY FUTURE CAMPAIGN

The My Life, My Future Campaign recorded the following achievements in 2016-17.

- The pregnancy rate of learners dropped from 13 725 in 2010 to 10 201 in 2015.
- 22 400 of our poorest learners received school uniforms.
- 520 Learner Support Agents (LSAs) were appointed as interns at schools to support vulnerable learners in the fight against social ills like pregnancy, substance abuse, early drop out, etc. This number will increase to 580 in 2017-18.

- Over 3 000 girls were exposed to specialist training as part of the “Keeping our Girls in Schools Programme”. A partnership with the Industry Trust Fund will see a further 3 000 girls receive this support in 2017-18.
- 141 088 Grade 12 and Grade 9 learners from our most disadvantaged schools were exposed to Career Expos and subject selection programmes across all 12 districts.
- Specialist training was provided to over 2 400 officials and educators on prevention of substance abuse, management of depression, prevention of bullying and child abuse protocols.
- 2 514 learners received counselling support in individual and group sessions.
- 520 833 Girl learners received sanitary pads in 2016 -17.

17 SCHOOL SPORTS, ARTS AND CULTURE AND YOUTH DEVELOPMENT

The co-curricular programmes have been extended to all learners irrespective of gender race and disabilities. Programmes offered in Co-Curricular Services are meant for all schools at all levels be they Primary, Secondary or LSEN schools. In sports social cohesion is mainly evident in athletics where there is mass participation and integration. The number of schools participating in rugby, cricket, chess and swimming has increased although swimming is retarded by poor and in most cases no swimming facilities. Social cohesion is also evident in choral music and youth development programmes which cater for a variety of cultures. Hence all racial groups irrespective of gender, disabilities, age and economic status do take part in the programme.

As a form of support to the country’s programme of action to overcome the historical exclusion of some sectors of society, Co-curricular programmes are designed to be practically inclusive in nature promoting social cohesion by way of bringing together the socially and culturally diverse people that were separated by the segregation policies. This happens in the delivery of schools’ league, moot court, choral music multi-cultural cuisine, language festival, indigenous music and dance, commemoration of historic events, African poems, African story telling and learners’ presentations on Africa day. Districts also allow all forms of traditional music and dance to cater for various African cultures, like Xhosa, Bhaca, and Mpondo at Sisonke, Sotho at Umzinyathi and Thonga at Umkhanyakude.

The Department in collaboration with the Department of National Arts and Culture has installed flags in a number of schools. The National Anthem is sung in all schools on designated days once a week. In 2013 the National anthem was prescribed for the FET Band competitions to ensure it is sung correctly. The preamble to the Constitution is recited in schools once a week. Both the National and AU Anthems and the Preamble to the Constitution remain standing items in the Schools Choral Competitions.

The curricular programmes have opened up talent opportunities and dealt robustly with poverty alleviation. Through schools leagues learners have acquired Ministerial bursaries worth R100 000 (hundred thousand rand) per learner per annum. The programmes have produced the likes of Siyabonga Nkosi in football, Pretty Yende in music, Chad Le Clos in swimming, and others. The programmes also offer opportunities to small and big businesses and is also supported by various sponsors like the Motsepe Foundation.

Other attributes of the co-curricular programmes are the combat of crime in communities, fight against social ills and teenage pregnancy and keeping the child in school and out of the streets as activities happen mostly during weekends and when schools are closed. Co-curricular programmes have provided a conducive environment to deal with the issues of drug and alcohol abuse, crime and teenage pregnancy.

Physical education is a curriculum subject that is carried out in all schools as a planned period in order to promote the development of basic life and motor skills.

The following achievements were noted through collaboration between KZNDOE, KZN Department of Sports and KZN Department of Arts and Culture:

- Revised MOA for delivery of school sport was signed by the respective MEC's.
- The MOA is part of interventions by the MECs to streamline the delivery of sports and arts programmes and to set clearly defined roles and responsibilities for all stakeholders.
- The MOA clarifies the roles and responsibilities of the departments in the delivery of extra curricula activities, which are regarded as critical in the development of a young mind.
- 332 Learners selected through District and Provincial Elimination Competition to participate in National Summer Games in Johannesburg from 10-15 December 2016. KZN emerged on top of the medals table.
- 76 District and Provincial School Sport Code structures supported in holding elimination and selection tournaments.
- Educators' training in code specific coaching took place in February 2017.
- District/Provincial Elimination Competitions in athletics/swimming to select Team KZN for National Autumn Games took place in February 2017. Competitions were inclusive of Primary, Secondary, MMH and SASAII learners.
- Sport Equipment provided to 400 identified schools through Grant funding.
- Strategic partnerships formed with Sport Federations for the delivery of school sport programmes.
- 163 School sport assistants employed to assist with the delivery of school sport at intra-school and cluster level.
- Provincial workshop for choir conductors and adjudicators was held from January 2017.
- Rolled out the Arts-in-School project to 83 schools.
- District plans reflect all activities scheduled to take place in all districts, including training of choir conductors, indigenous music and dance which includes amahubo, visual arts, drama, dance and poetry.
- Established one modular Library to support a cluster of schools in Maqongqo.
- Donated 5 keyboards and sent one of the Legends to assist in teaching music at Lihlithemba School in Ndwedwe.
- Appointed a total of 52 legends to train artists in the remaining Districts and more than 1 000 Learners benefitted from the programme.

18 READING PROMOTION AND SCHOOL LIBRARY SERVICES

The Department identified 100 project schools for the 2016/17 Financial Year. These 100 schools received a collection of library material worth R300 000 per school in order to provide learners and teachers with a wide range of quality library resources for curriculum development and enrichment. Seventeen (17) classroom libraries were established in order to provide access to reading material at all times for raising learners' reading attainment.

In partnership with South African Primary Education Support Initiative [SAPESI] we co-ordinated the mobile

library service for schools in the remote areas that have no access to libraries. The mobile libraries visited targeted schools fortnightly and monthly as per agreement with the schools. In 2016/17, the service reached out to 212 schools and the average ranges from 10 - 20 schools per mobile library.

To ensure effective utilisation of the library materials provided, the Department collaborated with UNISA and the University of KwaZulu-Natal in ensuring that teacher-librarians obtain a qualification in school librarianship. In January 2017, forty three (43) teachers have registered for the post-graduate diploma in school librarianship and thirty seven (37) teachers are doing the second leg of the post-graduate diploma at UKZN at NQF level 8. In 2016, sixty six (66) teachers obtained the UNISA one year certificate at NQF level 7 in school librarianship funded by ETPSETA.

We recruited 28 unemployed youth to be enrolled for Library Assistant Learnerships as part of the DBE-initiated library project. Twenty-five (25) schools from ILembe and Zululand districts were identified as beneficiaries in this project.

19 FACILITIES MANAGEMENT

Centres are spread over a wide geographical area in KwaZulu-Natal. The buildings are occupied by officials of Head Office, District Offices and Circuit Offices. Of the 82 buildings, 54 are provincially owned and 28 are leased. A total of approximately R 65 million is utilized for the payment of rental in respect of the leased premises. Every attempt is made to reduce the hiring of lease premises resulting in a reduction of financial commitment towards lease. In order to decrease the number of lease building, Paul Pietersburg, Pongola and Stanger Circuits are in the process of being accommodated in state owned premises. The UGU District is accommodated in four buildings; however, one building has been acquired for the District. The District expects to relocate to the new lease building in July 2017.

The erstwhile Durban Teacher Training College (Ex-Dokkies) was earmarked for the purpose of serving as a Provincial Teacher Development Institute (PTDI). The award has been finalized for refurbishment and upgrading of PTDI and the construction work is expected to commence in June 2017. Provision has been made for 174 rooms which will result in long term savings in accommodation cost. The estimated cost for the upgrading and refurbishment of the ex -Ikhwezi building including the hostel is R 225 million.

With regards to the Pinetown District Office, the process of upgrading of the institution has commenced and the estimated cost is R15 million. The upgrading will make provision for office space for Human Resource and Finance Components which are presently accommodated in the Truro Building in Durban.

20. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

20.1 Departmental Receipts

Table 1

| Department Receipts | 2016/17 | | | 2015/16 | | |
|---|---------------|-------------------------|------------------------|---------------|-------------------------|------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collected | Estimate | Actual Amount Collected | (Over)/Under Collected |
| | R'000 | | | R'000 | | |
| Provincial own receipts | | | | | | |
| Tax receipts | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - |
| Sales of goods and services other than capital assets | 55 467 | 56 377 | (910) | 50 156 | 48 807 | 1 349 |
| of which: Health patient fees | - | - | - | - | - | - |
| Transfers received | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | 341 | 592 | (251) | 321 | 1 618 | (1 297) |
| Sales of capital assets | - | 11 556 | (11 556) | - | 5 489 | (5 489) |
| Financial transactions in assets and liabilities | 31 876 | 55 114 | (23 238) | 30 768 | 37 604 | (6 836) |
| Total | 87 684 | 123 639 | (35 955) | 81 245 | 93 518 | (12 273) |

Total actual revenue collected by the department amounted to R123.639 million in 2016/17 in comparison to R93.518 in the previous financial year, an increase of R30.121 million. The over collection for 2016/17 is R35.955 million (R123.639 million less R 87.684 million). This over-collection can be explained as follows:

- Sale of goods and services other than capital assets collected R56.377 million against a budget of R55.467 million, resulting in an over-collection of R910 000 as a result of higher than anticipated sale of tender documents, parking rental, as well as insurance and garnishees.
- Interest, dividends and rent on land amounted to R592 000 which is higher than the budget of R341 000, mainly in respect of interest charged on outstanding staff debts. The over-collection of R251 000 is related to the higher than anticipated recovery of staff debts.
- Sale of capital assets amounted to R11.556 million against no budget. The revenue collected from this category mainly relates to the department auctioning some of its machinery and office equipment, where continued use was considered economically inefficient.
- Transactions in financial assets and liabilities collected R55.114 million against a budget of R31.876 million. This significant over-collection was due to a concerted effort by the department to recover staff debts and previous years' expenses. In relation to previous years' expenses, the over collection relates to salary over-payments. It is difficult to accurately project revenue from this category due to its uncertain nature.

The main appropriation of the Department of Education was R45.464 billion in 2016/17. During the year, the department's budget was increased by R275.636 million, which is the amount that is to be appropriated in the 2016/17 Adjustments Estimates. The budget for 2016/17 after appropriations and budget adjustments is R45.740 billion.

- R140 million additional funding was allocated from provincial cash resources in order to fund the above-budget 2016 wage adjustment.
- R40.210 million from 2015/16 to 2016/17 in respect of committed funds relating to payments for vehicles

and minor assets as a roll over.

- R8.536 million from the National Department of Basic Education in respect of the National School Nutrition Programme (NSNP) grant to cover the shortfall caused by high food inflation.
- R 86.890 million was received as an additional grant for Education Infrastructure in March 2017.

20.2 Pre Virement and shifting of funds

Compensation of employees was significantly under-spent due to the following:

- The non-filling of posts to enable the department to accommodate the anticipated budget pressures in the ensuing MTEF years as a result of the shortfall in the carry-through costs related to the above-budget wage adjustments.
- There were delays in capturing various allowances such as rural incentive allowance, housing allowance for employees whose applications were still in progress pending provision of proof of home-ownership, examination markers, night shift allowances for hostel boarding masters, etc. contributed to the under-spending.
- The table below reflects the fluctuation in employee numbers during the year, bearing in mind that a budgetary provision had been made for 115 635 which consists of 107 433 permanent employees and 8 202 periodic payments.

| COMPENSATION OF EMPLOYEES : 2016 /17 | | | | | | | | | | | | | | |
|--------------------------------------|-------|---------------|----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|----------|------------|
| | | Post Approved | Apr 2016 | May 2016 | June 2016 | July 2016 | Aug 2016 | Sept 2016 | Oct 2016 | Nov 2016 | Dec 2016 | Jan 2017 | Feb 2017 | March 2017 |
| TOTAL | EDUC | 90 053 | 88 222 | 89 271 | 89 938 | 89 329 | 89 422 | 89 868 | 89 898 | 90 642 | 86 431 | 86 353 | 86 760 | 88 773 |
| TOTAL | PS | 17 380 | 17 395 | 17 386 | 16 994 | 16 942 | 16 911 | 16 860 | 16 841 | 16 842 | 16 722 | 16 703 | 16 592 | 16 495 |
| TOTAL | | 107 433 | 105 617 | 106 657 | 106 932 | 106 271 | 106 333 | 106 728 | 106 739 | 107 484 | 103 153 | 103 056 | 103 352 | 105 268 |
| TOTAL | OTHER | 8 202 | 6 671 | 7 109 | 6 998 | 7 082 | 7 431 | 6 622 | 7 207 | 7 177 | 7 448 | 7 648 | 7 924 | 8 421 |
| GRAND TOTAL | | 115 635 | 112 288 | 113 766 | 113 930 | 113 353 | 113 764 | 113 350 | 113 946 | 114 661 | 110 601 | 110 704 | 111 276 | 113 689 |

Mitigating the under-spending was over-expenditure against:

Goods and services due to the following:

- Various items were over-spent in respect of operating payments such as printing and publication services for various printing including training materials for training of principals and curriculum Education Specialists and development of the curriculum material, as well as printing of examination papers for both the supplementary and final matric exams for the 2016 academic year.
- There was also over-spending in respect of travel and subsistence to enhance supervision in schools, such as Operation Bounce Back aimed at improving matric results through the holding of Boot Camps in various districts. Property payments in respect of cleaning and security services, as well as inventory other supplies in respect of the purchase of IT gadgets for the MST grant.
- The high spending against LTSM was due to the purchase of textbooks and other school materials through the management agent on behalf of some schools, agency and support outsourced services for the assessment of PILIR cases, contractors for both maintenance of infrastructure and non-infrastructure related costs.
- Catering for departmental activities were high in respect of provision of refreshments for various marking centres and departmental events, as well as communication for various announcements of Departmental programmes including telephone and fax costs in various districts. These costs include

accruals from 2015/16.

Buildings and other fixed structures was under-spent by R7.808 million after R86.890 million was allocated in terms of the second Adjustments Estimate for the EIG in March 2017.

Transfers and subsidies to:

- Provinces and municipalities - this was mainly related to higher than anticipated registration of new motor vehicles, as well as the renewal of existing vehicle licences.
- Non-profit institutions - mainly due to the over-expenditure relates to accruals from the previous year in respect of schools which changed their quintile ranking due to successful contestations.
- Households - was due to higher than anticipated staff exit costs with 743 employees estimated to have exited the system in 2016/17.

20.3 Post Virements, Shifting of Funds and Rollovers

20.3.1 Virements

The table below reflects the final virements that were undertaken by the department for which an approval has been granted by Provincial Treasury.

| | FROM | | | | | TO | | | | |
|---|---|------------------------|---------------------------|----------------------|-----------------|--|---------------------------|---------------------------|---------------------|-----------------|
| | Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) | Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) |
| 1 | Programme 2: Public Ordinary School Education | Public Primary Schools | Goods and services | Bursaries | 22 521 | Programme 1: Administration | Corporate Services | Goods and services | Bursaries | 22 521 |
| 2 | Programme 2: Public Ordinary School Education | Public Primary Schools | Compensation of employees | Social contributions | 16 558 | Programme 4: Public Special School Education | Schools | Compensation of employees | Salaries & Wages | 16 558 |
| 3 | Programme 2: Public Ordinary School Education | Public Primary Schools | Compensation of employees | Social contributions | 61 886 | Programme 5: Early Childhood Development | Grade R In Public Schools | Compensation of employees | Salaries & Wages | 61 886 |
| | | | | | 100 965 | | | | | |
| | | | | | | | | | | 100 965 |

20.3.2 Shifting of Funds

| FROM | | | | | TO | | | | | Reasons |
|---|--------------------------------|------------------------------|------------------------|-----------------|--|---|------------------------------|---------------------|-----------------|--|
| Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) | Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) | |
| Programme 2: Public Ordinary School Education | Public Primary Schools | Compensation of employees | Social Contribution | 58 007 | Programme 5: Early Childhood Development | Grade R In Public Schools | Compensation of employees | Salaries & Wages | 10 280 | Rectify Grade R Educators paid in Programme 2. |
| | | | | | | Grade R In Early Childhood Development Centres | Compensation of employees | Salaries & Wages | 40 695 | Rectify Grade R Educators paid in Programme 2. |
| Programme 2: Public Ordinary School Education | In-School Sport and Culture | Compensation of employees | Social Contribution | 1 212 | Programme 5: Early Childhood Development | Grade R In Early Childhood Development Centres | Compensation of employees | Social Contribution | 8 244 | Rectify Grade R Educators paid in Programme 2. |
| 59 219 | | | | | 59 219 | | | | | |

20.4 Programme Expenditure

| PROGRAMMES | 2016-17 | | | 2015/16 | | |
|--|---------------------------------|--------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|
| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 |
| Administration | 1 855 558 | 1 824 322 | 31 236 | 1 654 260 | 1 651 446 | 2 814 |
| Public Ordinary School Education | 37 942 993 | 37 826 186 | 116 807 | 35 826 451 | 35 580 506 | 245 945 |
| Independent School Subsidies | 81 941 | 80 900 | 1 041 | 77 817 | 77 278 | 539 |
| Public Special School Education | 1 052 128 | 1 047 943 | 4 185 | 944 327 | 942 327 | 2 000 |
| Early Childhood Development | 894 684 | 973 523 | (78 839) | 672 506 | 603 671 | 68 835 |
| Infrastructure Development | 2 596 391 | 2 593 445 | 2 946 | 2 613 953 | 2 613 953 | - |
| Examination and Education Related Services | 1 316 314 | 1 316 238 | 76 | 1 373 556 | 1 418 730 | (45 174) |
| Total | 45 740 009 | 45 662 557 | 77 452 | 43 162 870 | 42 887 911 | 274 959 |

Administration is under-spent by R31.236 million (2015/16: R2.814 million) largely due to:

- Under-expenditure on Other Machinery and Equipment due to cost cutting.
- Non-filling of posts such as office based educators, subject advisors, circuit managers, human resources, external examiners, etc. due to anticipated budget pressures over the MTEF in respect of the under-funded carry-through costs for various wage adjustments.
- The non-filling of posts will have a negative impact on service delivery in districts, since a number of functions, such as finance, human resource, asset management and supply chain management, were decentralized, and there were additional posts created at the time of the organizational review.

Public Ordinary Schools is under-spent by R116.807 million (2015/16: R245.945 million):

- This was due to the non-filling of posts in respect of school support staff such as administration clerks and security guards.
- Also the outstanding claims for the National Schools Nutrition Programme Grant (NSNP) that was undertaken in March 2017 could be only paid in April 2017 also contributed to the underspend.
- Independent Schools Subsidies is under-spent by R1.041 million (2015/16: R539 thousand):
- This is entirely against Transfers and subsidies to: Non-profit institutions which relates to the late submission of documents by schools, in order for the department to be able to release funds.
- It should be noted that the department subsidizes independent public schools who offer public education based on the number of learners in the previous year, thus the department only pays based on the claims forwarded by the schools.

Public Special Schools is under-spent by R 4.185 million (2015/16: R2 million)

- This is mainly against training and development ascribed to delays in the implementation of the sign language project in schools, as well as inclusive education training aimed at educators and therapists.

Early Childhood Development is over-spent by R78.839 million (2015/16: underspent R68.835 million)

- This is due to Grade R fully qualified teachers being paid in programme two (2). This has now been corrected which has resulted in unauthorised expenditure.

Infrastructure Development is underspent by R 2.946 million (2015/16: fully spent)

- The under spending mainly relates to delays in the filling of technical infrastructure especially in the engineering field.

Examination and Education Related Services is under-spent by R76 thousand and (2015/16: R45.175 million – over-spent).

- This was mainly attributed to some reversals on the payment to markers as reflected in compensation at year.

20.5 Expenditure per Economic Classification

| Economic Classification | 2016-17 | | | 2015/16 | | |
|--------------------------------------|---------------------------|--------------------------|-----------------|---------------------------|--------------------------|----------------|
| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 |
| Current payments | 41 541 532 | 41 467 331 | 74 201 | 38 700 131 | 38 506 958 | 193 173 |
| Compensation of employees | 37 631 034 | 37 608 395 | 22 639 | 34 678 081 | 34 527 080 | 151 001 |
| Goods and services | 3 909 970 | 3 858 408 | 51 562 | 3 884 162 | 3 841 946 | 42 216 |
| Interest and rent on land | 528 | 528 | - | 137 888 | 137 932 | (44) |
| Transfers and subsidies | 1 879 623 | 1 945 524 | (65 901) | 1 958 164 | 1 908 152 | 50 012 |
| Provinces and municipalities | 1 331 | 1 331 | - | 1 702 | 1 702 | - |
| Departmental agencies and accounts | 83 257 | 83 257 | - | 78 139 | 78 139 | - |
| Non-profit institutions | 1 684 192 | 1 692 709 | (8 517) | 1 706 853 | 1 656 841 | 50 012 |
| Households | 110 843 | 168 227 | (57 384) | 171 470 | 171 470 | - |
| Payments for capital assets | 2 286 961 | 2 217 809 | 69 152 | 2 472 683 | 2 440 909 | 31 774 |
| Buildings and other fixed structures | 2 178 493 | 2 170 374 | 8 119 | 2 330 917 | 2 343 612 | (12 695) |
| Machinery and equipment | 104 221 | 47 188 | 57 033 | 136 251 | 97 297 | 38 954 |
| Software and other intangible assets | 4 247 | 247 | 4 000 | 5 515 | - | 5 515 |
| Payment for financial assets | 31 893 | 31 893 | - | 31 892 | 31 892 | - |
| Total | 45 740 009 | 45 662 559 | 77 452 | 43 162 870 | 42 887 911 | 274 959 |

After virements and shifting of funds:

- Compensation of employees** reflects an under expenditure of R22.639 million due to the non-filling of posts as stated earlier.
- Goods and Services** reflects an under-expenditure of R 51.562 million due to the NSNP grant being under-spent, due to the March 2017 invoices not being paid.
- Transfers and subsidies** is over-spent by R 65.901 million. Of this R57.384 million was mainly due to the payment of leave days to employees i.e. leave gratuity payments made to employees exiting the system due to death or retirement. This kind of expenditure is very difficult to budget. Also the re-imbursement accruals of schools which would have been granted fee-exemptions to learners for previous year been processed in the current financial period.
- Buildings and other fixed structures is under-spent by R8.119 million. This was after additional funds were allocated by National Treasury in March 2017 to mitigate the expenditure incurred to repair

buildings damaged by storms and where schools had unsafe structures. However, it must be noted the conditional Grant is overspent and the net effect of the savings is part of the equitable under spend.

- Machinery and equipment is under-spent by R57.033 million due to the incorrect classification of tablets for e-learning for the MST & ICT grant and Operation Phakisa. This was classified as Machinery & Equipment and not Inventory Other Supplies, which has been distributed to schools.

20.6 Rollovers

The department requested a roll-over of R117.026 million in respect of the NSNP grant relating mainly to feeding that was undertaken in March 2017, including some invoices from 2016. Service providers are paid when supporting documentation has been submitted to various districts for verification and processing. This process is generally finalised in the following month. Therefore most of the outstanding claims are for feeding that was undertaken in March 2017, and invoices had been received on the 31 March or beginning of April 2017.

20.7 Unauthorized, irregular and fruitless expenditure

Unauthorised expenditure amounted to R 78.839 million mainly due to the processing of salary payments of Early Childhood in programme two (2) instead of programme five (5).

Irregular expenditure for the year amounts to R824.460 million as disclosed in Note 25 largely due to not following supply chain management processes.

The department's Fruitless and Wasteful expenditure for the year amounts to R 7.480 million as disclosed in Note 26. The bulk of this expenditure arises from interest due to late payment of domestic accounts) followed by the expenditure incurred in settlement of legal debts.

20.8 Public Private Partnerships

The approach being adopted for this project is to develop specialist facilities i.e. science labs, multipurpose classrooms, computer rooms and media centres as new build “add in centres” into existing secondary schools in the pilot nodes. The project has reached the completion of the feasibility stage of its project cycle and is awaiting a decision to continue to the next stage in obtaining National Treasury Approval One (1). This will be dependent on the availability of funding.

20.9 Discontinued activities/activities to be discontinued.

There were no discontinued activities during the year.

20.10 New or proposed activities

There were no new activities introduced or proposed.

20.11 Supply Chain Management

There were no unsolicited bids that were concluded for the year under review. All bids followed a normal supply chain management process and where such processes could not be followed due to impracticality or urgent reasons, the approval from the Accounting Officer as per Treasury Regulation 16.A6.4 was sought and

such reasons are recorded in the accompanying requests for approval. Any bids that did not meet any of the above requirements is recorded as Irregular Expenditure and disclosed accordingly in the disclosure notes.

The department has fully fledged supply chain management policies that are supported with the relevant process flows. These processes are regularly augmented by the necessary circulars, where re-enforcement is deemed appropriate.

As part of the progressive implementation of the organogram, the supply chain and other relevant delegations were amended and allocated to the relevant District Directors. The pressure on the budget for compensation of employees with the resultant non-filling of posts is creating an emerging risk with respect to the separation of duties as well as general execution of processes within the supply chain environment. A further contributor to the already high vacancy rate is the exodus of employees to other departments through promotions or other forms of exits from employment.

With regard to asset management, the Head Office component works in tandem with the twelve (12) district offices to ensure that the departments has at all times a fixed asset register that meets the minimum reporting standards. Annual physical verification of assets, quarterly inventory counts and monthly asset reconciliations have ensured that this aspect of Finance is under control. The department has migrated its current asset register onto the Provincial HARDCAT system, which is anticipated to elevate the efficiency of future asset verifications, reporting and general maintenance of the department's movable asset register or Fixed Asset Register (FAR).

20.12 Gifts and Donations received in kind from non-related parties

There were no gifts and donations received in kind from non-related parties.

20.13 Exemptions and deviations received from National Treasury

No deviations or exemptions were received from National Treasury.

20.14 Events after the reporting date

There are no events after reporting date that require reporting.



Dr. E.V. Nzama
Head of Department: Education
Date: 31 August 2017

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

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

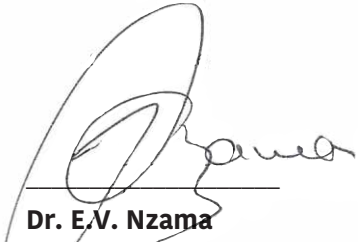
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgments made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2016.

Yours faithfully


Dr. E.V. Nzama
Head of Department: Education
Date: 31 August 2017

6 STRATEGIC OUTCOME ORIENTED GOALS

The strategic goals are instruments focusing the Department in achieving the vision using the mission as a vehicle. The articulation of the goals contributes to a concerted effort in ensuring that goals achieve the vision which in turn achieves the Provincial, National and International mandates of the education sector. The strategic goals 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 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 teachers in all institutions. |
| Strategic Objective 2.3 | To administer 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, and 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 order to ensure maximum support to curriculum delivery. |
| Strategic Objective 5.2 | To implement the Batho Pele principles in all institutions. |
| Strategic Objective 5.3 | To decisively deal with issues of fraud, corruption and maladministration. |
| Strategic Objective 5.4 | To implement the 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. |

7 STRATEGIC OVERVIEW

7.1 VISION

A well-educated, skilled and highly developed citizenry

7.2 MISSION

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

7.3 VALUES

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

(i) Altruism

- Displaying unselfish concern for the welfare of others.
- Doing work for a greater cause without the expectation of reward.
- Selflessness and dedication to the national cause in the delivery of service and putting people first.

(ii) Empathy

- Discharging our duties with kindness and generosity.
- Being mindful of the circumstances of others, their needs, special requirements.
- Sharing another's concerns, emotions and feelings.
- Doing the right thing the first time around in discharging our duties with kindness and generosity.
- Being mindful of the circumstances of other people, their needs and special requirements.
- Vicarious identification with other employees' concerns, emotions and feelings through demonstrations of compassion, consideration and care.

(iii) Professionalism

- Producing the highest standard of work and demonstrating the highest standard of conduct in our professions.
- Being at the most acceptable behaviour all the times under all conditions.
- Showing emotional maturity.
- Focusing the Department on improving cooperation through shared common goals.
- Respect for self and others.
- Uplifting the Department to higher performance with high degree of commitment and responsibility.

(iv) Integrity

- Consistency of actions and conduct with the highest ethical and moral conduct.
- Abiding by the unwritten rules and doing the right thing even when no one is watching.
- Displaying honesty, intolerance to fraud, corruption, nepotism and maladministration.
- Straightforward communication, saying what needs to be said without withholding information.
- Treating all (employees, stakeholder and others) in a manner that is fair and just.
- The backbone to efficiency and upholding responsibility in a corrupt free environment.

(v) Openness and Transparency

- Taking conscious steps to share information that is relevant to a particular level uniformly.
- Treating all (employees, stakeholders and others) in a manner that is fair and just.

(vi) Excellence

- Maintaining high standards of performance and professionalism by aiming for quality and avoiding mediocrity in everything we do.
- Performing above minimum requirements the first time around without delays and avoiding repeats.

(vii) Teamwork

- Establishing and maintaining shared goals.
- Working together towards improving service delivery.

(viii) Ubuntu

- Ubuntu refers to respect, patience, tolerance, humility and caring; all of which should be embedded within every employee in performing everyday duties.
- Being open and available to others,
- Affirming others without feeling threatened.
- Belonging to a greater whole.
- Recognising that we are all bound together in ways that are invisible to the eye.
- Recognising that we achieve our individual selves by sharing ourselves with others, and caring for those around us.

8 LEGISLATIVE AND OTHER MANDATES

8.1 CONSTITUTIONAL MANDATES

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. In the execution of his mandate, the Executive Authority 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 Constitution of the Republic of South Africa (1996) requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism. It guarantees access to basic education for all, with the provision that everyone has the right to basic education, including adult basic education

8.2 LEGISLATIVE MANDATES

Since 1994, a number of policies have been implemented and legislation promulgated to create a framework for transformation in education and training. The fundamental policy framework of the Ministry of Education is stated in the Ministry's first White Paper: Education and Training in a Democratic South Africa: First Steps to Develop a New System, February 1995. This document adopted as its point of departure the 1994 education policy framework of the African National Congress. After extensive consultation, negotiations and revision, it was approved by Cabinet and has served as a fundamental reference for subsequent policy and legislative development.

A summary of key policies and legislation follows:

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. It was designed to inscribe into law the policies, as well as the legislative and monitoring responsibilities of the Minister of Education, as well as to formalise the relations between national and provincial authorities. NEPA laid the foundation for the establishment of the Council of Education Ministers (CEM), as well as the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums that will collaborate in the development of a new education system. As such, it provides for the formulation of national policy in general, and further education and training policies for, inter alia, curriculum, assessment and language, as well as for quality assurance. NEPA embodies the principle of cooperative governance, elaborated upon in Schedule Three of the Constitution.

THE SOUTH AFRICAN SCHOOLS ACT (ACT NO. 84 OF 1996)

The South African Schools Act (SASA) promotes access, quality and democratic governance in the schooling system. SASA provides a framework for all learners to exercise their right of access to quality education without discrimination, and provides for compulsory education for children aged 7 to 15 (or 6 to 14). It provides for two types of schools, namely independent schools and public schools. The provision in the

Act for democratic school governance, via school governing bodies, is now in place in public schools countrywide. The school funding norms, outlined in SASA, prioritise redress and target poverty with regard to the allocation of funds for the public schooling system.

SASA has been amended by the Education Laws Amendment Act No. 24 of 2005, so as to authorise the declaration of schools in poverty-stricken areas as “no fee schools” and by the Education Laws Amendment Act No. 31 Of 2007 to provide among others for the functions and responsibilities of school principals, and matters pertaining to the control of substance abuse and other matters related thereto.

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 act.

THE GENERAL AND FURTHER EDUCATION AND TRAINING QUALITY ASSURANCE ACT, (ACT NO. 58 OF 2001)

The General and Further Education and Training Quality Assurance (GENFETQA) Act provides for the establishment of uMalusi, which is charged with the provision of quality assurance in general and further education and training, the issuing of certificates at the various exit points, control over norms and standards of curricula and assessment, as well as conducting of the actual assessment.

8.3 POLICY MANDATES

THE EDUCATION WHITE PAPER 5 ON EARLY CHILDHOOD DEVELOPMENT (2000)

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

EDUCATION WHITE PAPER 6 ON INCLUSIVE EDUCATION (2001)

White Paper 6 describes the intent of the Department of Education to implement inclusive education at all levels in the system by 2020. Such an inclusive system will facilitate the inclusion of vulnerable learners and reduce the barriers to learning, via targeted support structures and mechanisms, which will improve the retention of learners in the education system, particularly those learners who are prone to dropping out.

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.

NATIONAL CURRICULUM STATEMENTS (GRADES 10 TO 12)

The National Curriculum Statements embody the vision for general education to move away from rote-learning model, to a learner-centred outcomes-based approach. In line with training strategies, the reformulation is intended to allow greater mobility between different levels and between institutional sites, as well as to promote the integration of knowledge and skills through learning pathways. Its assessment,

qualifications, competency and skills-based framework encourage the development of curriculum models that are aligned to the NQF in theory and practice. The NCS was declared policy in November 2003 to roll out curriculum transformation to schools in the Further Education and Training Band (Grades 10-12). The first year of implementation was 2006 in Grade 10, with grades 11 implemented in 2007 and the first Grade 12 NCS results released at the end of 2008 academic year.

8.4. RELEVANT COURT RULINGS

a) Christian Education of South Africa v Minister of Education (CCT 13/98) [1998] ZACC 16; 1999 (2) SA 83;1998 (12) BCLR 1449 14 October 1998. The decision of this case repealed moderate corporal correction and corporal punishment in independent schools.

b) MEC FOR EDUCATION: KWAZULU-NATAL AND OTHERS vs PILLAY 2008 (2) BCLR 99 CONSTITUTIONAL COURT

This case raises the vital questions about the nature of discrimination under the provisions of the Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 as well as the extent of protection afforded to cultural and religious rights in the Public school setting. The Court decided on the place of religious and cultural expression in Public schools as are reflected in the Code of Conduct for Learners in those schools.

The Constitutional Court found that the Code of Conduct for Learners for Durban Girls High School was discriminatory because it prohibited a Learner from wearing a nose stud which was an expression of her religion.

c) GOVERNING BODY OF JUMA MUSJID PRIMARY SCHOOL AND OTHERS vs MEC FOR EDUCATION KWAZULU-NATAL AND OTHERS 2011 (8) BCLR (761) CONSTITUTIONAL COURT

This is an application for leave to appeal against a decision of the KwaZulu-Natal High Court. The order of the High Court authorised the eviction, of a Public school conducted on private property. The dispute was between the Juma Musjid Trust which owned the property, the MEC for Education, KwaZulu-Natal as well as the School Governing Body. The case dealt with the right to education in terms of Section 29 of the Constitution and the Constitutional obligation of the State to respect, promote, protect and fulfil that right.

d) KWAZULU-NATAL JOINT LIAISON COMMITTEE vs MEC FOR EDUCATION, KWAZULU-NATAL 2013 (4) SA 262 CONSTITUTIONAL COURT

The case involves the enforcement of payment by the State of subsidy to Independent schools. The Court found that once the Department has made an undertaking to pay subsidy to Independent schools, it is bound to honour that undertaking and is not entitled to reduce, retroactively, subsidies regardless of budgetary adjustments. Whilst affordability was considered as a major issue, the Court found that the set dates are of great significance and create a legal obligation to honour those dates. It was further found that responsibility and rationality demand that the Government prepare its budget to meet payment deadlines and it cannot reach back and diminish accrued rights in order to manage its own shortfalls.

- i) HEAD OF DEPARTMENT, DEPARTMENT OF EDUCATION, FREE STATE PROVINCE VS WELKOM HIGH SCHOOL AND ANOTHER;
- ii) HEAD OF DEPARTMENT, DEPARTMENT OF EDUCATION, FREE STATE PROVINCE VS HARMONY HIGH SCHOOL AND ANOTHER (2013) ZACC 25;
- iii) HEAD OF DEPARTMENT, MPUMALANGA DEPARTMENT OF EDUCATION AND ANOTHER VS HOËRSKOOL ERMELO AND ANOTHER (2009) ZACC 32; 2010 (2) SA 415 (CC; 2010 (3) BCLR 177 (CC);
- iv) MEC FOR EDUCATION VS GAUTENG PROVINCE AND OTHERS VS GOVERNING BODY OF RIVONIA PRIMARY SCHOOL AND OTHERS (CCT 135/12) (2013) ZACC 34.

- The above mentioned cases dealt with the powers of School Governing Bodies to determine and adopt Policies in relation to a number of issues (e.g. Admission policy, Language policy, Code of Conduct, etc.). The Head of Department cannot intervene or interfere by simply setting aside a policy developed by the School Governing Body. When the Head of Department or the MEC wants to intervene, he or she must act reasonably and in a procedurally fair manner and must be empowered or authorised by the relevant legislation.
- The Welkom High School and Harmony High School dealt with the Code of Conduct for Learners. It provided that learners who fell pregnant could not proceed with attending school until they had given birth. They could be admitted back to school a few months after giving birth. This policy was adopted by the Governing Body after it had gone through a consultative process within the school community. This policy was glaringly discriminatory and could not stand the constitutional scrutiny. The Head of Department attempted to intervene by setting aside this policy but the Court ordered that as much as the policies were discriminatory, the Head of Department must act rationally and in a fair and procedural manner to set aside the policy developed by the Governing Body.

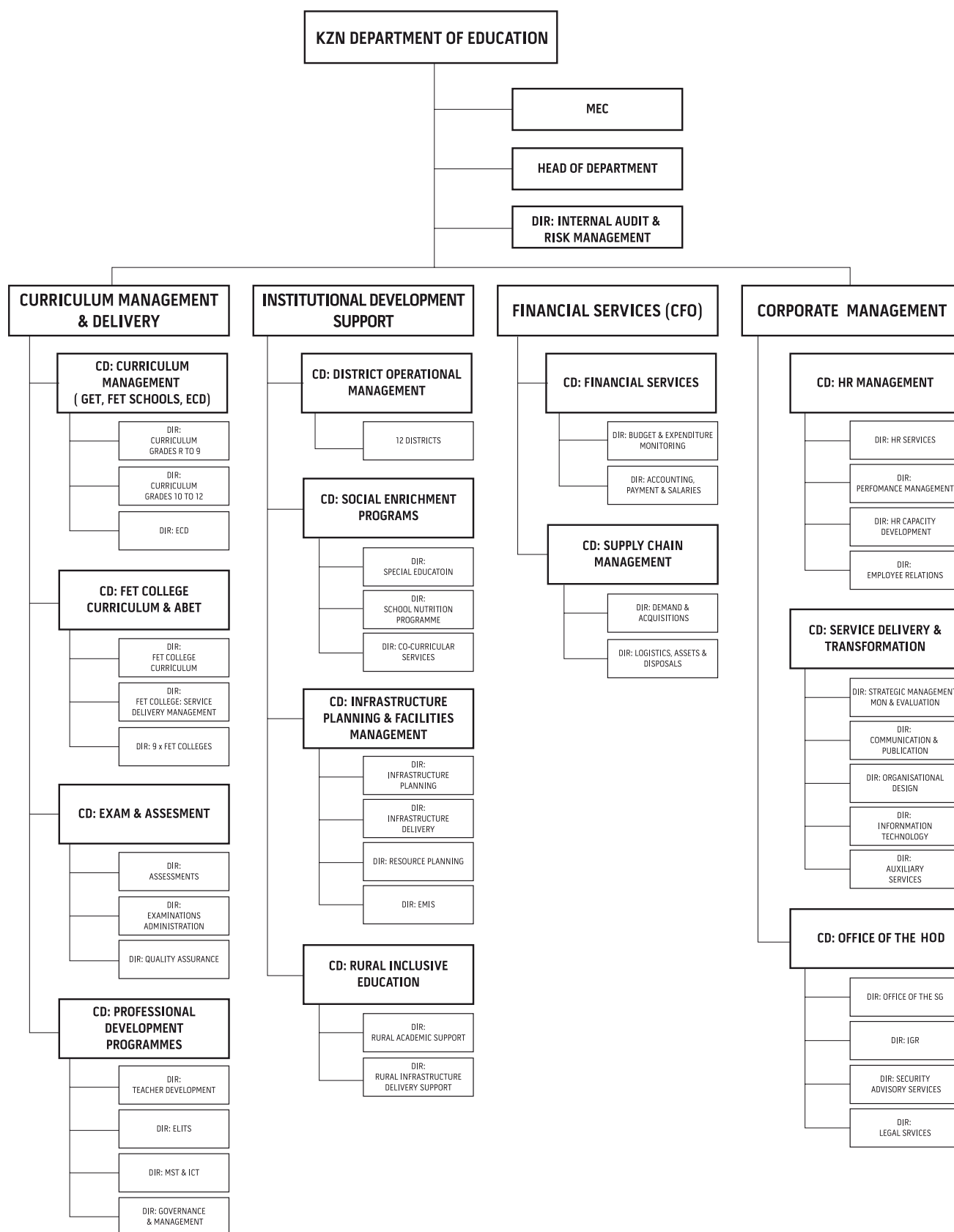
Hoërskool Ermelo and Rivonia Primary School cases dealt with the admission of Learners to Public schools, powers and obligations of the School Governing Bodies and the Head of Department in relation to admission to Public schools.

e) BEAUVALLON SECONDARY SCHOOL AND ITS GOVERNING BODY AND 16 OTHER SCHOOLS VS THE MEC OF WESTERN CAPE DEPARTMENT OF EDUCATION – CASE NO 865/13 – SUPREME COURT OF APPEAL OF SOUTH AFRICA

This case dealt with the closure of Public schools in terms of Section 33 of the South African Schools Act, 1996. The question was whether when the MEC is acting in terms of Section 33 of the South African Schools Act was she performing a function which is reviewable under the provisions of the Promotion of Administrative Justice Act, 2000 or was she performing an executive function that is not subject to review under the Promotion of Administrative Justice Act, 2000. The Court decided that when the MEC is performing functions in terms of Section 33, such functions are reviewable under the provisions of the Promotion of Administrative Justice Act, 2000.



9 ORGANISATIONAL STRUCTURE



PART B



DEPARTMENT OF EDUCATION KZN
Annual Report 2016/17

PERFORMANCE INFORMATION

AUDITOR GENERAL’S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor’s report.

Refer to page **173** of the Report of the Auditor General, published as Part E: Financial Information.

2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department has performed well in the year under review. Whilst the National Assessments were not conducted, there has been very good progress with the delivery of basic services and access to primary services. In terms of management practices, the Department has improved financial management with an unqualified opinion, reduced teacher absenteeism, improved learner attendance, increased number of learners benefiting from national school nutrition programme, and increased number of learners benefiting from learner transport.

It is important to mention that inequality still exist between, among and within districts. The scarceness guide measures the comparative deprivation of populations across districts within the province and is derived from a set of demographic and socio-economic variables of the 2011 Census. A high value for the deprivation index denotes higher levels of deprivation and a low value for the deprivation index denotes lower levels of deprivation. This means that districts that fall into socio-economic quintile 5 are the least deprived (best off), whereas those that fall into quintile 1 are most deprived (worst off).

The provision of access to quality education is fundamental to the province and the broadening of participation rate has improved over the 10 years. From 2006, the Department progressed from previous years of financial disclaimers with regards to financial management to unqualified audits. The Department continues to record unqualified audit reports. The performance is good considering that the Department serves approximately 6 000 schools and about 2, 8 million learners.

The largest share of the Department’s budget is for the provision of personnel expenditure. This is reflected in the 2016/17 MTEF budget allocation, whereby more than 80 per cent is allocated toward compensation of employees. The spending focus over the MTEF period will be on improving curriculum delivery in order to improve learner attainment.

The alignment of schools remains a focus for the Department in order to ensure that there are only primary and secondary schools. As such, the Department paid special focus to the consolidation of small and non-viable schools and the multi-grade schools through the introduction of the specially designed toolkit for these schools, through the rural academic support unit.

White Paper 5 of 2000 set specific targets with regard to five-year olds that were supposed to be in Grade R

by 2014. The Department reached and exceeded this target, as 93 per cent of five-year olds were in Grade R classes by 2014 and 97% are in Grade R currently. Therefore, the target for access has been reached and the challenge is to improve the quality of education that is offered.

This programme has experienced the brunt of financial control measures in previous years. For this year, plans are commencing to ensure that service delivery is not affected. As such, all 156 community centres with Grade R classes, will be assisted through the payment of stipends to the practitioners, as well as the provision of core material. In the Pre-Grade R sub-programme, provision has been made for the training of practitioners, and the provision of the core material. Of significance is the pilot programme that will be continued in 15 crèches as the Department continues to investigate the concept of model crèches. The Department will train the care-givers in the curriculum delivery. The Grade R classes in public schools will benefit through the additional provision of equipment and furniture where this may be inadequate.

The participation rate in primary ordinary schools as reflected by the learner enrollment, remains very stable. The stability in the participation rate is due to the structural makeup of the schooling system in that the number of public primary schools determine the number of learners that can participate in the primary school phase.

Similarly, the participation rate in the secondary phase is stable although it shows a slight decrease from the primary phase. The structural make-up of the schooling system also determines the number of learners that can participate in the secondary phase. The fewer schools in the secondary phase indicate a fewer number of learners that can be accommodated at the secondary phase.

Special school education enrolment has been increasing from 2006 onwards. To date the Department has recorded an increase of close to 10% from 2006.

In an effort to improve learner attainment, especially the NSC results, the Department has enhanced its five-year academic improvement plan also known as Operation Bounce Back to focus sharply on the following areas:

- Enhanced accountability at all levels of the system.
- Greater focus on basic functionality of schools.
- Protecting time for teaching and learning.
- Improved support for teaching and learning.
- Increased efforts on time on task (monitoring tool to ensure educators are in class on time and teaching).
- Resource provisioning

With regards to assessment, the Department continued its comprehensive planning and vigorous monitoring of the various examinations that it administers. In the analysis of learner performance in the examinations, the Department prepared plans to mitigate poor curriculum delivery or content knowledge, as well as poor learner preparation or response to questions. Schools, through districts, were also encouraged to set, write and mark various tests that were to assist in the assessment of learner attainment at all levels.

Learner performance with regard to mathematics and science remain a concern to the Department. The

maths and science strategy will continue to be implemented, monitored and evaluated, covering a wider base of schools.

The strengthening of Education Management Information System (EMIS) in order to improve the credibility of data submitted by schools and to ensure minimum human errors in the process, has assisted the department in having accurate data and in providing adequate statistics for analytic, planning, budgeting and decision-making purposes.

2.2 Organisational environment

The organisational structure is always viewed as a catalyst to give effect to the mandate pertaining to the efficient and effective delivery of education as an apex priority of government. The Department has since 2011 been successful in delivering its core and support functions via the devolution thereof to the service delivery points being the twelve District Offices.

In the recent past, however, a number of changes have taken place in the socio-economic, as well as in the education and development fields that has had a significant impact on service delivery, namely, the austerity measures imposed by National Treasury on government spending, DPSA directives on organisational design etc. Having regard to these and to adequately address the changing environment the Department held a Strategic Planning Session in November 2016 with its theme being: “Gearing up for change : towards improving learner attainment, effectiveness and efficiency in education”. At the Strategic Planning Session key areas of concerns were deliberated and resolutions adopted, which amongst others are the integration of Grade R into the foundation phase, the establishment of an integrated unit for academic interventions and project management, the alignment and location of youth development functions to ensure that government mandates are implemented.

Having regard to those resolutions that had an impact on the organisational structure the Department embarked on an organogram review exercise. In this regard the organogram was extensively consulted with the Departments, social partners and other relevant stakeholders. In line with the DPSA directive on organisational design the Draft organogram is being examined by Provincial Treasury after which it would be transmitted to the Office of the Premier and DPSA for ratification.

2.3 Key policy developments and legislative changes

There is one significant Constitutional Court judgement which may have revisions to certain legislative or other mandates since the Strategic Plan 2015/16 – 2019/20 was compiled.

Constitutional Court judgement: The MEC for Education is eligible to determine feeder zones.

Federation of Governing Bodies for South African Schools v Member of the Executive Council for Education, Gauteng and Another [2016] ZACC 14

3 PERFORMANCE INFORMATION BY PROGRAMME

3.1 PROGRAMME 1: ADMINISTRATION

Programme Purpose

The purpose of Programme 1: Administration is to provide for the overall management of the education system in accordance with the National Education Policy Act., the Public Finance Management Act, and other policies. Programme 1 includes publicly funded goods and services, in particular teachers, non-teachers and office items, utilised for governance, management, research and administration, as well as general office services, e.g. cleaning and security services, if utilised in the provincial head office and its subsidiary district and circuit offices.

ANALYSIS BY PROGRAMME

This programme has six sub-programmes analysed as follows:

- (i)** Office of the MEC
To provide for the functioning of the office of the Member of the Executive Council (MEC) for education in line with the ministerial handbook
- (ii)** Corporate Services
To provide management services which are not education specific for the education system
- (iii)** Education Management
To provide education management services for the education system
- (iv)** Human Resource Development
To provide human resource development for office-based staff
- (v)** Education Management Information System (EMIS)
To provide education management information in accordance with the National Education Information Policy
- (vi)** Conditional Grants
To provide for projects under programme 1 specified by the Department of Basic Education and funded by conditional grants.

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.

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|---------------------------------|-----------------------------|---------------------------------|---|--------|---|
| PPM 101: Number of public schools that use the schools administration and management systems to electronically provide data to the national learner tracking system | 5 390 | 5992 | 5 881 | -111 | -1.8% | The under-achievement can be attributed to the fact that some databases were corrupt and some schools had not submitted their databases. Furthermore, some schools are using third party systems. |
| PPM 102: Number of public schools that can be contacted electronically (e-mail) | 1 835 | 2035 | 5 633 | 3598 | 176.8% | The output has been exceeded as schools that can be connected via emails also includes those schools with private email addresses as derived from SA-SAMS. |
| PPM 103: Percentage of education current expenditure going towards non-personnel items | 10 % | 8.4% | 9% | 0.6% | 0.6% | The target achieved was slightly above the projected target due to the aggressive effort to improve teaching and learning (Bounce Back Strategy) |
| PPM 104: Number of schools visited by district officials for monitoring and support purposes. | 4 226 | 5992 | 4 632 | -1360 | -22.7% | The 63 vacant circuit manager and 78 subject advisor posts contributed to the target not being achieved. To mitigate against this under-achievement, the vacant circuit manager and subject advisor posts were advertised and subsequently filled. However, more posts have since become vacant due to attrition and promotion of district officials. |

PROGRAMME 1: NON-CUSTOMISED INDICATORS

| Non-Customised Performance Indicator | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|------------------------------|--------------------------|------------------------------|---|-----|---|
| Percentage of office-based women in Senior Management Service | 38% | 45% | 42% | -3% | -3% | Selection committees are being apprised of the Department's obligations in this regard prior to proceeding with selection process to increase its representation of women in SMS and the EA (Executive Authority) will be advised of the need to increase the representation of women in SMS |
| Percentage of women school principals | 40.40% | 50% | 41% | -9% | -9% | Filling of promotion posts below level of SMS are at schools and the filling of such vacant posts requires the School Governing Body to follow the selection process, nominate 3 suitable candidates for each post. SGBs are being apprised to ensure that appointment of the candidates is effected with due regard to the equity targets of the Department, which is 50% of women in promotion posts. |
| Percentage of women employees | 67.80% | 67% | 69% | 2% | 2% | The target has been achieved. |

3.2 PROGRAMME 2: PUBLIC ORDINARY SCHOOLS

Programme Purpose

To provide public ordinary education from Grade 1 to 12, in accordance with the South African Schools Act and White Paper 6 on inclusive education. (E-learning is also included)

ANALYSIS BY SUB-PROGRAMME

This programme has five sub-programmes, analysed as follows:

- (i)** Public Primary Schools
To provide specific public primary ordinary schools (including inclusive education) with resources required for the Grade 1 to 7 level.
- (ii)** Public Secondary Schools
To provide specific public secondary ordinary schools (including inclusive education) with resources required for the Grade 8 to 12 levels.
- (iii)** Human Resource Development
To provide departmental services for the development of educators and non-educators in public ordinary schools (including inclusive education).
- (iv)** In-School Sport and Culture
To provide additional and departmentally managed sporting, cultural and reading activities in public ordinary schools (including inclusive education).
- (v)** Conditional Grant
To provide for projects (including inclusive education) under programme 2 specified by the Department of Basic Education and funded by conditional grants

PROGRAMME 2: PUBLIC ORDINARY SCHOOL EDUCATION

Programme Objective:

To provide quality public ordinary school education from Grade 1 to 12 in accordance with the South African Schools Act and other relevant legislation

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|------------------------------|--------------------------|------------------------------|---|--------|---|
| PPM 201: Number of full service schools servicing learners with learning barriers | 101 | 101 | 101 | 0 | 0% | The target has been achieved. |
| PPM 202: Number of primary schools with an overall pass rate in ANA of 50% and above | No data | 2 344 | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 203: Number of secondary schools with an overall pass rate in ANA of 40% and above | No data | 323 | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 204: Number of secondary schools with National Senior Certificate (NSC) pass rate of 60% and above | 804 | 1543 | 1 023 | -520 | -33.7% | The Department has underperformed in relation to the target; however there was an increase in 219 schools performing better compared to the previous year as a result of various interventions such as the reviewed Provincial Academic Improvement Plan being implemented. |
| PPM 205: The percentage of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade) | 69.42% | 68% | 69% | 1% | 1% | The target has been achieved. |
| PPM 206: The percentage of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or a higher grade) | 61.2% | 54.5% | 62.4% | 7.9% | 7.9% | The influx of learners of this age cohort from other provinces as well as from neighbouring countries contributed to this target being surpassed. |



| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|------------------------------------|--------------------------------|------------------------------------|---|--------|--|
| PPM 207: Number of schools provided with media resources | 600 | 600 | 605 | 5 | 0.8% | The target was achieved |
| PPM 208: Learner absenteeism rate | 1.8% | 5% | 1.2% | 3.8% | 3.8% | Due to the closure of schools for the Easter Vacation, statistics on learner absenteeism were not received from schools timeously to be processed by Districts for the 4th QPR. Districts are still collecting the SA-SAMS Databases from schools for the 4th Quarter Submission that will include all Learner Absenteeism for Term 1 of the 2017 Academic Year. |
| PPM 209: Teachers absenteeism rate | 0.03% | 7% | 0.2% | 6.8% | 6.8% | The improvement in the output is as a result of a circular (HRM 37 of 2016) being issued on leave capturing within one week. |
| PPM 210: Number of learners in public ordinary schools benefiting from the “No Fee Schools” policy | 1 965 951 | 1 939 310 | 1 990 795 | 51 485 | 2.6% | Target met and exceeded due to schools’ contestation adjustments. |
| PPM 211: Number of educators trained in Literacy/Language content and methodology | 20 465 | 42 504 | 21 591 | -20 913 | -49% | Budgetary constraints restricted the number of educators that could be trained in Literacy/ Language content and methodology |
| PPM 212: Number of educators trained in Numeracy/Mathematics content and methodology | 11 611 | 42 504 | 9 841 | -32 663 | -76.8% | Budgetary constraints restricted the number of educators that could be trained in Numeracy/ Mathematics content and methodology |

PROGRAMME 2: NON-CUSTOMISED INDICATORS

| Non-Customised Performance Indicator | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|------------------------------|--------------------------|------------------------------|---|-------|---|
| Percentage of learners benefiting from National School Nutrition Programme (NSNP) | 87% | 87% | 94% | 7 | 8% | The programme is currently feeding beyond the policy. This figure includes learners in quintiles 4 & 5 schools that are also benefiting in NSNP. |
| Number of learner days covered by nutrition programme | 196 | 196 | 196 | 0 | 0% | The target has been achieved. |
| Number of public ordinary schools with all LTSMs and other required materials delivered by day one of the school year as ordered | 5987 | 5992 | 5899 | -93 | -1.5% | The output takes into account RTL funded schools, schools that closed, and newly funded schools. Total schools are made up of 3131 non S21c schools and 2768 S21c schools |
| Dropout Rate in 12 years among the cohort completing Grade 12 | 40% | 35% | 35% | 0 | 0% | Target Achieved. |
| Dropout Rate among Grade 12 enrolled for NSC examination | 5% | 4% | 4% | 0 | 0% | Target Achieved. |

3.3 PROGRAMME 3: INDEPENDENT SCHOOLS SUBSIDIES:

Programme Purpose

The purpose of Programme 3 is to support independent schools in accordance with the South African Schools Act as enshrined in the Norms and Standards for School Funding Regulations.

ANALYSIS BY SUB-PROGRAMME

This programme has two sub-programmes, analysed as follows:

- (i) Primary Phase
To support independent schools offering Grades 1 to 7
- (ii) Secondary Phase
To support independent schools offering Grades 8 to 12

PROGRAMME 3: INDEPENDENT SCHOOLS

Programme Objective:

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

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|------------------------------------|--------------------------------|------------------------------------|---|------|--|
| PPM 301: Number of subsidised learners in registered independent schools | 28 781 | 29 314 | 29 314 | 0 | 0% | The target has been achieved. |
| PPM 302: Percentage of registered independent schools receiving subsidies | 78% | 53% | 53% | 0 | 0% | The target has been achieved. As a result of poor performance and the lack of proper registration, 25% of independent schools were deregistered. |
| PPM 303: Percentage of registered independent schools visited for monitoring and support | 74.8% | 100% | 90% | -10% | -10% | These visits include visits by Circuit Managers as well as officials from the Independent Schools Directorate. |

PROGRAMME 3: NON-CUSTOMISED INDICATORS

| Non-Customised Performance Indicator | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|------------------------------------|--------------------------------|------------------------------------|---|------|--|
| Number of funded independent schools visited for monitoring purposes | 127 | 127 | 114 | -13 | -10% | Circuit Managers are also visiting independent schools to compensate for staff shortages within the directorate responsible for independent schools. |
| Percentage of schools achieving between 90% to 100% pass rate | 84% | 85% | 85% | 0 | 0 | Target achieved. |

3.4 PUBLIC SPECIAL SCHOOLS EDUCATION

Programme Purpose

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

ANALYSIS BY SUB-PROGRAMME

This programme has four sub-programmes analysed as follows:

- (i) Schools
To provide specific public special schools with resources (including E-learning and inclusive education)
- (ii) Human Resource Development
To provide departmental services for the development of educators and non-educators in public special schools (including inclusive education).
- (iii) School sport, culture and media services
To provide additional and departmentally managed sporting, cultural and reading activities in public special schools (including inclusive education).
- (iv) Conditional Grants
To provide for projects under programme 4 specified by the Department of Basic Education and funded by conditional grants (including inclusive education).

PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

Programme objective:

To provide compulsory quality public education and resources in Mainstream Schools, Special Schools and Full Service Schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education: Building an Inclusive Education and Training System.

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|---------------------------------|-----------------------------|---------------------------------|---|----|-------------------------------|
| PPM 401: Percentage of learners with special needs in special schools retained in schools until age 16 | 90% | 100% | 100% | 0 | 0% | The target has been achieved. |
| PPM 402: Percentage of special schools serving as Resource Centres | 34% | 35% | 35% | 0 | 0% | The target has been achieved. |

PROGRAMME 4: NON-CUSTOMISED INDICATORS

| Non-Customised Performance Indicator | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|------------------------------|--------------------------|------------------------------|---|------|---|
| Number of learners accessing assessment, career guidance, remedial education, counselling and support programmes in mainstream, special and full service schools. (10% per year / annual) in line with the National Strategy of Screening, Identification, Assessment and Support (SIAS) Strategy | 133 000 | 128 000 | 141 088 | 13088 | 10% | The target has been exceeded by 13 088 learners (or 10, 2%). The reason for exceeding the target was due to support from donor programmes (eg. MIET) and increased demand from districts. |
| Number of educators employed in public special schools | 1 437 | 1 468 | 1576 | 108 | 7% | Target has been surpassed due to the appointment of temporary educators. |
| Number of professional non-educator staff employed in public special schools | 193 | 382 | 198 | -184 | -48% | 198 professional non-educator staff are employed by the Department and 184 are SGB employed |
| Number of learners enrolled in public special schools | 18 470 | 17 717 | 19 003 | -1286 | -7% | Early identification and correct admission and placement of learners with barriers to learning and improvement in physical infrastructure led to the target being surpassed. |

3.5 PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

Programme Purpose

To provide Early Childhood Education (ECD) at the Grade R and pre-grade R in accordance with White Paper 5 (E-learning is also included)

ANALYSIS BY SUB-PROGRAMME

This programme has four sub-programmes analysed as follows:

- (i) Grade R in Public Schools
 To provide specific public ordinary schools with resources required for Grade R.
- (ii) Pre-Grade R Training
 To provide training and payment of stipends of Pre-Grade R practitioners/ educators
- (iii) Grade R in Grade R in early childhood development centres
 To support Grade R, at early childhood development centres.
- (iv) Human Resource Development
 To provide departmental services for the development of practitioners/ educators and non-educators in Grade R at public schools and ECD centres.

PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

Programme objective:

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

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|------------------------------|--------------------------|------------------------------|---|--------|---|
| PPM 501: Number of public schools that offer Grade R | 3 893 | 3 995 | 3 972 | -23 | -0.6% | Schools in the province were consolidated by closing down non-viable schools which in turn led to the decrease in the number of public schools that offer Grade R. |
| PPM 502: Percentage of Grade 1 learners who have received formal Grade R education | 100% | 97.1% | 73% | -24.1% | -24.1% | The number of Grade 1 learners who have received formal Grade R education has decreased due to the increase in independent ECD sites which are not counted when calculating this programme performance measure. |
| PPM 503: Percentage of employed ECD Practitioners with NQF level 4 and above | 50% | 55% | 22% | -33% | -33% | The target was not achieved due to a large number of practitioners registered for NQF level 4 and above either not finishing the course or failing. |

PROGRAMME 5: NON-CUSTOMISED INDICATORS

| Non-Customised Performance Indicator | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|------------------------------------|--------------------------------|------------------------------------|---|-----|---|
| Number of subsidised community based centres offering Grade R | 50 | 30 | 57 | 27 | 90% | The number of learners has decreased due to the increase in independent ECD sites, and the merging of small non-viable schools. |

3.6 PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

Programme Purpose

To provide and maintain infrastructure facilities for the administration and schools

ANALYSIS BY SUB-PROGRAMME

This programme has four sub-programmes analysed as follows:

- (i)** Administration
To provide and maintain infrastructure facilities for administration
- (ii)** Public Ordinary Schools
To provide and maintain infrastructure facilities for public ordinary school
- (iii)** Special Schools
To provide and maintain infrastructure facilities for public special school
- (iv)** Early Childhood Development
To provide and maintain infrastructure facilities for early childhood development

PROGRAMME 6: INFRASTRUCTURE DELIVERY

Programme objective:

To provide and maintain infrastructure facilities for the administration and schools.

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|---------------------------------|-----------------------------|---------------------------------|---|--------|--|
| PPM 601: Number of public ordinary schools provided with water supply | 145 | 425 | 427 | 2 | 0.5% | The target was over-achieved due to two schools (backlogs) being included. |
| PPM 602: Number of public ordinary schools provided with electricity supply | 3 | 75 | 75 | 0 | 0% | The target was achieved. |
| PPM 603: Number of public ordinary schools supplied with sanitation facilities | 122 | 200 | 210 | 10 | 5% | The target was over-achieved due to ten schools (backlogs) being included. |
| PPM 604: Number of classrooms built in public ordinary schools | 309 | 900 | 705 | -195 | -21.7% | The target was not achieved due to the delays on some of the projects such as Ukukhanyakomsinga Special School, Ndumo Model School, Lubelo Secondary School, Ntshongo Secondary School, Shayina High School, Kwambonambi Secondary School, Impumelelo High School, Hihlithemba High School, Sibutha Primary School, Chief Lokothwayo Primary School, Mtuba Primary School, Nondumiso Secondary School, Umdombolo Primary School and Inkanyezi Yamachi Primary School. The services of poor performing contractors have been terminated and the procurement process for the appointment of new contractors has commenced. |



| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|------------------------------------|--------------------------------|------------------------------------|---|--------|--|
| PPM 605: Number of specialist rooms built in public ordinary schools | 861 | 300 | 170 | -130 | -43% | The target was not achieved due to the delays on some of the projects such as Ukukhanyakomsinga Special School, Ndumo Model School, Lubelo Secondary School, Ntshongo Secondary School, Shayina High School, Kwambonambi Secondary School, Impumelelo High School, Hihlithemba High School, Sibutha Primary School, Chief Lokothwayo Primary School, Mtuba Primary School, Nondumiso Secondary School, Umdombolo Primary School and Inkanyezi Yamachi Primary School. The services of poor performing contractors have been terminated and the procurement process for the appointment of new contractors has commenced. |
| PPM 606: Number of new schools completed and ready for occupation (includes replacement schools) | 7 | 14 | 10 | -4 | -28.6% | The target was not achieved due to the delays on some of the projects. The services of poor performing contractors have been terminated and the procurement process for the appointment of new contractors has commenced. |
| PPM 607: Number of new schools under construction (includes replacement schools) | 29 | 27 | 27 | 0 | 0% | The target has been achieved. |

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|------------------------------------|--------------------------------|------------------------------------|---|-------|--|
| PPM 608: Number of Grade R classrooms built | 116 | 291 | 98 | -193 | -66% | The target was not achieved as there were challenges that emanated from certain projects which subsequently had to be re-tendered. This resulted in delays in the completion of the projects in the financial year under review. Consequently, these projects will be completed in the 2017/18 financial year. |
| PPM 609: Number of hostels built | 1 | 4 | 0 | -4 | -100% | The target was achieved but awaiting Practical certificate from the Implementing Agent. |
| Ppm 610: Number of schools undergoing scheduled maintenance | 200 | 200 | 310 | 110 | 55% | Target has been surpassed due to the backlogs that were included. |

3.7 PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Programme Purpose

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

ANALYSIS BY SUB-PROGRAMME

This programme has five sub-programmes analysed as follows:

- (i) Payments to SETA
To provide human resource development for employees in accordance with the Skills Development Act.
- (ii) Professional Services
To provide educators and learners in schools with departmentally managed support services.
- (iii) Special Projects
To provide for special departmentally managed intervention projects in the education system as a whole.
- (iv) Examination
To provide for departmentally managed examination services.
- (v) Conditional Grants
To provide for projects specified by the department that is applicable to more than one programme and funded with conditional grants

PERFORMANCE INDICATORS

PROGRAMME: AUXILIARY AND ASSOCIATED SERVICES

Programme objective:

To provide specialist support services to Public Ordinary Schools, including examination support services and quality assurance.

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|---------------------------------|-----------------------------|---------------------------------|---|--------|---|
| PPM 701: Percentage of learners who passed National Senior Certificate (NSC) | 60.7% | 70% | 66.4% | -3.6% | -3.6% | The Department has implemented various interventions such as the reviewed Provincial Academic Improvement Plan to improve the pass rate and the quality of passes in the NSC. There was a significant improvement from the previous year. The pass rate without progressed learners is 69.5%. |
| PPM 702: Percentage of Grade 12 learners passing at bachelor level | 21.4% | 24% | 24.48% | 0.48% | 0.48% | The target has been achieved. |
| PPM 703: Percentage of Grade 12 learners achieving 50% or more in Mathematics | 12% | 16% | 13.77% | -2.23% | -2.23% | The Department has underperformed in relation to the target; however there was an increase in 1.77% compared to the previous year as a result of various interventions such as the reviewed Provincial Academic Improvement Plan being implemented. |
| PPM 704; Percentage of Grade 12 learners achieving 50% or more in Physical Science | 17.4% | 18% | 22.18% | 4.18% | 4.18% | The target has been surpassed due to various interventions such as the reviewed Provincial Academic Improvement Plan being implemented. |

| Performance Measure | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|--|---------------------------------|-----------------------------|---------------------------------|---|---|---|
| PPM 705: Percentage of Grade 3 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA) | No data | 74% | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 706: Percentage of Grade 3 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA) | No data | 74% | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 707: Percentage of Grade 6 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA) | No data | 62% | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 708: Percentage of Grade 6 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA) | No data | 39% | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 709: Percentage of Grade 9 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA) | No data | 34% | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |
| PPM 710: Percentage of Grade 9 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA) | No data | 5% | No Data | - | - | ANA was not written in 2016 as consultation between DBE and Unions on ANA review was still in progress. |



PROGRAMME 7: NON-CUSTOMISED INDICATORS

| Non-Customised Performance Indicator | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | | Comment on Deviations |
|---|------------------------------------|--------------------------------|------------------------------------|---|---------|--|
| NSC pass rate | 60.7% | 70% | 66.4% | -3.6% | -3.6% | The pass rate without progressed learners is 69.5%. |
| Number of schools with an NSC pass rate below 60% | 944 | 200 | 733 | 533 | 266.5% | The Department has underperformed in relation to the target. Various interventions such as the reviewed Provincial Academic Improvement Plan have been implemented to reduce the number of schools with an NSC pass rate below 60% |
| NSC pass rate of Quintile 1 schools [minimum school average of 60%] | 46.6% | 75% | 37.53% | -34.47% | -34.47% | The Department has underperformed in relation to the target. Various interventions such as the reviewed Provincial Academic Improvement Plan have been implemented to increase the NSC pass rate of Quintile 1 schools. |
| NSC pass rate of Quintile 5 schools [minimum school average of 60%] | 83.5% | 97% | 90.57% | -6.43% | -6.43% | The Department has underperformed in relation to the target. Various interventions such as the reviewed Provincial Academic Improvement Plan have been implemented to increase the NSC pass rate of Quintile 5 schools. |

| | | | | | | |
|--|-------|--------|--------|--------|--------|--|
| Percentage of learners passing NSC maths | 33.2% | 45.75% | 37.91% | -7.84% | -7.84% | The Department has underperformed in relation to the target. Various interventions such as the reviewed Provincial Academic Improvement Plan have been implemented to increase the Percentage of learners passing NSC maths. |
| Percentage of learners passing NSC science | 51.8% | 60.77% | 57.76% | -3.01% | -3.01% | The Department has underperformed in relation to the target. Various interventions such as the reviewed Provincial Academic Improvement Plan have been implemented to increase the Percentage of learners passing NSC science. |
| Percentage of bachelor passes | 21.4% | 24% | 24.48% | 0.48% | 0.48% | Target Achieved. |

4. STATISTICAL INFORMATION

| STATISTICAL INDICATORS | Baseline | 2016/17 Estimate | 2016/17 Actual Achievement |
|--|-----------|---------------------|-------------------------------|
| Percentage of learners that are funded at a minimum level | 0% | 0% | 0% |
| Percentage of schools with full sets of financial management responsibilities on the basis of assessments | 70% | 70% | 70% |
| Percentage of women in SMS positions | 35.8% | 35.8% | 42% |
| Percentage of women in Principalship posts | 40.4% | 40.4% | 41% |
| Percentage of women employees | 67.8% | 67.8% | 69% |
| Number of schools compensated in terms of no-fee exemption policy | 4,739 | 4,739 | 5 015 |
| Number of learners enrolled in public ordinary schools | 2,605,918 | 2,606,918 | 2 636 637 |
| Number of educators employed in public ordinary schools | 85,271 | 85,271 | 85 248 |
| Number of non-educator staff employed in public ordinary schools | 11,396 | 11,396 | 10 735 |
| Number of learners with access to NSNP | 2,309,420 | 2,354,420 | 2 233 217 |
| Number of learners eligible to benefit from learner transport | 35 500 | 35 800 | 47 747 |
| Number of learners with special education needs identified in public ordinary schools | 30 000 | 32 000 | 32 000 |
| Number of qualified teachers aged 30 and below, entering the public service as teachers for the first time | 1 435 | 1 435 | 1 065 |
| Percentage of learners who are in classes with more than 45 learners | 8% | 7% | 7% |
| Percentage of youth who obtained a National Senior Certificate from a school | 76% | 77% | 77% |
| Percentage of learners having access to workbooks per grade | 100% | 100% | 100% |
| Percentage of schools where allocated teaching posts are filled | 100% | 100% | 100% |
| Percentage of learners having access to required textbooks in all grades and in all subjects | 82% | 83% | 83% |
| Number of secondary schools with an overall pass rate for the school of 60 and above in ANA (excluding Grade 12) | 1 469 | 1 509 | No Data |
| Number of learners screened through Integrated School Health Programme | 750 | 800 | 42 568 |

5. TRANSFER PAYMENTS

5.1 Transfer Payments to public entities

| Name of Transferee | Type of Organization | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred R 000 | Reasons for the funds unspent by the entity |
|---|----------------------|---------------------------------------|--|--------------------------|---|
| Provinces & municipalities | Transport | Licenses | N/A | 1,331 | N/A |
| Departmental agencies & accounts | SETA | Affiliation Fees | N/A | 83,257 | N/A |
| Higher education institutions | - | - | - | - | N/A |
| Foreign governments & international organizations | - | - | - | - | N/A |
| Public corporations & private enterprises | - | - | - | - | N/A |
| Non-profit institutions | Schools & Colleges | Running Costs and LTSM | Yes | 1,692,709 | N/A |
| Households | Employees | Leave Gratuity | N/A | 168,227 | N/A |
| Gifts and donations | - | - | - | - | N/A |

Transfer Payments to all organisations other than public entities

| Name of Transferee | Type of Organization | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount not transferred R 000 | Reasons for the funds unspent by the entity |
|----------------------------|----------------------|---------------------------------------|--|------------------------------|---|
| Provinces & municipalities | Transport | Licenses | N/A | NIL | N/A |
| Non-profit institutions | Schools & Colleges | Running Costs and LTSM | YES | 8,517 | N/A |
| Households | Employees | Leave Gratuity | N/A | -57,384 | Difficult to predict the budget for this item |

PART C



DEPARTMENT OF EDUCATION KZN
Annual Report 2016/17

GOVERNANCE

1 INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

2 RISK MANAGEMENT

- **Risk Management Policy**

The Department has a Risk Management Policy which was approved during the 2015/2016 financial year. The Department has a Risk Register which articulates all the risks identified and tabulates the action plans to be implemented to mitigate those risks. Progress on the actions plans are reported quarterly to the Cluster Audit and Risk Committee (CARC).

A Risk Maturity exercise was conducted during the financial year by the Risk Management Unit within the Provincial Treasury Internal Unit to assist the Department in strengthening and improving Risk Management in the Department. As a result, an Improvement Plan has been developed which includes a review of the Department’s Risk Management Policy and Strategy. Progress on the Risk Maturity Improvement Plan is also reported quarterly to CARC.

- **Risk assessments**

The Department has a unit responsible for monitoring the implementation of the action plans as espoused in the Risk Register. The responsibility, accountability and timeframe for the implementation of the action plans are articulated against each senior official in the Risk Register. Regular assessments of the implementation are conducted and progress reports are presented at Top Management and oversight committees like the Cluster for Audit and Risk Committee. During the year new risks were identified and included in the Risk Register with action plans to be implemented by the relevant risk owners.

- **Risk Management Committee**

The Department has a Risk Management Committee (RMC) which serves as an oversight committee responsible to the Head of Department for the monitoring, designing, implementing and coordinating the department’s risk management initiatives.

To ensure that the Department is in line with good governance practices, the RMC is responsible for formulating, promoting and reviewing the risk management strategy and progress at strategic and risk management level.

- **Audit Committee**

The Department works closely with the Risk Management Unit located within the Internal Audit Unit of the Department of Provincial Treasury. The development of a risk register is ratified at that level and the implementation of the action plans is being monitored regularly. The progress report is jointly presented at CARC which sits on a quarterly basis.



- **Management of risks**

The culture of risk management is evolving in the Department. In addition to the existing risk register, the Department has developed an improvement plan on the basis of the risks identified and the outcome of both internal audit and Auditor-General reports released. The implementation of the improvement plan and the risk register has intensified mitigating strategies and the interventions by respective branches, chief directorates and directorates.

3 FRAUD AND CORRUPTION

- **Fraud prevention**

The Department has a Fraud Prevention Plan which provides guidelines in preventing, detecting and reporting fraudulent activities within the Department. The Fraud Prevention Plan includes a Fraud Policy and Response Plan and a Whistle Blowing Policy.

During the financial year, the Provincial Treasury Internal Audit Unit conducted a review of the Department's Fraud Prevention Plan. As a result, an Improvement Plan has been developed which includes the revision of the Department's Fraud Prevention Plan. Progress on the implementation of Fraud Prevention Improvement Plan is reported quarterly to CARC.

- **Mechanisms to report fraud and corruption**

All employees and stakeholders are encouraged to report suspicious fraudulent activities without fear of reprisals or recriminations to the Department. Employees and the public can report allegations of fraud anonymously to the National Anti-Corruption Hotline (NACH) established within the Public Service Commission.

- **Processing of Fraud Cases**

Cases reported via the NACH hotline or internally are dealt with by way of investigation processes according to forensic procedures. The Department also coordinates some of the cases with the South African Police Services. (SAPS) and other law enforcement agencies. Once the investigations are concluded, some cases proceed into internal disciplinary processes, whilst others that are of a criminal nature, are handed over to the SAPS.

4 MINIMISING CONFLICT OF INTEREST

The Department has an approved Declaration of Interest Policy. All employees must declare their registrable interest on or before the 30 April each year.

The Department ensures the following management processes are implemented to minimise conflicts of interest:

All senior management members are required annually to complete their Declaration of Interest on the e-disclosure reporting tool of the Department of Public Service Administration.

All members of the Departmental Bid Evaluation and Bid Adjudication Committees are required to complete a Declaration of Interest form prior to adjudication and evaluation of each bid/tender.

5 CODE OF CONDUCT

The Department's Code of Conduct and Business Ethics comprises primarily of the content of the Public Service Code of Conduct and promotes a high standard of professional ethics in the workplace and encourages public servants to think and behave ethically. When there is a breach of conduct the directorate dealing with the Code of Conduct investigates the matter thoroughly and after investigation the matter is dealt with either formally or informally, depending on the seriousness of the conduct.

6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Health and Safety Amendment Act, No.181 of 1993 makes provision for the health and safety of persons at work and the protection of persons other than persons at work against hazards to health and safety. In order to comply with section 16 (2) of the act , the Director: Facilities Management & Auxiliary Services has been appointed as an assistant to the Head of Department who will be responsible for the implementation of the Occupation Health and Safety Policy (OHS). OHS representatives have been appointed at Head Office and the twelve (12) District Offices. Arrangements are being made to provide facilities, assistance and training for the health and safety representatives. The appointment of the committee is being finalised and who will be responsible to initiate, develop, promote, maintain and reviewing measures to ensure the health and safety of all employees, pupils and visitors.

7 PORTFOLIO COMMITTEES

| Date of meeting | Matters raised by portfolio committee | Department response to matter |
|-----------------|---|--|
| 15 March 2016 | <ul style="list-style-type: none"> Budget 2016/2017 Annual Performance Plan 2016/2017 Presentation on Third Quarter Report (financials and non-financials) Provincial Matric turnaround strategy Plan for Teacher Development Curriculum delivery report at Mbonisweni Primary – Pinetown District Human Resource and NSNP Reports at Intshelimnyama Primary Infrastructure report for Mcopheleli Primary – Pinetown District Progress report on completion of Mona Primary – Zululand District Responses on 2015 Workers Parliament Resolutions KZN Admission Policy | The Department responded by providing all the reports to the Committee |
| 31 May 2016 | <ul style="list-style-type: none"> Presentation on Indigenous Dictionaries Fourth Quarter Report (2015/16) financial and non-financial Report on Provincial School Based Assessment (SBA) and Examination Preparations The Analysis of first quarter common tests Progress Report on matric intervention plan Progress Report on National School Nutrition Program (NSNP) Response on 2015 Youth Parliament Resolutions Progress Report on Ndala High School – Umgungundlovu District Progress report on Woodview Secondary, Mbonisweni Primary and Sikhululiwe Primary Tabling of Ilembe and Pinetown District Resolutions on Oversight(EPC) School Functionality Report for January 2015 | The Department responded by providing all the reports to the Committee |

| Date of meeting | Matters raised by portfolio committee | Department response to matter |
|-------------------|---|--|
| 09 September 2016 | <ul style="list-style-type: none"> • Progress Reports on • Itshelimnyama School(NSNP and staffing) • Umona Primary school • Indumo School • Skhululiwe Primary • Woodview High School • Indala High School • Glenwood High School • Mbonisweni Primary School • 2nd term common tests results • Resolutions of the 31 May 2016 meeting • Report on sexual offences in the province. • Presentation on 1st quarter financial report and close-out report • 1st draft 2017/2018 budget • 2015/16 Audit Outcome Report • NSNP • Responses on Senior Citizen Parliament Resolutions • Exam readiness | The Department responded by providing all the reports to the Committee |
| 20 January 2017 | <ul style="list-style-type: none"> • Matric Results Analysis for 2016 • Matric Results Improvement Strategy/Plan • 2014 Matric Exam group copying investigation report • 2016 Audit turnaround strategy implementation report • 2017/2018 2nd Draft Budget • Update on learner transport programme • Jiki Mfundo report • Progress report on status quo on the following schools in Amajuba District: • Sesiabonga High School • Isabelosethu High School | The Department responded by providing all the reports to the Committee |



| Date of meeting | Matters raised by portfolio committee | Department response to matter |
|------------------|--|--|
| 21 February 2017 | <ul style="list-style-type: none"> • 3rd Quarter (2016/17 budget) financial and non- financial performance • Audit turnaround strategy implementation report - progress to date • KZN Education budget 2017/18 • Infrastructure Plan 2017/2018 • 2017 Academic Improvement Plan • Progress report on National School Nutrition Programme (NSNP) • Sanitary towels distribution plan • School Opening Functionality Resolutions • Responses on Oversight visits’ reports • Mandlethu Secondary • Ntathakusa Secondary (Winterton) • Phakathi Secondary. • Update on suspension of departmental officials • Feedback on Sesiwabonga Secondary (Amajuba) findings | The Department responded by providing all the reports to the Committee |
| 23 March 2017 | <ul style="list-style-type: none"> • Budget for 2017/18 • Annual performance Plan for 2017/18 • ECD Roll out Plan for 2017/18 • Special Schools’ Support Plan for 2017/18 • Audit Turnaround Strategy | The Department responded by providing all the reports to the Committee |
| 1 June 2017 | <ul style="list-style-type: none"> • Briefing on 2016/17 Budget close -out Report • Non-financial report • Report on the Suspension of senior officials and firing of 300 teachers. • Update on the Transformation of Schooling System implementation. • Update report on the resolutions of January 2017 School Functionality Monitoring • Report on the Umlazi- Com-tech matter • Report on the Scholar Transport plans for 2017/2018 • Update on the NSNP tender process | The Department responded by providing all the reports to the Committee |

8 SCOPA RESOLUTIONS

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|--|---|-------------------|
| Resolution 21/2016 | Human Resources: Filling of critical posts | Kindly provide a progress report on the filling of the remaining 12 vacant posts, as well as steps taken by the Department to fill posts vacated due to retirement in a timely manner. | 12 SMS posts (3 Chief Director and 5 Director) were advertised in December 2015 and 7 October 2016 and are in the process of being filled. The remaining 4 Director posts are in the process of being advertised. The Department has ensured that SMS posts vacated due to retirement are identified as critical and due process is followed to fill them as per Provincial Treasury directive. | Yes |
| Resolution 22/2016 | Irregular expenditure, non-compliance with SCM processes | Kindly provide a progress report on the outcome of the 26 pending disciplinary cases and a report on the outcome of the 50 finalised cases (including the sanctions imposed), as well as a report on any other cases of irregular expenditure under investigation for 2014/15. | Warning Letters were issued to employees in respect of the 50 NSNP disciplinary cases finalized for 2013/2014. We have not recommended any recovery since the investigations revealed that the services were rendered and officials were charged for failure to disclose to Employer. In respect of the 26 cases, presiding officers and prosecutors have been appointed and these matters are still-in-progress. These cases will be finalized at the end of December 2016. Two cases relating to irregular expenditure for 2014/2015 have been referred for investigation. One is still outstanding and the other has been finalized and is pending BAC approval. | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|------------------------|--|---|---|-------------------|
| Transversal Resolution | Unauthorised Expenditure in the 2015/16 Financial Year | <p>a. Some Departments have incurred unauthorised expenditure in 2015/16 financial year.</p> <p>b. The Standing Committee on Public Accounts is vested with powers to consider and recommend approval to the Legislature of unauthorised expenditure, in terms of Section 34 of the PFMA, 1999.</p> <p>c. The consequences of non-approval of additional funding to cover the overspending of a vote, are that the over-expenditure will become a first charge against the funds allocated to the Department for the next or future financial years.</p> <p>The Committee resolves:</p> <p>1. That all Departments report to the Committee by 11 November 2016 on all unauthorised expenditure incurred in the 2015/16 financial year, providing a detailed explanation for such expenditure to enable the Committee to consider the reasons with the view to recommending approval or otherwise.</p> <p>2. The reports must include the following: amount / classification / reasons / steps taken to prevent expenditure / details of any steps taken against officials in consequence of investigations / control measures in place</p> | <p>1. Amount: R 45 174 000</p> <p>2. Classification: Unauthorised Expenditure occurred in Programme 7: Examination and Education Related Services. Funds for the Programme was R 1 373 556 000, of which R 1 418 730 000 was spent, leaving an over-expenditure against the Programme of R 45 174 000. This translates to a 3.3 % overspent.</p> <p>3. Reasons: This over expenditure emanates from activities linked to the administration of examinations which included an additional number of exam monitors travelling to and from schools. Including the printing of additional resource material for progressed and second chance learners; as well as supplementary examinations</p> <p>4. Preventative steps: All budget virements had been carried out to reduce or curb unauthorised expenditure. Through the BRERPRCO Forum and Management meetings, the details were presented to indicate the pressures in these areas.</p> <p>5. Investigations / Disciplinary Actions: At the present point in time, no investigations have been conducted. This will be referred to Internal Control and Risk Management.</p> <p>6. Control measures: The Department will ensure that adherence to Budget processes and Planning will be managed and virements will be done at Adjustment Estimates time and will be followed-up at year end. Any and all misallocations will be addressed during the course of the year. Directorates will be strictly monitored to ensure funds are spent in accordance with the budget.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|---|---|-------------------|
| Resolution 87/2016 | Department of Education: Payables exceeding 30 days (Accruals) | <p>Noting that:-</p> <p>(a) Payables which exceeded the required payment term of 30 days from date of receipt of an invoice, as required by Treasury Regulation 8.2.3, amounted to R546.152 million. This amount represented 77.7% of total accruals.</p> <p>(b) This exceeded the voted funds to be surrendered by R266.51 million, which amount would have constituted unauthorised expenditure had the accounts been paid in a timely manner.</p> <p>(c) Provincial Treasury only approved R40 million of the funds surrendered as a roll-over in the 2016/17 financial year.</p> <p>(d) The response, of the Department to this audit finding is inadequate as it does not provide adequate reasons for the omission, nor does it address the root cause or provide assurance that a recurrence will be avoided.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> <p>[1] The reasons for non-compliance with Treasury Regulation 8.2.3.</p> <p>[2] Steps taken against officials responsible for late payment of accounts in contravention of Treasury Regulation 8.2.3.</p> | <p>1) The main reason for non - compliance - with Treasury Regulation 8.2.3 is due to the control for NSNP and Infrastructure payments are done at Head Office level. Strict controls regarding authorising of expenditure causes time delays in obtaining the necessary approvals by the delegated officials. In the case of NSNP the process starts at the school level and then goes via the District in most cases to Head Office for payment to take place. This is due to lack of capacity at the District capture the large volume of payments.</p> <p>With regard to infrastructure as soon as the invoices are received they need to be verified with the implementing agents and site visits need to be done to verify the expenditure, this causes a delays to honour the invoices within 30 Days.</p> <p>2) No steps were taken against any officials due to the nature of flow of the documents. A tracking document is used to enable the Department to analyse where are the bottlenecks</p> <p>3) The Business process flow of the documentation for approval for payments is being reviewed without compromising controls to fast track payments. The challenge of capacitating Districts with additional finance personnel is being addressed but the budget is still restricted for compensation.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|---|---|-------------------|
| | | <p>[3] Controls put in place to prevent a recurrence in the 2016/17 financial year.</p> <p>[4] The impact of the 2015/16 accruals on the 2016/17 budget and measures put in place to avoid any over-expenditure in the 2016/17 year as a result.</p> | <p>4) The accruals has reduced the budget for certain categories for the new financial year especially in COE (R184 Million) and Infrastructure (R 87 Million)</p> <ul style="list-style-type: none"> • The issue of educators being paid the month they commence teaching is being addressed. • Projects on Infrastructure are being monitored via the Implementing Agents • Monthly order analysis is completed to track outstanding orders • All transfers are being made <p>It must be noted that the Department will have accruals on all services provided on the last month of the financial year. This is so as payments cannot be made before a service is fully rendered</p> | |
| Resolution 88/2016 | Department of Education: Revenue collection | <p>Noting that:</p> <p>(a) Money due to the Department was not collected timeously as the debtors' collection period is 365 days.</p> <p>(b) Treasury Regulation 72.1 requires that the Accounting Officer manage revenue efficiently and effectively by implementing appropriate processes to collect revenue.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer report to the Committee by 31 January 2017 on the reasons for the slow rate of collection of revenue, as well as measures put in place to substantially improve thereon</p> | <p>1. Currently, with the attrition of staff, shortage of officials working on the debtors account is leading to the increase of the debt balance.</p> <p>2. Training is being provided quarterly to staff and on-site visits to Districts occur monthly to assist with cases specific to that function area.</p> <p>3. Manuals have been developed and distributed to officials to give guidance and support for all matters on debt and suspense accounts.</p> <p>4. Account reports are drawn monthly and provided to Districts as a monitoring tool to follow the movement in the cases and the recovery of funds.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---------|---|-------------------|
| | | | <p>5. The reports are tabled at Top Management and Minister's Management Meeting to alert the system and enable the process to be fast tracked and driven by SMS members by understanding the loss of funds by the Department.</p> <p>6. Districts that decentralised have been fitted with a new registry for their files and allocated new work space with network points and access to BAS and PERSAL systems to provide focus and expedite the recovery process.</p> <p>7. Head Office officials have been on-site weekly to facilitate all movement of documents, including tagging, scanning and filing all crucial information.</p> <p>8. Experienced and core officials are used in a central unit to daily action this account and provide immediate responses on queries, recovery of funds, calls from debtors and management of the data.</p> <p>9. Files whereby the debt process has been implemented but recovery has not been received, the matter is handed to Legal Services.</p> <p>10. Legal Services follow these cases to the State Attorney who has tracing agents and review the cases and the endeavor to institute recovery.</p> <p>11. Financial Circulars have been disseminated to all officials for actioning,</p> | |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|--|--|-------------------|
| | | | <p>12. The implementation of Circular HRM 19 of 2014 and HRM 24 of 2015 dealing with timeous terminations is being monitored for its effectiveness in reducing debts going forward via the IDS and HR branches.</p> <p>13. Monthly meetings are being held with Legal Services to monitor debts handed to the State Attorney and progress made.</p> <p>14. The main cause of the debts being raised is the non termination of staff that resign or retire timeously</p> <p>15. The Department is reviewing other systems or processes to fast track, reduce and eliminate this escalating cost.</p> | |
| Resolution 89/2016 | Department of Education: Bank overdraft | <p>Noting that:</p> <p>(a) The bank balance was in overdraft of R5.345 million at year end.</p> <p>(b) Although this is a considerable improvement from the previous financial year where the balance was in overdraft of R565.594 million, the overdraft has an impact on the financial viability of the Department.</p> <p>The Committee resolves: That the Accounting Officer report to the Committee by 31 January 2017 on measures put in place to reduce the overdraft to Nil.</p> | <p>The bank balance is monitored on a weekly basis with Provincial Treasury. The Department first has to meet its Compensation commitments before any other payments are made. The Department monitors the funds requested from Treasury against the funds released from Treasury.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|--|--|-------------------|
| Resolution 90/2016 | Department of Education: Predetermined objectives | <p>Noting that:</p> <p>(a) A total of 33.33% of performance indicators of the Public Ordinary School and Early Childhood Development programmes were not well defined.</p> <p>(b) A total of 18% of reported achievements against planned targets in the Public Ordinary School programme were not reliable when compared to the source information.</p> <p>(c) In terms of a decision taken by the Department on 20 September 2016, District Planning Units will oversee the validation and verification of information and the Directorate SMME will monitor the information. The Department also aims to introduce a Documents Management System to improve efficiency in validation of reported information.</p> <p>The Committee resolves:-</p> <p>That the Accounting Officer report to the Committee by 31 January 2017 on progress made in the validation and verification of reported performance information.</p> <p>The Department is expected to achieve a significant improvement in this regard and to report on the effectiveness of the proposed interventions.</p> | <p>Validation and Verification Management Plan for Pre-determined Objectives has been drawn up and implementation is currently underway to validate and verify 3rd Quarterly Outputs in line with the Standard Operating Procedures for Quarterly Reports.</p> <p>Manual Reporting Tools are currently being used for Validation and Verification. The Department is currently evaluating various options to procure a Business Intelligence Tool which could be used for Monitoring and Reporting on Performance Information. In the absence of the Business Intelligence the Department is trying to upgrade and utilise the Education Management Information System (EMIS) and Persal to report on the relevant Programme Performance measures.</p> <p>Districts are verifying performance information and uploading this information onto SA-SAMS. Eventually all performance information will be uploaded onto SA-SAMS.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|--|---|-------------------|
| Resolution 91/2016 | Department of Education: Supply Chain Management (Failure to disclose interests) | <p>Noting that:-</p> <p>(a) Persons in the employ of the Department or their close family members, partners or associates, who had private or business interests in contracts awarded by the Department did not disclose such interests, as required by Treasury regulation 16A8.4. This resulted in irregular expenditure of R178.522 million.</p> <p>(b) The Department's response to this audit finding is inadequate.</p> <p>The Committee resolves: That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> <p>[1] Measures put in place to ensure that suppliers are prevented from transacting with the Department if no or false declarations of interest are submitted. The report must reflect that effective interventions are implemented.</p> <p>[2] Measures put in place to ensure that employees are prevented from transacting with the Department if permission has not been granted to perform private remunerative work. The report must reflect that effective interventions are implemented.</p> | <p>(1) As from 1 July 2016 the department uses the Central Suppliers' Database (CSD) for the purposes of vetting whether directors of entities are employed by the State. The CSD interfaces with SARS to verify tax clearance certificates and the Intellectual Property Commission (CIPC) for business registration and business ownership information. SCM verifies all potential awards on the CSD to confirm that the supplier is not employed by the state. The award is rejected by SCM if the supplier is employed by the state. Where the system alerts to a Department official, SCM will inform Internal Control to further investigate.</p> <p>(2) HRM Circular no. 43 of 2016 was issued in September 2016 and states that all employees should disclose of their interests and where employees who are conducting business with the state are required to tender resignations or submit proof that they have seized conducting business or submit proof that they have resigned as directors of a company that is trading with the state.</p> <p>Annexure C</p> <p>(3) Disciplinary action has been taken against 36 officials for doing business with the Department and a sanction of a final written warning was issued. There are 12 cases still-in-progress and will be finalised end of February 2017.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|---|--|-------------------|
| Resolution 92/2016 | Department of Education: Supply chain management (Competitive bidding process not followed) | <p>Noting that:</p> <p>(a) Goods and services of a transaction value above R500 000 were procured without inviting competitive bids as required by Treasury Regulation 16A6.1, which resulted in irregular expenditure of R63.343 million.</p> <p>(b) This expenditure related to suppliers (development agencies) being appointed under the NSNP programme.</p> <p>(c) The response of the Department does not adequately address the audit finding nor does it provide any assurance that a recurrence will be avoided.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> <p>[1] A detailed explanation for the irregular expenditure, control measures put in place to prevent a recurrence (the Committee wants evidence that measures are in place) and steps taken against officials responsible for the irregular expenditure.</p> <p>[2] In order to assess the effectiveness of control measures to prevent recurring irregular expenditure the report must as a minimum demonstrate functionality within the Department in terms of the areas listed below:</p> <ul style="list-style-type: none"> • The risk register and the impact of the Risk Management Unit within the Department • The deviations register • Demand management • A procurement plan • The contracts register • Contract management • Performance management within the SCM environment | <p>The NSNP Directorate engaged the services of the municipal agencies as per the Cabinet Resolution of 2013.</p> <p>The Municipal Agencies are 100% owned by the district Municipalities and thus are accountable to the MFMA and Annual Auditing.</p> <p>The Department therefore engaged the service provided by another government entity.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|---|---|-------------------|
| Resolution 93/2016 | Department of Education: Irregular expenditure (R283.28 million in total) | <p>Noting that:-</p> <p>(a) The Department incurred irregular expenditure in the sum of R283.28 million in total, as disclosed in note 31 to the financial statements. (Included in this amount is the irregular expenditure of R63.343 million relating to goods and services procured without inviting competitive bids and irregular expenditure of R178.522 million relating to persons in service of the Department or their close family members, partners or associates, who transacted with the Department without disclosing their interests, referred to in separate resolutions).</p> <p>(b) Eighty six percent (86%) of the total irregular expenditure was identified during the audit process and not detected by the monitoring processes of the Department.</p> <p>(c) The root causes of the lack of prevention and detection are inadequate monitoring processes by award committees at district offices and the lack of processes to identify employees who do business with the state.</p> <p>(d) The Department's response in seeking to address these audit findings is inadequate.</p> <p>The Committee resolves:- That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> | <p>(1) The irregular expenditure of R178,522 million resulted from the non-disclosure of interests by employees in the service of the Department and close family members, partners or associates of Departmental employees who did not disclose that they have a family member employed by the Department, including officials from other state institutions who did business with the Department.</p> <p>The Department did not have a mechanism (no access to CIPC) during the 2015/2016 financial year to verify if officials of the Department or officials of other state institutions are members/directors of companies before awarding any conflict/transacting with suppliers.</p> <p>With the implementation of the CSD as from 1 July 2016, the Department is able to vet all suppliers to ensure that all conflicts of interest are avoided. Any discrepancies identified should the supplier be an official of the Department will be reported to Internal Control to investigate further.</p> <p>Circular HRM 43 of 2016 was issued in September 2016 instructing all employees to disclose of their interests and employees who are conducting business with the state are required to tender resignations or submit proof that they have seized conducting business or submit proof that they have resigned as directors of a company that is trading with the state.</p> <p>36 employees have been issued with final written warnings in respect of employees who failed to disclose their interest and conducted business with the Department. 12 cases are still outstanding and will be finalized end of February 2017.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|---|-------------------|
| | | <p>[1] A detailed explanation for the remaining irregular expenditure (the Committee wants the reasons for the non-compliance with relevant SCM prescripts in each case), control measures put in place to prevent a recurrence (the Committee wants evidence that measures are in place) and steps taken against officials who were responsible for the irregular expenditure.</p> | <p>[2] In order to assess the effectiveness of control measures to prevent recurring irregular expenditure the report must as a minimum demonstrate functionality within the Department in terms of the areas listed below:</p> <ul style="list-style-type: none"> • The risk register and the impact of the Risk Management Unit within the Department <p>The risk of undisclosed conflicts of interest has been included in the Department's Risk Register and has been rated as a major risk. Action plans have been developed and the Department reports to the Cluster Audit & Risk Committee on a quarterly basis on implementation of the action plans by the relevant risk owners.</p> <ul style="list-style-type: none"> • The deviations register The Department records all deviations in deviations register and all deviations are reported to Provincial Treasury accordingly. The department is also complying with the Treasury Note 3 of 2016 where all requests for deviations must be approved by Provincial Treasury before implementation. • Demand management and procurement plan <p>The department complies a procurement plan which is submitted to Provincial Treasury and amendments where applicable and re-submitted to Provincial Treasury. Responsibility Managers are required to attach copies of their approved procurement plans when submitting requisitions.</p> | |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|--|---|-------------------|
| | | | <ul style="list-style-type: none"> The contracts register and Contract management. The department has a contracts register and bids register which are under the custodian of SCM and Legal Services respectively. Going forward the department will be implementing the new contract management frameworks as per National Treasury's instruction. Performance management within the SCM environment SCM offices at Head Office and at District level are according to SCM Circular No.5 and 6 of 2014 required to do monthly reporting of all commitments, accruals and irregular and fruitless expenditure. | |
| Resolution 94/2016 | Department of Education: Conditional grants | <p>Noting that:- The Department did not evaluate its performance in respect of functions funded by the occupational specific dispensation for education sector therapists grant, as required by section 11(6) (a) of DoRA.</p> <p>The Committee resolves:- That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> <p>[1] The reasons for the failure to evaluate the occupational specific dispensation for education sector therapists grant.</p> <p>[2] The impact of the failure to do so.</p> <p>[3] Remedial steps taken by the Department.</p> | <p>The conditional grant was provided for Provincial Education Departments to meet the payment obligations to comply with Education Labour Relations (ELRC) Collective Agreement 1 of 2012.</p> <p>The custodian of the grant was the Department of Basic Education (DBE) with each provincial education department being allocated a proportional share with due regard to its cost implications. As such, this Department was required and has provided quarterly reports on the utilisation of its share of the Conditional Grant. It is therefore the understanding that the Department of Basic Education would consolidate the quarterly reports in respect of each Provincial Department before compiling and submitting the Evaluation Report.</p> <p>Notwithstanding the foregoing, the Evaluation Report in respect of this Department has been completed and submitted to Provincial Treasury.</p> | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|---|---|-------------------|
| Resolution 95/2016 | Department of Education: Investigations | <p>Noting that:-</p> <p>(a) One hundred and thirty six (136) cases relating to various allegations of mismanagement of school funds, falsified qualifications, employment of ghost employees and invalid payments were referred to the internal control and risk management section of the Department. Of these, fifty nine (59) cases were finalised and seventy seven (77) were still under investigation.</p> <p>(b) Provincial Treasury conducted twenty three (23) investigations which covered the period 2009 to 2016, relating to procurement irregularities and mismanagement of funds. Eleven (11) investigations have been completed and seven (7) have been handed over to law enforcement authorities for criminal charges.</p> <p>The Committee resolves:</p> <p>[1] That the Accounting Officer of the Department report to the Committee by 31 January 2017 on:</p> <p>(a) The findings and recommendations of all completed investigations, as well as steps taken to implement the recommendations for each case, as well as time frames for conclusion of the processes.</p> <p>Where matters have been handed over to law enforcement authorities for criminal charges, the report must indicate what other steps are being taken simultaneously, e.g. disciplinary action and civil recovery processes in each case.</p> | <p>88 cases - finalized</p> <p>2 cases - Halted</p> <p>45 cases - In-progress</p> <p>1 case transferred to Treasury</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|---|---|---|-------------------|
| | | <p>(b) Progress made regarding matters still under investigation and anticipated time frames for finalisation, for each case.</p> <p>[2] That Provincial Treasury report to the Committee by 31 January 2017 on progress made regarding investigations still pending, the challenges experienced in concluding the investigations and anticipated time frames for finalization of the investigations.</p> | | |
| Resolution 96/2016 | Department of Education: Fruitless and wasteful expenditure | <p>Noting that:</p> <p>(a) The Department incurred fruitless and wasteful expenditure of R141.59 million in the 2015/16 financial year.</p> <p>(b) R111 million was allocated towards settlement of a capital payment to Indiza, as per a court order.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> <p>[1] The reasons for incurring each item of fruitless and wasteful expenditure (excepting the R111 million paid to Indiza) and for not taking steps to prevent such expenditure.</p> <p>[2] Control measures put in place to prevent a recurrence.</p> <p>[3] Steps taken against officials responsible for such expenditure, as required by section 38(1)(h) of the PFMA .</p> | <p>1. The large number of identified and reported wasteful and fruitless expenditure related to domestic accounts, which includes telephone bills, water account bills, electricity bills and other related domestic services. These amounted to R77 861.94. An amount of R286 403.05 relates to interest fees charged by the fleet management service provider. Consultation meetings are being arranged with the relevant service providers in a bid to identify causes of bottlenecks in the submission and payment of invoice timeously. An additional R25 million was paid to Indiza for settlement of interest for damages claimed. R242 750 156.59 million relates to contingent liabilities and an amount of R5 216 037.72 relates to State Attorney fees.</p> <p>In order to address and mitigate the identified wasteful and fruitless expenditure the department wrote to responsibility managers for them to explain the reasons for incurring wasteful and fruitless expenditure through Internal Control. Responsibility Managers have to present their case to Internal Control who in turn conducts and investigation which informs whether there is sufficient grounds for condonement or taking disciplinary action.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|---|---|-------------------|
| | | | <p>2. A circular is sent to responsibility managers at the beginning of each financial year highlighting the importance of averting incurring irregular and wasteful expenditure. Furthermore, another financial circular was sent to all responsibility managers to deal with cases that have been identified in the Auditor-General's 2015/16 report. Going forward the department has drafted a template for responsibility managers to report irregular and fruitless expenditure on a monthly basis. The department is also in constant communication with service providers to ensure that invoices are submitted timeously. The department will also be implementing an electronic workflow and submission tracking system this will assist in identifying and eliminating bottlenecks within the system.</p> <p>3. Cases are referred to Internal Control for further investigation and to solicit recommendation for appropriate disciplinary action</p> | |
| Resolution 97/2016 | Department of Education: Information technology controls | <p>Noting that:-</p> <p>(a) SITA uses a single firewall to manage the perimeter security of all Departments and was unable to provide firewall reports specific to the Department.</p> <p>(b) Personal computers are used to perform Departmental work.</p> <p>(c) Users with system controller privileges for PERSAL have full control over IT applications and no specific individual was assigned to perform system controller activity reviews.</p> <p>(d) No review of PERSAL user access rights was performed.</p> <p>(e) User account management activities were not monitored by an independent person such as SITA.</p> | <p>(a) SITA uses a single firewall to manage the perimeter security of all Departments and was unable to provide firewall reports specific to the Department</p> <p>The department has together with SITA developed user requirement specifications for the development and setting up of a Virtual Private Network (VPN) for the department. This private network will strengthen the perimeter security within the departmental network. A project charter and implementation plan has been developed and approved. As part of this project the department has developed an IT Security policy which has been developed with SITA.</p> | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|--|---|-------------------|
| | | <p>(f) The Department has no formalised procedure on physical and environmental controls in IT server rooms (e.g. a policy to govern access to IT sensitive areas and maintenance plans for server room equipment).</p> <p>(g) The Business Continuity Plan (BCP) was not tested for effectiveness.</p> <p>(h) The updated Disaster Recovery Plan had not been approved.</p> <p>(i) The Department has not implemented geographic and business intelligence tools as required by the National Department of Basic Education.</p> <p>(j) One hundred and eleven (111) schools did not submit required data to EMIS and the Learner Unit Record Information and Tracking System (LURITS). Three hundred (300) schools used systems other than SA-SAMS to submit data to LURITS.</p> <p>The Committee resolves: That the Accounting Officer report to the Committee by 31 January 2017 on steps taken to address each of the audit findings on Information Technology Controls and time frames for the effective implementation thereof.</p> | <p>The envisaged completion date for the implementation of the VPN is April 2017. The firewall is part of the new VPN set up. Firewall reviews will be incorporated in the SITA SLA which will be reviewed after the completion of the VPN (they will form part of the activities to be performed by SITA engineers).</p> <p>(b) Personal computers are used to perform Departmental work. The department has 3300 users, in the 2015/16 financial year 496 laptops and 1721 desktop computers were purchased in a bid to replace computers that were running on Windows XP which is no longer supported by Microsoft.</p> <p>There is still pressure on the department to replace the balance (1 100) of the old computers that are currently being used by the office based employees. The department could not purchase the 1100 replacement computers due to unavailability of funds in the 2016/17 financial year, hence some users have been using their personal computers to enable them to carry their day-to-day functions. The department allowed this to ensure that service delivery is not affected. In order to protect the departments network all private devices the department installs an antivirus software which the department provides to users. Furthermore, the department scans the device for any viruses before it is connected to the existing network. Patches are also deployed on the private devices as an additional security intervention. Users are prohibited from installing third party software without obtaining prior approval from IT. This is also prescribed in the departmental IT End-User policy. Going-forward the department will procure 1100 new computers in the 2017/18 financial year to ensure that all employees do not use their private devices.</p> | |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|-------------------|---------|---------|---|----------------------|
| | | | <p>(c) Users with system controller privileges for PERSAL have full control over IT applications and no specific individual was assigned to perform system controller activity reviews</p> <p>The Departmental Persal Controller monitor and review Persal activities of systems Persal Controllers residing in Districts. The activities of Departmental Persal Controller are monitored and reviewed by the supervisor who does not have access to Persal.</p> <p>(d) No review of PERSAL user access rights was performed</p> <p>Persal user access rights are performed by Departmental Persal controller for all Persal Controllers residing in Districts.</p> <p>(e) User account management activities were not monitored by an independent person such as SITA</p> <p>BAS controller system activities are monitored and reviewed by the supervisor of the BAS System Controller who does not have full access rights to BAS. User account activities for Persal are monitored by the Departmental Persal controller who reviews the activities of other Persal Controllers residing at district offices.</p> <p>User account activities of Persal System controller residing at Head Office are reviewed by her immediate supervisor who do not have access to Persal</p> <p>f) The Department has no formalised procedure on physical and environmental controls in IT server rooms</p> <p>The department has in place procedure physical and environmental controls for IT server rooms. The server centralisation project has assistance in mitigating possible security and physical security risks by consolidating all servers at SITA Natalia and SITA Durban.</p> <p>SITA server farm has adequate security and environmental controls which are in line with the departmental requirements.</p> | |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---------|--|-------------------|
| | | | <p>(g) The BCP was not tested for effectiveness. An approved BCP is in place. The implementation of the BCP is being done in a phased approved. The first year 2015/16 has seen the development and approval of the plan and all the relevant policies including the IT Disaster Recovery Policy, IT Disaster Recovery Plan and procedures. The development of the IT Disaster Recovery Plan was done concurrently with the BCP. The second phase in 2016/17 focused on testing the IT DRP, the first test was conducted in February 2016 and the desktop walkthrough exercise for the BCP was conducted in May 2016. The department is currently developing a plan to create awareness on the BCP through all levels within the department. Furthermore, the department will update the IT DR Plan and relevant procedures after the completion of the server centralisation project in February 2017. A BCP simulation test is scheduled for March 2017.</p> <p>(h) The updated DRP has not been approved. The department has an updated, approved and tested IT DRP. Another IT DRP test is scheduled for February 2017 after the completion of the server centralisation project.</p> <p>(i) The Department has not implemented geographic and BI Tool as required by DBE. The department has a licensed BI tool in place as well as a Geographic Information System in place.</p> <p>(j) 111 schools did not submit required data to EMIS and the LURITS. 300 schools used systems other than SA-SAMS to submit data to LURITS.</p> | |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------|--|---|---|-------------------|
| | | | Resolution response the 111 schools are referred to are those which were outstanding at the time of the audit due to the fact that they lack resources such as connectivity and admin personnel and only rely on submitting their data to nodal centres where they are supported by Head Office/District Personnel and mostly these are in rural areas, however the data was final available at Head Office. 300 Schools are utilising accredited software systems which are approved by the national DBE for uploading directly to Lurits @ National. EMIS at Head Office receive the information of their uploading from national and thereafter capture it. Such schools are mostly independent schools and few are ordinary schools, and they hire the service providers out of their funds. | |
| Resolution 99/2016 | Department of Education: Human Resources (Verification process for new appointments) | Noting that: (a) The overall vacancy rate in the Department increased to 12% in 2015/16. (b) The senior management vacancy rate increased to 16% in 2015/16. The Committee resolves: That the Accounting Officer report to the Committee by 31 January 2017 on steps taken to fill all critical vacant posts and time frames for completion of the process. | In the 2016/17 financial year, the vacancy rate has been addressed and details in this regard are as follows: The Department identified and advertised 8 SMS posts. The selection process for these posts is currently underway and it will be finalised in March 2017. As a result of cost cutting measures, there is a moratorium on the filling of Public Service Personnel posts below SMS and these posts are frozen. The Provincial treasury and the Premier have to be approached for approval to fill any vacancy. The Department has identified 681 posts as critical for filling in s various offices and schools. For this purpose the Provincial Treasury and the Premier have been approached for approval to fill these posts. | Yes |



| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|---------------------------------|--|--|---|-------------------|
| Resolution 100/2016 | Department of Education: (Resolution 22/2016: Investigations relating to irregular expenditure in 2014/15 and 2013/14) | <p>Noting that:</p> <p>(a) Disciplinary matters are underway in 26 cases relating to irregular expenditure in 2013/14. These cases will be finalised at the end of December 2016.</p> <p>(b) Two cases relating to irregular expenditure in 2014/2015 have been referred for investigation. One is still outstanding and the other one has been finalised and is pending BAC approval.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer report to the Committee by 31 January 2017 on:-</p> <p>[1] The outcome of the 26 disciplinary matters relating to the 2013/14 irregular expenditure.</p> <p>[2] The findings and recommendations of the investigations into the 2014/15 irregular expenditure, as well as steps taken to implement the recommendations, including recovery.</p> | (1) Twenty of the twenty six cases relating to irregular expenditure in 2013/2014 have been finalized and the officials were issued with a suspension without pay, suspended for 3 years. The balance of 6 cases is still in-progress. | Yes |
| Transversal Resolution 144/2016 | Performance agreements for the 2015/16 and the 2016/17 financial years | <p>Noting that:</p> <p>(a) The Public Service Regulations (2001) provide that Departments must manage performance to enhance organisational efficiency and effectiveness and to achieve results.</p> | 1. In relation to 2016/17 Financial Year In the 2016/17 Financial Year all SMS Members signed Performance Agreement and submitted within the applicable time frames. | Yes |

| Resolution No. | Subject | Details | Response by the department | Resolved (Yes/No) |
|----------------|---------|---|----------------------------|-------------------|
| | | <p>(b) The Regulations further provide that all members of the SMS must enter into a performance agreement and that the performance of other employees must also be managed.</p> <p>(c) The Regulations also provide that the Head of Department must ensure that employees comply with the Regulations and must deal immediately and effectively with any breach.</p> <p>(d) The 2001 Regulations are applicable to performance management agreements for both the 2015/16 and the 2016/17 financial years (the new Regulations having only commenced on the 1 August 2016).</p> <p>The Committee resolves:-</p> <p>1. In relation to the 2015/16 financial year:- That all Departments provide a breakdown to the Committee by 31 January 2017 of all performance agreements for the 2015/16 financial year that were not signed, the reasons for the non-compliance, the steps taken against officials who did not sign and if no steps were taken, the reasons.</p> <p>2. In relation to the 2016/17 financial year:- That all Departments provide a breakdown to the Committee by 31 January 2017 of all performance agreements for the 2016/17 financial year that have not yet been signed, the reasons for non-compliance, the steps taken against officials who have not yet signed and if no steps have been taken, the reasons.</p> | | |



9 INTERNAL CONTROL UNIT

The Internal Control Unit has been a unit responsible for the control of internal processes mainly associated with finance and compliance. The unit has four sub-directives, Internal Control, Risk Management, Financial Controls and Forensic Investigations which is overseen by the Chief Risk Officer. The functions of Risk Management and Internal Audit were not fully operational due to lack of capacity. These functions were residing in the Internal Audit Unit of Provincial Treasury which is also assisting the Department to build capacity in Risk Management. The responsibility of the Department's unit was the monitoring of the implementation of the provincial audit plans.

The Key focus areas of the Internal Financial Control – Transaction review and Transaction verification:

- Payroll Control;
- Payment Voucher Control;
- Audited Financial Statement Control;
- Loss Control;
- Review transactions;
- Verify payments made in respect of goods and services; and
- Verify transactions on ledger reports

10 INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the Internal Audit

- The Internal Audit component provides a legislated function which covers an independent objective assurance and consulting services on issues of internal control, risk management and governance as provided in the PFMA and Standards for the Professional Practice of Internal Auditing and in line with the principles in the King Report and its scope, comprehensively defined in chapter 3 for Treasury Regulations.
- The Provincial Internal Audit Services (PIAS) component of Provincial Treasury supports all provincial Departments, as well as some public entities and municipalities in areas of internal audit, risk management, governance and forensic investigations.
- The component has formulated a three-lines-of-defense mechanism which entails: Providing assurance on the effectiveness of governance, Risk management, and Compliance systems control.
- The strategic Objectives are:
 - To promote a culture of accountability and transparency, To provide an efficient, effective and economical assurance service,
 - To foster solid build capacity within and outside unit
 - To promote good governance through effective risk management and
 - To promote a culture of zero tolerance fraud and corruption.

Summary of audit work done:

- The Committee reviewed the reports of the Internal Auditors, provided oversight on management's processes of identifying and monitoring business risks.
- The Committee focused on the quarterly review of the department's risk register and progress made by the department with regard to implementation of risk mitigation plans.
- The Committee noted that there were twenty three (23) forensic investigation, all relating to alleged procurement irregularities and mismanagement of funds, which the department has referred to the Provincial Internal Audit Services for investigation.
- The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under review however, noted with concern the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data.

Key activities and objectives of the Audit Committee

- The effectiveness of the internal control systems;
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors,
- The reports of significant investigations and the responses of management to specific recommendations,
- The risks associated with the Department's operations covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial and performance information provided to management and other users of such information; any accounting and auditing concerns identified as a result of internal and external audits;
- The effectiveness of strategies, policies and procedures to prevent and detect fraud and corruption and the institution's compliance with legal and regulatory provisions.

11 AUDIT COMMITTEE REPORT

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2017.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Education is served by the Social Cluster Audit & Risk Committee.

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

1. Audit Committee Members and Attendance

The PARC and Social CARC consists of the members listed hereunder who have met as reflected below, in line with the its approved terms of reference.

| # | Name of Member | PARC Meetings Attended | Social CARC Meetings Attended |
|----|---|------------------------|-------------------------------|
| 1. | Mr S Simelane (Acting Chairman of PARC) | 4 of 4 | N/A* |
| 2 | Mr P Christianson (Acting Chairperson of Social CARC) | 4 of 4 | 4 of 4 |
| 3. | Mr D O'Connor | 4 of 4 | 3 of 4 |
| 4. | Ms T Njozela | 4 of 4 | 4 of 4 |
| 5. | Mr V Ramphal | 4 of 4 | N/A* |

* refers to PARC members who do not serve on the Social CARC

2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Audit and Risk Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Payables and Accruals
- Curriculum Management and Delivery challenges
- Fleet Management weaknesses
- Procurement and Contract Management
- Expenditure Management- Irregular Expenditure
- Supply Chain Management
- Asset management
- Conditional Grants
- Performance Information
- Transfer of funds to Independent Schools

- IT Inventory
- Human Resources Management

The Committee notes the significant number of areas in which control weaknesses were identified. The appropriateness of management’s planned interventions to improve the overall control environment was considered, however management was advised to implement these remedial actions timeously, to avoid a regression in the audit outcomes.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the PARC and CARC monitoring processes. The Committee evaluated PIAS reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department.

The PIAS planned to conduct eleven (11) audit assignments for the period under review, of which nine (9) were finalised and two (2) were carried over to the next financial year with the approval of the Audit Committee.

The PIAS effectively during the period under review even though the Committee noted with concern, the financial and other limitations imposed upon it. During the 2017/18 financial year, the Committee will monitor the progress made by the PIAS in order to ensure that it continues to fulfil its mandate and add value to the department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee’s responsibilities have been focused, amongst other things, on the quarterly review of the department’s risk register and monitoring progress against the Risk Management Operational Plan.

As at the end of this financial year, the department’s risk register status was as follows:

| | Risk Grouping | | | | | Total |
|-----------------------------------|---------------|-------|----------|-------|---------------|-------|
| | Critical | Major | Moderate | Minor | Insignificant | |
| Number of Identified Risks | 16 | 17 | 12 | 8 | 0 | 53 |
| Number of Identified Action Plans | 41 | 54 | 24 | 9 | 0 | 128 |
| Number of Completed Action Plans. | 20 | 33 | 18 | 4 | 0 | 75 |

The Committee has, throughout the period under review, been concerned about the poor quality and completeness of the department’s risk register; mainly with respect to the department’s failure to update its risk register regularly on a quarterly basis, as well as the slow progress in addressing long outstanding risk mitigation plans. The department is urged to expedite the implementation of the outstanding risk mitigation plans and to regard the risk register as a dynamic document which should be reviewed and updated on a quarterly basis. The Committee reiterates its request for the department to convene regular, quarterly Internal Risk Committee meetings in order to improve the maturity of risk management within the



Department, thereby ensuring the thorough monitoring and resolution of risks.

The Committee is further concerned about the Department's slow progress in implementing the action plans in respect of Risk Maturity, Fraud Prevention, Business Continuity and Occupational Health and Safety. The department is, once again, urged to improve its performance in this regard during the 2017/18 financial year through ensuring the effective capacitation and co-ordination of the Risk Management Function and the Internal Risk Committee.

5. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act, except for accruals and payables that exceeded the voted funds to be surrendered which could have constituted unauthorised expenditure.

Based on the reports of the PIAS and the Auditor General, the Committee notes with concern the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the department has been urged to implement the appropriate improvement strategies in order to address the identified shortcomings with immediate effect.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Audit Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, where concerns have been noted around the accuracy of performance information reported, poor procurement and contract management, failure to prevent irregular expenditure and make payments within 30 days, and to manage conditional grants.
- Reviewed the conclusions regarding the reliability and usefulness of performance information and determined that record keeping has to be significantly improved to enable accurate performance information.

7. Forensics Investigations

During the period under review, the Committee noted that there were forty two (42) forensic investigations from 2009 to date, all relating to alleged conflict of interest by officials conducting RWOPS, alleged “ghost” employees within the department, supply chain management and procurement irregularities and mismanagement of funds, which the department has referred to the PIAS for investigation. Twenty nine (29) of these investigations were completed and thirteen (13) are in-progress. The Committee further noted that four (4) matters are currently under criminal investigation by the South African Police Service (SAPS).

The department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement recommendations made in the finalised investigations.


8. Auditor-General's Report

The Committee has monitored the implementation of action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the conclusion of the Auditor General's unqualified opinion on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General. The Committee commends the Department for achieving an unqualified audit opinion.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



Mr S Simelane
Acting Chairman: Provincial Audit and Risk Committee

07 August 2017



PART D



DEPARTMENT OF EDUCATION KZN
Annual Report 2016/17

HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

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

2 OVERVIEW OF HUMAN RESOURCES

- **The status of human resources in the department.**

In respect of the 2016/17 financial year the existing educator establishment comprises of 86 737. This excludes 2 420 posts for the provision of substitute educators and 900 posts for the provision of Grade R educators. The allocation of posts to the respective schools was effected in accordance with the prescribed Post Provision Norms linked to learner enrolments. Variances in post allocation due to increase or decrease in learner enrolment were addressed through the redeployment of surplus educators. The filling of school based educator posts was not affected by the moratorium on the filling of posts. As such, all entry grade educator posts were filled with due regard to the needs of the schools. Moreover, vacant educator promotion posts at schools were advertised in 2 bulletins resulting in the filling of 2 635 posts.

Due to the moratorium on the filling of posts, vacant posts within the various offices were filled with circumspection. In this regard, only 3 SMS posts were identified as critical and filled. The moratorium also resulted in vacant attrition posts at schools not being filled with obvious implications for effective service delivery. However, its impact was minimised through Principals accepting additional administrative responsibilities or through the employment of support staff by school governing bodies.

Whilst the moratorium on the filling of posts has resulted in a high vacancy rate, its effect on service delivery has been minimised through the re-distribution of work among existing employees. It is, however, recognised that this arrangement cannot be sustained as it is leading to low morale and high levels of frustration. Consequently, serious consideration will have to be given to the filling of other vacant posts in the ensuing financial years.

- **Human resource priorities for the year under review and the impact of these.**

- i. **Management of leave of absence**

Revised procedures were implemented with a view to expediting the submission of and timeous processing of application for leave. In this regard, various District Offices have established nodal points to which cluster of schools are required to submit leave forms and other documents requiring attention. These leave forms and other documents are collected from the nodal points on a weekly basis thus allowing for timeous processing.

- ii. **Movement of surplus educators**

Despite various challenges, surplus educators were identified and redeployed to existing vacant posts thereby contributing to their effective utilisation without additional expenditure being incurred.

iii. Filling of critical vacant post

Notwithstanding the moratorium, all vacant educator posts at educational institutions were identified as being critical and consequently filled. In addition only 3 SMS posts were identified as critical and filled.

- **Workforce planning and key strategies to attract and recruit a skilled and capable workforce.**

i. Develop the skills of employees at all levels

Whilst the Workplace Skills Plan was approved, financial constraints impeded its effective implementation. Nevertheless, specialised training programmes were implemented which aimed at improving the productivity and effectiveness of employees. Moreover, various intervention programmes which targeted underperforming schools in improving curriculum management and delivery in specialised subjects were implemented.

ii. Effective recruitment and distribution of Human Resources

The workforce comprises of approximately 69 % of women and only 41% of women occupy principal posts and this is being addressed in filling such posts. Moreover, the representation of women in SMS posts is currently at 42% and more still needs to be done. With regard to the employment of persons with disabilities, very little progress has been made and it is acknowledged that there is a need to implement additional recruitment strategies for their employment. Moreover, the current moratorium coupled with the non-availability of qualified person with disabilities for employment as educators is a serious challenge.

iii. Develop and enhance the professional quality and academic performance of managers and educators

Various workshops were conducted with a view to empowering managers and other role players on matters relating to discipline, teacher attendance, school management, professional conduct as well as Curriculum Management. In addition, various workshops were held with regard to the revised Personnel Administration Measures (PAM) as well as the new Public Service Regulations, 2016

iv. Deal decisively with issues of fraud, corruption and maladministration

All disciplinary cases especially cases relating to fraud, corruption and maladministration were monitored on an ongoing basis with a view to ensuring their conclusion within specified time frames.

v. Improve HR Information Management Systems

Whilst various PERSAL reports are obtained and used for planning and decision making, there is a need to update the personnel and other related information on the PERSAL system. It is envisaged that this matter is to receive priority attention in the new financial year.

- **Employee performance management.**

In respect of the 2015/16 assessment cycle all eligible employees were assessed in keeping with the prescribed assessment instruments resulting in all eligible employees being paid their pay progressions. Employees eligible for grade progression were identified and their progressions have been effected. These pay progressions and upgrading were effected in the 2016/17 financial year.

- **Employee wellness programmes.**

The department has a responsibility to look after the well-being of the employees, hence various wellness programs are conducted which include the following:

- Wellness Health screening which is conducted in collaboration with Government Employees Medical Scheme (GEMS).
- Retirement planning sessions for officials aged 50 years and above, which is facilitated by Government Pensions Administration Agency (GPAA).
- Improving healthy lifestyle through participation in the District, Inter-Departmental Sporting and National sporting activities.
- Conducting HIV counselling and testing in collaboration with the Department of Health and GEMS.

The department has been able to develop the four Employee Health and Wellness Policies and Operational Plans which are in line with the FOUR Pillars of the DPSA Employee Health and Wellness Strategic Framework. All policies have been approved. The report as per the four pillars is as follows:

- Wellness Management:
 - (a) Wellness Health Screening: A total of 3 037 employees attended the health screening sessions.
 - (b) Financial Literacy Workshop: A total of 5 895 employees attended the planned sessions.
 - (c) Retirement planning sessions: A total of 2 302 employees attended the sessions.
 - (d) Employee Health and Wellness Advocacy: A total of 4 457 employees attended.
- HIV/AIDS and TB Management: A total of 55 086 male condoms and 6 202 female condoms have been distributed. Five hundred and fifty two (552) employees were tested for HIV in the period under review. Nine (09) employees were tested positive. There were no employees screened for TB and referred to the clinic.
- Health and Productivity: Five thousand eight hundred and ninety five (5 895) employees attended Financial Literacy workshops. The department conducted Leave Management workshops which were attended by 300 employees. Under the auspices of Work and Play policy, the department supports Recreational and Relaxation activities. The department has a squad of more than 155 that participates in different sporting codes.
- Safety Health Environment, Risk and Quality (SHERQ): This programme is located within the Facilities Management Directorate of the Department. The Department is doing its best to execute the Occupational Health and Safety duties efficiently. The Department plans to train Occupational Health and Safety representatives at district level in the 2017/18 financial year.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 and 31 March 2017

| Programme | Final appropriation (R'000) | Personnel expenditure (R'000) | Training expenditure (R'000) | Professional and special services expenditure (R'000) | Personnel expenditure as a % of total expenditure | Average personnel cost per employee (R'000) |
|--|-----------------------------|-------------------------------|------------------------------|---|---|---|
| ADMINISTRATION | 1 855 558 | 1 124 805 | 0 | 0 | 61 | 10 |
| PUBLIC ORDINARY SCHOOL EDUCA | 37 862 891 | 33 747 306 | 0 | 0 | 89 | 8 |
| INDEPENDENT SCHOOL SUBS | 81 941 | 0 | 0 | 0 | 0 | 8 |
| PUBLIC SPECIAL SCHOOL EDUC | 1 052 128 | 897 252 | 0 | 0 | 85 | 0 |
| EARLY CHILDHOOD DEVELOPMENT | 974 786 | 874 192 | 0 | 0 | 90 | 0 |
| INFRASTRUCTURE DEVELOPMENT | 2 596 391 | 19 351 | 0 | 0 | 1 | 290 |
| EXAMINATION & EDUCATION REL SERV | 1 316 314 | 945 489 | 0 | 0 | 72 | 8 |
| Total as on Financial Systems (BAS) | 45 740 009 | 37 608 395 | 0 | 0 | 82 | 323 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|---|-------------------------------|---------------------------|------------------|---|
| 01 Lower skilled (Levels 1-2) | 583 557 | 1,54 | 4 240 | 137 638 |
| 02 Skilled (Levels 3-5) | 2 982 857 | 7,85 | 14 759 | 202 114 |
| 03 Highly skilled production (Levels 6-8) | 23 695 857 | 62,38 | 67 308 | 352 068 |
| 04 Highly skilled supervision (Levels 9-12) | 9 881 895 | 26,02 | 19 036 | 519 141 |
| 05 Senior management (Levels 13-16) | 65 513 | 0,17 | 61 | 1 074 041 |
| 09 Other | 725 | 0 | 0 | 0 |
| 10 Contract (Levels 1-2) | 60 | 0 | 3 | 20 077 |
| 11 Contract (Levels 3-5) | 19 140 | 0,05 | 39 | 490 796 |
| 12 Contract (Levels 6-8) | 10 788 | 0,03 | 28 | 385 307 |
| 13 Contract (Levels 9-12) | 9 416 | 0,02 | 16 | 588 485 |
| 14 Contract (Levels 13-16) | 3 354 | 0,01 | 3 | 1 118 161 |
| 18 Contract Other | 22 722 | 0,06 | 379 | 59 956 |
| 19 Periodical Remuneration | 27 995 | 0,07 | 2 661 | 10 521 |
| 20 Abnormal Appointment | 470 228 | 1,24 | 7 776 | 60 475 |
| TOTAL | 37 774 106 | 99,45 | 116 309 | 324 789 |



Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 and 31 March 2017

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|----------------------------------|-------------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|------------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| ADMINISTRATION | 797 844 | 86,46 | 30 875 | 3,35 | 33 714 | 3,65 | 60 399 | 6,54 |
| PUBLIC ORDINARY SCHOOL EDUCA | 25 070 763 | 90,30 | 1 983 | 0,01 | 1 058 320 | 3,81 | 1 632 612 | 5,88 |
| INDEPENDENT SCHOOL SUBS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PUBLIC SPECIAL SCHOOL EDUC | 638 837 | 87,17 | 937 | 0,13 | 35 820 | 4,89 | 57 256 | 7,81 |
| EARLY CHILDHOOD DEVELOPMENT | 439 216 | 97,72 | 0 | 0 | 3 766 | 0,84 | 6 474 | 1,44 |
| INFRASTRUCTURE DEVELOPMENT | 10 687 | 95,18 | 0 | 0 | 199 | 1,77 | 342 | 3,04 |
| EXAMINATION & EDUCATION REL SERV | 488 238 | 86,95 | 30 379 | 5,41 | 14 759 | 2,63 | 28 128 | 5,01 |
| TOTAL | 27 445 586 | 90,16 | 64 174 | 0,21 | 1 146 579 | 3,77 | 1 785 210 | 5,86 |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|---|-------------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|------------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| 01 Lower skilled (Levels 1-2) | 383 845 | 80,22 | 409 | 0,09 | 52 182 | 10,91 | 42 060 | 8,79 |
| 02 Skilled (Levels 3-5) | 2 086 853 | 85,46 | 30 041 | 1,23 | 153 948 | 6,30 | 171 122 | 7,01 |
| 03 Highly skilled production (Levels 6-8) | 17 215 280 | 89,90 | 22 241 | 0,12 | 723 821 | 3,78 | 1 187 469 | 6,20 |
| 04 Highly skilled supervision (Levels 9-12) | 7 218 150 | 92,22 | 9 488 | 0,12 | 216 092 | 2,76 | 383 221 | 4,90 |
| 05 Senior management (Levels 13-16) | 49 527 | 97,75 | 0 | 0 | 228 | 0,45 | 915 | 1,80 |
| 09 Other | 456 | 75,88 | 0 | 0 | 77 | 12,81 | 68 | 11,31 |
| 10 Contract (Levels 1-2) | 53 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Contract (Levels 3-5) | 15 907 | 94,47 | 742 | 4,41 | 90 | 0,53 | 98 | 0,58 |
| 12 Contract (Levels 6-8) | 8 195 | 88,78 | 723 | 7,84 | 122 | 1,32 | 191 | 2,07 |
| 13 Contract (Levels 9-12) | 7 408 | 94,59 | 350 | 4,46 | 14 | 0,18 | 60 | 0,77 |
| 14 Contract (Levels 13-16) | 2 217 | 99,42 | 0 | 0 | 6 | 0,27 | 7 | 0,31 |
| 18 Contract Other | 19 834 | 99,11 | 179 | 0,89 | 0 | 0 | 0 | 0 |
| 19 Periodical Remuneration | 24 636 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Abnormal Appointment | 413 226 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 27 445 586 | 90,16 | 64 174 | 0,21 | 1 146 579 | 3,77 | 1 785 210 | 5,86 |



3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2017

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|------------------------|--------------|---|
| ADMINISTRATION, Permanent | 4,318 | 3,24 | 24.97 | 432 |
| EARLY CHILDHOOD DEVELOPMENT, Permanent | 437 | 396 | 9.38 | 4 |
| EXAMINATION & EDUCATION REL SERV, Permanent | 1,611 | 1,292 | 19.80 | 3 |
| INFRASTRUCTURE DEVELOPMENT, Permanent | 50 | 48 | 4.00 | 1 |
| PUBLIC ORDINARY SCHOOL EDUCA, Permanent | 106,059 | 97,705 | 7.88 | 2,798 |
| PUBLIC SPECIAL SCHOOL EDUC, Permanent | 3,667 | 3,191 | 12.98 | 41 |
| TOTAL | 116,142 | 105,872 | 8.84 | 3,279 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| 01 Lower Skilled (Levels 1-2), Permanent | 4,895.00 | 4,240.00 | 13.38 | 3.00 |
| 02 Skilled (Levels 3-5), Permanent | 178511 | 14,759.00 | 17.32 | 486.00 |
| 03 Highly Skilled Production (Levels 6-8), Permanent | 71,985.00 | 67,308.00 | 6.50 | 2,265.00 |
| 04 Highly Skilled Supervision (Levels 9-12), Permanent | 20,748.00 | 19,036.00 | 8.25 | 103.00 |
| 05 Senior Management (Levels 13-16), Permanent | 79.00 | 61.00 | 22.78 | 0.00 |
| 09 Other, Permanent | 495.00 | 379.00 | 23.43 | 379.00 |
| 10 Contract (Levels 1-2), Permanent | 3.00 | 3.00 | 0.00 | 3.00 |
| 11 Contract (Levels 3-5), Permanent | 39.00 | 39.00 | 0.00 | 31.00 |
| 12 Contract (Levels 6-8), Permanent | 28.00 | 28.00 | 0.00 | 3.00 |
| 13 Contract (Levels 9-12), Permanent | 16.00 | 16.00 | 0.00 | 5.00 |
| 14 Contract (Levels 13-16), Permanent | 3.00 | 3.00 | 0.00 | 1.00 |
| TOTAL | 116,142.00 | 105,872.00 | 8.84 | 3,279.00 |



Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate (Includes Frozen Posts) | Number of employees additional to the establishment |
|---|---|---------------------------|--|--|
| ADMINISTRATIVE RELATED, Permanent | 387.00 | 354.00 | 8.53 | 298.00 |
| AGRICULTURE RELATED, Permanent | 9.00 | 9.00 | 0.00 | 0.00 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent | 5.00 | 4.00 | 20.00 | 0.00 |
| ARCHIVISTS CURATORS AND RELATED PROFESSIONALS, Permanent | 1.00 | 1.00 | 0.00 | 0.00 |
| ARTISAN PROJECT AND RELATED SUPERINTENDENTS, Permanent | 1.00 | 1.00 | 0.00 | 0.00 |
| AUXILIARY AND RELATED WORKERS, Permanent | 939.00 | 785.00 | 16.40 | 1.00 |
| BOILER AND RELATED OPERATORS, Permanent | 14.00 | 13.00 | 7.14 | 0.00 |
| BUILDING AND OTHER PROPERTY CARETAKERS, Permanent | 237.00 | 183.00 | 22.78 | 0.00 |
| BUS AND HEAVY VEHICLE DRIVERS, Permanent | 114.00 | 93.00 | 18.42 | 0.00 |
| CIVIL ENGINEERING TECHNICIANS, Permanent | 1.00 | 1.00 | 0.00 | 0.00 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent | 4,061.00 | 3,630.00 | 10.61 | 2.00 |



| | | | | |
|--|--------|--------|-------|------|
| CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS), Permanent | 11.00 | 9.00 | 18.18 | 0.00 |
| COMMUNICATION AND INFORMATION RELATED, Permanent | 12.00 | 11.00 | 8.33 | 2.00 |
| CONSERVATION LABOURERS, Permanent | 6.00 | 6.00 | 0.00 | 0.00 |
| ENGINEERING SCIENCES RELATED, Permanent | 3.00 | 2.00 | 33.33 | 0.00 |
| ENGINEERS AND RELATED PROFESSIONALS, Permanent | 36.00 | 35.00 | 2.78 | 3.00 |
| FARM HANDS AND LABOURERS, Permanent | 75.00 | 70.00 | 6.67 | 0.00 |
| FARMING FORESTRY ADVISORS AND FARM MANAGERS, Permanent | 2.00 | 2.00 | 0.00 | 0.00 |
| FINANCE AND ECONOMICS RELATED, Permanent | 20.00 | 13.00 | 35.00 | 0.00 |
| FINANCIAL AND RELATED PROFESSIONALS, Permanent | 70.00 | 35.00 | 50.00 | 1.00 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent | 299.00 | 252.00 | 15.72 | 1.00 |
| FOOD SERVICES AIDS AND WAITERS, Permanent | 161.00 | 148.00 | 8.07 | 0.00 |
| FOOD SERVICES WORKERS, Permanent | 1.00 | 1.00 | 0.00 | 0.00 |
| GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent | 2.00 | 2.00 | 0.00 | 0.00 |



| | | | | |
|--|--------|--------|-------|--------|
| GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF, Permanent | 1.00 | 1.00 | 0.00 | 0.00 |
| HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER, Permanent | 2.00 | 1.00 | 50.00 | 0.00 |
| HOUSEHOLD AND LAUNDRY WORKERS, Permanent | 685.00 | 585.00 | 14.60 | 1.00 |
| HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED, Permanent | 20.00 | 20.00 | 0.00 | 0.00 |
| HOUSEKEEPERS LAUNDRY AND RELATED WORKERS, Permanent | 146.00 | 100.00 | 31.51 | 0.00 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent | 70.00 | 44.00 | 37.14 | 0.00 |
| HUMAN RESOURCES CLERKS, Permanent | 630.00 | 516.00 | 18.10 | 102.00 |
| HUMAN RESOURCES RELATED, Permanent | 110.00 | 66.00 | 40.00 | 0.00 |
| INFORMATION TECHNOLOGY RELATED, Permanent | 6.00 | 6.00 | 0.00 | 6.00 |
| LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent | 2.00 | 2.00 | 0.00 | 0.00 |
| LEGAL RELATED, Permanent | 6.00 | 3.00 | 50.00 | 0.00 |
| LIBRARIANS AND RELATED PROFESSIONALS, Permanent | 9.00 | 4.00 | 55.56 | 0.00 |



| | | | | |
|---|----------|----------|-------|-------|
| LIBRARY MAIL AND RELATED CLERKS, Permanent | 203.00 | 161.00 | 20.69 | 0.00 |
| LIGHT VEHICLE DRIVERS, Permanent | 87.00 | 67.00 | 22.99 | 1.00 |
| LOGISTICAL SUPPORT PERSONNEL, Permanent | 8.00 | 7.00 | 12.50 | 0.00 |
| MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent | 88.00 | 68.00 | 22.73 | 0.00 |
| MESSENGERS PORTERS AND DELIVERERS, Permanent | 54.00 | 29.00 | 46.30 | 0.00 |
| MOTOR VEHICLE DRIVERS, Permanent | 8.00 | 8.00 | 0.00 | 0.00 |
| OCCUPATIONAL THERAPY, Permanent | 1.00 | 1.00 | 0.00 | 1.00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent | 4,928.00 | 4,370.00 | 11.32 | 13.00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Temporary | 2.00 | 2.00 | 0.00 | 0.00 |
| OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent | 87.00 | 56.00 | 35.63 | 0.00 |
| OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent | 52.00 | 47.00 | 9.62 | 1.00 |
| OTHER MACHINE OPERATORS, Permanent | 4.00 | 1.00 | 75.00 | 0.00 |
| OTHER OCCUPATIONS, Permanent | 97147 | 90460 | 5.62 | 5,63 |
| OTHER PRINTING TRADE WORKERS, Permanent | 1.00 | 0.00 | 0.00 | 0.00 |



| | | | | |
|---|-------------------|-------------------|-------------|-------------|
| PHOTOGRAPHIC LITHOGRAPHIC AND RELATED WORKERS, Permanent | 11.00 | 10.00 | 9.09 | 0.00 |
| PHYSIOTHERAPY, Permanent | 2.00 | 2.00 | 0.00 | 0.00 |
| PRINTING AND RELATED MACHINE OPERATORS, Permanent | 11.00 | 8.00 | 27.27 | 0.00 |
| PROFESSIONAL NURSE, Permanent | 33.00 | 25.00 | 24.24 | 0.00 |
| RISK MANAGEMENT AND SECURITY SERVICES, Permanent | 9.00 | 7.00 | 22.22 | 0.00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent | 235.00 | 178.00 | 24.26 | 0.00 |
| SECURITY GUARDS, Permanent | 4,898.00 | 3,269.00 | 33.26 | 3.00 |
| SECURITY OFFICERS, Permanent | 12.00 | 12.00 | 0.00 | 0.00 |
| SENIOR MANAGERS, Permanent | 77.00 | 51.00 | 33.77 | 1.00 |
| SOCIAL SCIENCES RELATED, Permanent | 1.00 | 1.00 | 0.00 | 0.00 |
| SOCIAL SCIENCES SUPPLEMENTARY WORKERS, Permanent | 13.00 | 11.00 | 15.38 | 0.00 |
| STAFF NURSES AND PUPIL NURSES, Permanent | 5.00 | 4.00 | 20.00 | 0.00 |
| TRADE LABOURERS, Permanent | 11.00 | 9.00 | 18.18 | 0.00 |
| TOTAL | 116,142.00 | 105,872.00 | 8.84 | 3,27 |

Notes

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

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2017

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 1 | 1 | 100 | 0 | 0 |
| Salary Level 15 | 4 | 3 | 75 | 1 | 25 |
| Salary Level 14 | 14 | 11 | 79 | 3 | 21 |
| Salary Level 13 | 52 | 46 | 88 | 6 | 12 |
| Total | 71 | 61 | 86 | 10 | 14 |



Table 3.3.2 SMS post information as on 30 September 2016

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 1 | 0 | 0 | 1 | 100 |
| Salary Level 15 | 4 | 4 | 100 | 0 | 0 |
| Salary Level 14 | 14 | 9 | 64 | 5 | 36 |
| Salary Level 13 | 52 | 45 | 87 | 7 | 13 |
| Total | 71 | 58 | 82 | 13 | 18 |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 1 | 1 | 100 | 0 | 0 |
| Salary Level 15 | 4 | 3 | 75 | 1 | 25 |
| Salary Level 14 | 14 | 11 | 79 | 3 | 21 |
| Salary Level 13 | 52 | 46 | 88 | 6 | 12 |
| Total | 71 | 61 | 86 | 10 | 14 |

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017

| |
|--|
| Reasons for vacancies not advertised within six months |
| |
| Cost cutting measures prevents the Department from advertising vacancies. |
| |
| Reasons for vacancies not filled within six months |
| |
| Cost cutting measures prevents the Department from filling vacancies within six months |
| |

Notes

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017

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

Notes

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

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2016 and 31 March 2017

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|---|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| 01 Lower Skilled (Levels 1-2) | 4 895 | 0 | 0 | 0 | 0 | 1 | 0 |
| 02 Skilled (Levels 3-5) | 17 851 | 1 | 0 | 0 | 0 | 0 | 0 |
| 03 Highly Skilled Production (Levels 6-8) | 71 985 | 7 | 0 | 0 | 0 | 0 | 0 |
| 04 Highly Skilled Supervision (Levels 9-12) | 20 748 | 1 | 0 | 0 | 0 | 1 | 100 |
| 05 Senior Management Service Band A | 58 | 0 | 0 | 0 | 0 | 0 | 0 |
| 06 Senior Management Service Band B | 16 | 0 | 0 | 0 | 0 | 0 | 0 |
| 07 Senior Management Service Band C | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| 08 Senior Management Service Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 09 Other | 495 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 Contract (Levels 1-2) | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Contract (Levels 3-5) | 39 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|---------------------------|----------------|----------|----------|----------|----------|----------|-------------|
| 12 Contract (Levels 6-8) | 28 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Contract (Levels 9-12) | 16 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Contract Band A | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 Contract Band B | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Contract Band D | 1 | 0 | | | | | |
| TOTAL | 116 142 | 9 | 0 | 0 | 0 | 2 | 22,2 |

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 and 31 March 2017

| Gender | African | Asian | Coloured | White | Total |
|--------|---------|-------|----------|-------|-------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

Employees with a disability

0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 and 31 March 2017

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



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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 and 31 March 2017

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

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 and 31 March 2017

| Salary band | Number of employees at beginning of period-1 April 2016 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|---|---|---------------|
| 01 Lower Skilled (Levels 1-2) Permanent | 8 103 | 23 | 124 | 1.53 |
| 02 Skilled (Levels 3-5) Permanent | 15 309 | 1 605 | 1 360 | 8.88 |
| 02 Skilled (Levels 3-5) Temporary | 2 | - | - | 0.00 |
| 03 Highly Skilled Production (Levels 6-8) Permanent | 71 949 | 3 224 | 5 901 | 8.20 |
| 04 Highly Skilled Supervision (Levels 9-12) Permanent | 10 321 | 23 | 1 431 | 13.86 |
| 05 Senior Management Service Band A Permanent | 48 | 1 | 2 | 4.17 |
| 06 Senior Management Service Band B Permanent | 8 | - | - | 0.00 |
| 07 Senior Management Service Band C Permanent | 4 | - | - | 0.00 |
| 08 Senior Management Service Band D Permanent | 1 | 1 | 1 | 100.00 |
| 09 Other Permanent | 416 | 371 | 341 | 81.97 |
| 10 Contract (Levels 1-2) Permanent | 3 | 1 | - | 0.00 |
| 11 Contract (Levels 3-5) Permanent | 90 | 57 | 114 | 126.67 |
| 12 Contract (Levels 6-8) Permanent | 15 | 8 | 3 | 20.00 |
| 13 Contract (Levels 9-12) Permanent | 6 | 3 | 1 | 16.67 |
| 14 Contract Band A Permanent | 1 | 2 | 1 | 100.00 |
| 15 Contract Band B Permanent | 1 | - | 2 | 200.00 |
| 17 Contract Band D Permanent | 1 | - | 1 | 100.00 |
| TOTAL | 106 278 | 5 319 | 9 282 | 8.73 |



Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017

| Critical occupation | Number of employees at beginning of period-April 2016 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|--|--|---------------|
| ADMINISTRATIVE RELATED Permanent | 369 | 289 | 323 | 87.53 |
| AGRICULTURE RELATED Permanent | 9 | - | - | 0.00 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent | 3 | 1 | - | 0.00 |
| ARCHIVISTS CURATORS AND RELATED PROFESSIONALS Permanent | 1 | - | - | 0.00 |
| ARTISAN PROJECT AND RELATED SUPERINTENDENTS Permanent | 1 | - | - | 0.00 |
| AUXILIARY AND RELATED WORKERS Permanent | 814 | 1 | 14 | 1.72 |
| BOILER AND RELATED OPERATORS Permanent | 15 | - | 3 | 20.00 |
| BUILDING AND OTHER PROPERTY CARETAKERS Permanent | 195 | 1 | 13 | 6.67 |
| BUS AND HEAVY VEHICLE DRIVERS Permanent | 94 | - | 7 | 7.45 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent | 3 777 | 18 | 157 | 4.16 |
| CLIENT INFORM CLERKS(SWITCHBOARD RECEIPT INFORM CLERKS) Permanent | 10 | - | 1 | 10.00 |
| COMMUNICATION AND INFORMATION RELATED Permanent | 10 | - | 1 | 10.00 |
| CONSERVATION LABOURERS Permanent | 6 | - | - | 0.00 |
| ENGINEERING SCIENCES RELATED Permanent | 3 | - | - | 0.00 |
| ENGINEERS AND RELATED PROFESSIONALS Permanent | 34 | 1 | - | 0.00 |
| FARM HANDS AND LABOURERS Permanent | 73 | - | 2 | 2.74 |

| | | | | |
|--|-----|----|----|--------|
| FARMING FORESTRY ADVISORS AND FARM MANAGERS Permanent | 2 | - | - | 0.00 |
| FINANCE AND ECONOMICS RELATED Permanent | 12 | - | - | 0.00 |
| FINANCIAL AND RELATED PROFESSIONALS Permanent | 38 | 1 | 6 | 15.79 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent | 268 | 3 | 12 | 4.48 |
| FOOD SERVICES AIDS AND WAITERS Permanent | 150 | 2 | 2 | 1.33 |
| FOOD SERVICES WORKERS Permanent | 1 | - | - | 0.00 |
| GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent | 2 | - | - | 0.00 |
| GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF Permanent | 1 | - | - | 0.00 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent | 1 | - | 1 | 100.00 |
| HEALTH SCIENCES RELATED Permanent | 1 | - | 1 | 100.00 |
| HOUSEHOLD AND LAUNDRY WORKERS Permanent | 640 | - | 52 | 8.13 |
| HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent | 20 | - | - | 0.00 |
| HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent | 103 | 1 | 2 | 1.94 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent | 46 | - | 3 | 6.52 |
| HUMAN RESOURCES CLERKS Permanent | 482 | 83 | 42 | 8.71 |
| HUMAN RESOURCES RELATED Permanent | 73 | - | 6 | 8.22 |
| INFORMATION TECHNOLOGY RELATED Permanent | 6 | - | - | 0.00 |



| | | | | |
|--|--------|-------|-------|------|
| LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent | 2 | - | - | 0.00 |
| LEGAL RELATED Permanent | 3 | - | - | 0.00 |
| LIBRARIANS AND RELATED PROFESSIONALS Permanent | 4 | - | - | 0.00 |
| LIBRARY MAIL AND RELATED CLERKS Permanent | 175 | - | 10 | 5.71 |
| LIGHT VEHICLE DRIVERS Permanent | 64 | 5 | - | 0.00 |
| LOGISTICAL SUPPORT PERSONNEL Permanent | 8 | - | - | 0.00 |
| MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent | 70 | - | 4 | 5.71 |
| MESSENGERS PORTERS AND DELIVERERS Permanent | 31 | - | 2 | 6.45 |
| MOTOR VEHICLE DRIVERS Permanent | 8 | - | - | 0.00 |
| OCCUPATIONAL THERAPY Permanent | 1 | - | - | 0.00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent | 4 509 | 107 | 242 | 5.37 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Temporary | 2 | - | - | 0.00 |
| OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent | 59 | - | 2 | 3.39 |
| OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent | 48 | - | 1 | 2.08 |
| OTHER MACHINE OPERATORS Permanent | 1 | - | - | 0.00 |
| OTHER OCCUPATIONS Permanent | 90 338 | 4 789 | 8 276 | 9.16 |
| PHOTOGRAPHIC LITHOGRAPHIC AND RELATED WORKERS Permanent | 11 | - | 1 | 9.09 |

| | | | | |
|---|----------------|--------------|--------------|-------------|
| PHYSIOTHERAPY Permanent | 1 | - | - | 0.00 |
| PRINTING AND RELATED MACHINE OPERATORS Permanent | 8 | - | - | 0.00 |
| PROFESSIONAL NURSE Permanent | 27 | 1 | 3 | 11.11 |
| Rank: TEACHER Permanent | 12 | - | - | 0.00 |
| RISK MANAGEMENT AND SECURITY SERVICES Permanent | 5 | - | - | 0.00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent | 186 | 4 | 8 | 4.30 |
| SECURITY GUARDS Permanent | 3 355 | 8 | 81 | 2.41 |
| SECURITY OFFICERS Permanent | 12 | - | - | 0.00 |
| SENIOR MANAGERS Permanent | 50 | 2 | 3 | 6.00 |
| SOCIAL SCIENCES RELATED Permanent | 1 | - | - | 0.00 |
| SOCIAL SCIENCES SUPPLEMENTARY WORKERS Permanent | 12 | - | - | 0.00 |
| STAFF NURSES AND PUPIL NURSES Permanent | 5 | - | - | 0.00 |
| TRADE LABOURERS Permanent | 10 | - | - | 0.00 |
| TOTAL | 106 278 | 5 319 | 9 282 | 8.73 |

Notes

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



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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 and 31 March 2017

| Termination Type | Number | % of Total Resignations |
|--|--------------|-------------------------|
| 01 Death, Permanent | 524 | 5.65 |
| 02 Resignation, Permanent | 2 129 | 22.94 |
| 03 Expiry of contract, Permanent | 4 925 | 53.06 |
| 06 Discharged due to ill health, Permanent | 78 | 0.84 |
| 07 Dismissal-misconduct, Permanent | 91 | 0.98 |
| 09 Retirement, Permanent | 1 535 | 16.54 |
| TOTAL | 9 282 | 100.00 |
| Total number of employees who left as a % of total employment | | 8.7% |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017

| Occupation | Employees 1 April 2016 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---|------------------------|------------------------------------|---|---|---|
| ADMINISTRATIVE RELATED | 369 | 2 | 0.54 | 32 | 8.67 |
| AGRICULTURE RELATED | 9 | - | 0.00 | 5 | 55.56 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS | 3 | - | 0.00 | - | 0.00 |
| ARCHIVISTS CURATORS AND RELATED PROFESSIONALS | 1 | - | 0.00 | 1 | 100.00 |
| ARTISAN PROJECT AND RELATED SUPERINTENDENTS | 1 | - | 0.00 | 1 | 100.00 |



| | | | | | |
|--|-------|---|-------|-------|--------|
| AUXILIARY AND RELATED WORKERS | 814 | - | 0.00 | 649 | 79.73 |
| BOILER AND RELATED OPERATORS | 15 | - | 0.00 | 7 | 46.67 |
| BUILDING AND OTHER PROPERTY CARETAKERS | 195 | - | 0.00 | 154 | 78.97 |
| BUS AND HEAVY VEHICLE DRIVERS | 94 | - | 0.00 | 65 | 69.15 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 3 777 | - | 0.00 | 3 025 | 80.09 |
| CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) | 10 | - | 0.00 | 6 | 60.00 |
| COMMUNICATION AND INFORMATION RELATED | 10 | - | 0.00 | 10 | 100.00 |
| CONSERVATION LABOURERS | 6 | - | 0.00 | 4 | 66.67 |
| ENGINEERING SCIENCES RELATED | 3 | - | 0.00 | - | 0.00 |
| ENGINEERS AND RELATED PROFESSIONALS | 34 | 4 | 11.76 | 4 | 11.76 |
| FARM HANDS AND LABOURERS | 73 | - | 0.00 | 56 | 76.71 |
| FARMING FORESTRY ADVISORS AND FARM MANAGERS | 2 | - | 0.00 | 1 | 50.00 |
| FINANCE AND ECONOMICS RELATED | 12 | - | 0.00 | 9 | 75.00 |
| FINANCIAL AND RELATED PROFESSIONALS | 38 | - | 0.00 | 24 | 63.16 |



| | | | | | |
|---|-----|---|--------|-----|--------|
| FINANCIAL CLERKS AND CREDIT CONTROLLERS | 268 | 1 | 0.37 | 185 | 69.03 |
| FOOD SERVICES AIDS AND WAITERS | 150 | - | 0.00 | 111 | 74.00 |
| FOOD SERVICES WORKERS | 1 | - | 0.00 | - | 0.00 |
| GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS | 2 | - | 0.00 | 1 | 50.00 |
| GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF | 1 | - | 0.00 | 1 | 100.00 |
| HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER | 1 | 1 | 100.00 | - | 0.00 |
| HEALTH SCIENCES RELATED | 1 | - | 0.00 | - | 0.00 |
| HOUSEHOLD AND LAUNDRY WORKERS | 640 | - | 0.00 | 451 | 70.47 |
| HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED | 20 | - | 0.00 | 10 | 50.00 |
| HOUSEKEEPERS LAUNDRY AND RELATED WORKERS | 103 | - | 0.00 | 77 | 74.76 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF | 46 | 1 | 2.17 | 30 | 65.22 |
| HUMAN RESOURCES CLERKS | 482 | - | 0.00 | 268 | 55.60 |
| HUMAN RESOURCES RELATED | 73 | 1 | 1.37 | 54 | 73.97 |
| INFORMATION TECHNOLOGY RELATED | 6 | - | 0.00 | 6 | 100.00 |



| | | | | | |
|--|--------|-------|------|--------|--------|
| LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN | 2 | - | 0.00 | - | 0.00 |
| LEGAL RELATED | 3 | - | 0.00 | 2 | 66.67 |
| LIBRARIANS AND RELATED PROFESSIONALS | 4 | - | 0.00 | 3 | 75.00 |
| LIBRARY MAIL AND RELATED CLERKS | 175 | - | 0.00 | 83 | 47.43 |
| LIGHT VEHICLE DRIVERS | 64 | 2 | 3.13 | 64 | 100.00 |
| LOGISTICAL SUPPORT PERSONNEL | 8 | - | 0.00 | 1 | 12.50 |
| MATERIAL-RECORDING AND TRANSPORT CLERKS | 70 | - | 0.00 | 36 | 51.43 |
| MESSENGERS PORTERS AND DELIVERERS | 31 | - | 0.00 | 26 | 83.87 |
| MOTOR VEHICLE DRIVERS | 8 | - | 0.00 | 6 | 75.00 |
| OCCUPATIONAL THERAPY | 1 | - | 0.00 | - | 0.00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS | 4 511 | 5 | 0.11 | 3 178 | 70.45 |
| OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS | 59 | - | 0.00 | 37 | 62.71 |
| OTHER INFORMATION TECHNOLOGY PERSONNEL. | 48 | - | 0.00 | 44 | 91.67 |
| OTHER MACHINE OPERATORS | 1 | - | 0.00 | - | 0.00 |
| OTHER OCCUPATIONS | 90 350 | 1 811 | 2.00 | 74 323 | 82.27 |



| | | | | | |
|---|----------------|--------------|-------------|---------------|--------------|
| PHOTOGRAPHIC LITHOGRAPHIC AND RELATED WORKERS | 11 | - | 0.00 | 9 | 81.82 |
| PHYSIOTHERAPY | 1 | - | 0.00 | 1 | 100.00 |
| PRINTING AND RELATED MACHINE OPERATORS | 8 | - | 0.00 | 8 | 100.00 |
| PROFESSIONAL NURSE | 27 | - | 0.00 | 14 | 51.85 |
| RISK MANAGEMENT AND SECURITY SERVICES | 5 | 2 | 40.00 | 4 | 80.00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 186 | 2 | 1.08 | 106 | 56.99 |
| SECURITY GUARDS | 3 355 | - | 0.00 | 2 840 | 84.65 |
| SECURITY OFFICERS | 12 | - | 0.00 | 4 | 33.33 |
| SENIOR MANAGERS | 50 | 7 | 14.00 | 37 | 74.00 |
| SOCIAL SCIENCES RELATED | 1 | - | 0.00 | - | 0.00 |
| SOCIAL SCIENCES SUPPLEMENTARY WORKERS | 12 | - | 0.00 | 2 | 16.67 |
| STAFF NURSES AND PUPIL NURSES | 5 | - | 0.00 | 2 | 40.00 |
| TRADE LABOURERS | 10 | - | 0.00 | 7 | 70.00 |
| TOTAL | 106 278 | 1 839 | 1.73 | 86 084 | 81.00 |

Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017

| Salary Band | Employees 1 April 2017 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|--|------------------------|------------------------------------|---|---|---|
| 01 Lower Skilled (Levels 1-2), Permanent | 8 103 | 0 | 0.00 | 3400 | 41.96 |
| 02 Skilled (Levels 3-5), Permanent | 15 309 | 1 | 0.01 | 11292 | 73.76 |
| 02 Skilled (Levels 3-5), Temporary | 2 | 0 | 0.00 | 1 | 50.00 |
| 03 Highly Skilled Production (Levels 6-8), Permanent | 71 949 | 888 | 1.23 | 53357 | 74.16 |
| 04 Highly Skilled Supervision (Levels 9-12), Permanent | 10 321 | 930 | 9.01 | 17977 | 174.18 |
| 05 Senior Management (Levels 13-16), Permanent | 61 | 8 | 13.11 | 43 | 70.49 |
| 09 Other, Permanent | 416 | 0 | 0.00 | 0 | 0.00 |
| 10 Contract (Levels 1-2), Permanent | 3 | 0 | 0.00 | 0 | 0.00 |
| 11 Contract (Levels 3-5), Permanent | 90 | 0 | 0.00 | 7 | 7.78 |
| 12 Contract (Levels 6-8), Permanent | 15 | 7 | 46.67 | 3 | 20.00 |
| 13 Contract (Levels 9-12), Permanent | 6 | 3 | 50.00 | 4 | 66.67 |
| 14 Contract (Levels 13-16), Permanent | 3 | 2 | 66.67 | 0 | 0.00 |
| TOTAL | 106 278 | 1 839 | 1.73 | 86 084 | 81.00 |



3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

| Occupational category | Male | | | | Female | | | | Total |
|---|--------------|------------|-------------|------------|--------------|------------|-------------|-------------|---------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 01 - SENIOR OFFICIALS AND MANAGERS | 31 | 0 | 3 | 1 | 21 | 2 | 3 | 0 | 61 |
| 02 - PROFESSIONALS | 22948 | 221 | 2414 | 507 | 55395 | 631 | 6036 | 2205 | 90357 |
| 03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS | 323 | 4 | 24 | 8 | 802 | 13 | 52 | 16 | 1242 |
| 04 - CLERKS | 1242 | 5 | 210 | 9 | 3484 | 57 | 511 | 228 | 5746 |
| 05 - SERVICE SHOP AND MARKET SALES WORKERS | 3006 | 7 | 17 | 4 | 350 | 3 | 14 | 12 | 3413 |
| 07 - CRAFT AND RELATED TRADE WORKERS | 7 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 11 |
| 08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS | 123 | 3 | 52 | 1 | 11 | 0 | 0 | 0 | 190 |
| 09 - LABOURERS AND RELATED WORKERS | 1945 | 16 | 79 | 19 | 2606 | 35 | 99 | 53 | 4852 |
| TOTAL | 29625 | 256 | 2799 | 549 | 62673 | 741 | 6715 | 2514 | 105872 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|---|--------------|------------|-------------|------------|--------------|------------|-------------|-------------|---------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 01 Top Management, Permanent | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 4 |
| 02 Senior Management, Permanent | 29 | 0 | 3 | 1 | 19 | 2 | 3 | 0 | 57 |
| 03 Professionally qualified and experienced specialists and mid-management, Permanent | 6008 | 110 | 1515 | 267 | 8107 | 209 | 2080 | 740 | 19036 |
| 04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 15153 | 116 | 1036 | 244 | 44603 | 434 | 4172 | 1550 | 67308 |
| 05 Semi-skilled and discretionary decision making, Permanent | 6767 | 22 | 186 | 25 | 7089 | 74 | 377 | 217 | 14757 |
| 05 Semi-skilled and discretionary decision making, Temporary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| 06 Unskilled and defined decision making, Permanent | 1623 | 8 | 59 | 11 | 2809 | 22 | 82 | 5 | 4619 |
| 07 Contract (Top Management), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 10 Contract (Senior Management), Permanent | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| 11 Contract (Professionally Qualified), Permanent | 13 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 16 |
| 12 Contract (Skilled Technical), Permanent | 17 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 28 |
| 13 Contract (Semi-Skilled), Permanent | 8 | 0 | 0 | 0 | 30 | 0 | 1 | 0 | 39 |
| 14 Contract (Unskilled), Permanent | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| TOTAL | 29625 | 256 | 2799 | 549 | 62673 | 741 | 6715 | 2514 | 105872 |



Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|---|-------------|-----------|-----------|-----------|-------------|-----------|------------|------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 01 Top Management, Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 02 Senior Management, Permanent | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| 03 Professionally qualified and experienced specialists and mid-management, Permanent | 9 | 0 | 1 | 1 | 12 | 0 | 0 | 0 | 23 |
| 04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 805 | 8 | 44 | 13 | 2303 | 27 | 245 | 150 | 3595 |
| 05 Semi-skilled and discretionary decision making, Permanent | 516 | 3 | 17 | 5 | 984 | 8 | 57 | 15 | 1605 |
| 06 Unskilled and defined decision making, Permanent | 9 | 0 | 0 | 0 | 13 | 0 | 1 | 0 | 23 |
| 09 Contract (Senior Management), Permanent | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| 10 Contract (Professionally qualified), Permanent | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 |
| 11 Contract (Skilled technical), Permanent | 3 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 8 |
| 12 Contract (Semi-skilled), Permanent | 30 | 0 | 0 | 0 | 27 | 0 | 0 | 0 | 57 |
| 13 Contract (Unskilled), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 1377 | 11 | 62 | 20 | 3346 | 35 | 303 | 165 | 5319 |
| Employees with disabilities | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |

Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|---|--------------|------------|-------------|------------|--------------|------------|-------------|-------------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 01 Top Management, Permanent | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| 02 Senior Management, Permanent | 27 | 0 | 3 | 1 | 17 | 1 | 1 | 0 | 50 |
| 03 Professionally qualified and experienced specialists and mid-management, Permanent | 5757 | 108 | 1536 | 276 | 8155 | 213 | 2104 | 758 | 18907 |
| 04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 11840 | 92 | 760 | 197 | 36646 | 354 | 3215 | 1141 | 54245 |
| 05 Semi-skilled and discretionary decision making, Permanent | 5523 | 18 | 146 | 16 | 5169 | 48 | 221 | 152 | 11293 |
| 05 Semi-skilled and discretionary decision making, Temporary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| 06 Unskilled and defined decision making, Permanent | 1140 | 6 | 46 | 7 | 2126 | 15 | 57 | 3 | 3400 |
| 08 Contract (Top Management), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 09 Contract (Senior Management), Permanent | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| 10 Contract (Professionally qualified), Permanent | 5 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 7 |
| 11 Contract (Skilled technical), Permanent | 8 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 10 |
| 12 Contract (Semi-skilled), Permanent | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 7 |
| TOTAL | 24301 | 224 | 2491 | 498 | 52125 | 631 | 5598 | 2055 | 87923 |
| Employees with disabilities | 3 | 1 | 3 | 0 | 7 | 1 | 3 | 2 | 20 |



Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|---|-------------|-----------|------------|-----------|-------------|-----------|------------|------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 01 Top Management, Permanent | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| 02 Senior Management, Permanent | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| 03 Professionally qualified and experienced specialists and mid-management, Permanent | 389 | 15 | 99 | 36 | 671 | 12 | 131 | 78 | 1431 |
| 04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent | 1421 | 16 | 92 | 31 | 4083 | 43 | 348 | 208 | 6242 |
| 05 Semi-skilled and discretionary decision making, Permanent | 544 | 3 | 11 | 3 | 708 | 11 | 49 | 31 | 1360 |
| 06 Unskilled and defined decision making, Permanent | 56 | 0 | 3 | 0 | 60 | 1 | 3 | 1 | 124 |
| 08 Contract (Top Management), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 09 Contract (Senior Management), Permanent | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 3 |
| 10 Contract (Professionally qualified), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 11 Contract (Skilled technical), Permanent | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 3 |
| 12 Contract (Semi-skilled), Permanent | 53 | 0 | 2 | 0 | 59 | 0 | 0 | 0 | 114 |
| TOTAL | 2467 | 34 | 207 | 71 | 5586 | 68 | 531 | 318 | 9282 |
| Employees with Disabilities | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

| Disciplinary action | Male | | | | Female | | | | Total |
|-------------------------|-----------|----------|-----------|----------|-----------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Dismissal | 17 | 0 | 3 | 0 | 7 | 0 | 1 | 0 | 28 |
| Demotion | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Three months suspension | 7 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 12 |
| Two months suspension | 5 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 6 |
| One month suspension | 7 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 10 |
| Suspended sanction | 12 | 0 | 3 | 2 | 2 | 0 | 1 | 0 | 20 |
| Salary fine | 8 | 0 | 1 | 0 | 5 | 0 | 1 | 0 | 15 |
| Written Warning | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Final written warning | 10 | 0 | 2 | 0 | 4 | 0 | 0 | 0 | 16 |
| Not Guilty | 9 | 0 | 3 | 0 | 2 | 0 | 2 | 0 | 16 |
| | | | | | | | | | |
| TOTAL | 77 | 0 | 12 | 2 | 30 | 0 | 5 | 0 | 126 |



Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017

| Occupational category | Male | | | | Female | | | | Total |
|--|--------------|-----------|-----------|----------|--------------|----------|-----------|----------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | - | - | - | - | - | - | - | - | - |
| Professionals | 2 421 | 13 | 25 | 1 | 5 130 | 6 | 13 | - | 7 609 |
| Technicians and associate professionals | - | - | - | - | - | - | - | - | - |
| Clerks | 138 | 1 | 6 | - | 209 | 2 | 7 | - | 363 |
| Service and sales workers | - | - | - | - | - | - | - | - | - |
| Skilled agriculture and fishery workers | - | - | - | - | - | - | - | - | - |
| Craft and related trades workers | - | - | - | - | - | - | - | - | - |
| Plant and machine operators and assemblers | - | - | - | - | - | - | - | - | - |
| Elementary occupations | - | - | - | - | - | - | - | - | - |
| Total | 2 559 | 14 | 31 | 1 | 5 339 | 8 | 20 | - | 7 972 |
| Employees with disabilities | - | - | - | - | 1 | - | - | - | 1 |

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | 1 | 1 | | |
| Salary Level 16 | 1 | 1 | 1 | |
| Salary Level 15 | 4 | 3 | 13 | |
| Salary Level 14 | 14 | 11 | 11 | |
| Salary Level 13 | 52 | 46 | 47 | |
| Total | 71 | 61 | 62 | |

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2017

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

| Reasons |
|---------|
| |
| None |
| |

Notes

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



Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

| |
|---------|
| Reasons |
| |
| None |
| |

Notes

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

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

| Race and Gender | Beneficiary Profile | | | Cost | | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee | |
| African | 154 | | | | 8423 | |
| Male | 76 | 6587 | | | | |
| Female | 78 | 7043 | | | | |
| Asian | 56 | | | | 8423 | |
| Male | 16 | 406 | | | | |
| Female | 40 | 663 | | | | |
| Coloured | 4 | | | | 8423 | |
| Male | 1 | 37 | | | | |
| Female | 3 | 111 | | | | |
| White | 9 | | | | 8423 | |
| Male | 0 | 46 | | | | |
| Female | 9 | 310 | | | | |
| Total | 222 | | | | 8423 | |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

| Salary band | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee |
| 01 Lower Skilled (Levels 1-2) | 43.00 | 4,240. | 1.01 | 276.41 | 6,428.13 |
| 02 Skilled (Levels 3-5) | 121.00 | 14,759 | 0.82 | 1,196.65 | 9,889.66 |
| 03 Highly Skilled Production (Levels 6-8) | 78.00 | 67,308 | 0.12 | 1,329.06 | 17,039.25 |
| 04 Highly Skilled Supervision (Levels 9-12) | 16.00 | 19,036 | 0.08 | 573.02 | 35,813.87 |
| 09 Other | 0.00 | 379 | 0.00 | 0.00 | 0.00 |
| 10 Contract (Levels 1-2) | 0.00 | 3 | 0.00 | 0.00 | 0.00 |
| 11 Contract (Levels 3-5) | 0.00 | 39 | 0.00 | 0.00 | 0.00 |
| 12 Contract (Levels 6-8) | 0.00 | 28 | 0.00 | 0.00 | 0.00 |
| 13 Contract (Levels 9-12) | 0.00 | 16 | 0.00 | 0.00 | 0.00 |
| TOTAL | 258.00 | 105872 | 0.24 | 3,375.14 | 13,081.95 |



Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

| Critical occupation | Beneficiary Profile | | | Cost | |
|--|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| ADMINISTRATIVE RELATED | 1.00 | 354.00 | 0.28 | 17.17 | 17,169.36 |
| AGRICULTURE RELATED | 1.00 | 9.00 | 11.11 | 5.93 | 5,931.60 |
| ARCHITECTS TOWN AND TRAFFIC PLANNERS | 0.00 | 4.00 | 0.00 | 0.00 | 0.00 |
| ARCHIVISTS CURATORS AND RELATED PROFESSIONALS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| ARTISAN PROJECT AND RELATED SUPERINTENDENTS | 1.00 | 1.00 | 100.00 | 7.64 | 7,639.44 |
| AUXILIARY AND RELATED WORKERS | 5.00 | 785.00 | 0.64 | 53.46 | 10,691.90 |
| BOILER AND RELATED OPERATORS | 0.00 | 13.00 | 0.00 | 0.00 | 0.00 |
| BUILDING AND OTHER PROPERTY CARETAKERS | 4.00 | 183.00 | 2.19 | 28.25 | 7,062.24 |
| BUS AND HEAVY VEHICLE DRIVERS | 2.00 | 93.00 | 2.15 | 18.41 | 9,204.48 |
| CIVIL ENGINEERING TECHNICIANS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. | 44.00 | 3,630.00 | 1.21 | 299.05 | 6,796.67 |
| CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS) | 0.00 | 9.00 | 0.00 | 0.00 | 0.00 |
| COMMUNICATION AND INFORMATION RELATED | 0.00 | 11.00 | 0.00 | 0.00 | 0.00 |
| CONSERVATION LABOURERS | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 |
| ENGINEERING SCIENCES RELATED | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |



| | | | | | |
|---|-------|--------|-------|--------|-----------|
| ENGINEERS AND RELATED PROFESSIONALS | 0.00 | 35.00 | 0.00 | 0.00 | 0.00 |
| FARM HANDS AND LABOURERS | 0.00 | 70.00 | 0.00 | 0.00 | 0.00 |
| FARMING FORESTRY ADVISORS AND FARM MANAGERS | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |
| FINANCE AND ECONOMICS RELATED | 0.00 | 13.00 | 0.00 | 0.00 | 0.00 |
| FINANCIAL AND RELATED PROFESSIONALS | 4.00 | 35.00 | 11.43 | 143.39 | 35,847.98 |
| FINANCIAL CLERKS AND CREDIT CONTROLLERS | 7.00 | 252.00 | 2.78 | 114.77 | 16,395.05 |
| FOOD SERVICES AIDS AND WAITERS | 2.00 | 148.00 | 1.35 | 11.61 | 5,804.16 |
| FOOD SERVICES WORKERS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |
| GEOLOGISTS GEOPHYSICISTS HYDROLOGISTS & RELAT PROF | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| HOUSEHOLD AND LAUNDRY WORKERS | 8.00 | 585.00 | 1.37 | 64.94 | 8,117.04 |
| HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED | 0.00 | 20.00 | 0.00 | 0.00 | 0.00 |
| HOUSEKEEPERS LAUNDRY AND RELATED WORKERS | 1.00 | 100.00 | 1.00 | 7.93 | 7,934.64 |
| HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF | 5.00 | 44.00 | 11.36 | 127.34 | 25,467.74 |
| HUMAN RESOURCES CLERKS | 19.00 | 516.00 | 3.68 | 287.73 | 15,143.44 |
| HUMAN RESOURCES RELATED | 7.00 | 66.00 | 10.61 | 201.59 | 28,798.46 |



| | | | | | |
|---|-------|-----------|-------|----------|-----------|
| INFORMATION TECHNOLOGY RELATED | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 |
| LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |
| LEGAL RELATED | 0.00 | 3.00 | 0.00 | 0.00 | 0.00 |
| LIBRARIANS AND RELATED PROFESSIONALS | 0.00 | 4.00 | 0.00 | 0.00 | 0.00 |
| LIBRARY MAIL AND RELATED CLERKS | 6.00 | 161.00 | 3.73 | 85.89 | 14,314.56 |
| LIGHT VEHICLE DRIVERS | 1.00 | 67.00 | 1.49 | 7.48 | 7,475.52 |
| LOGISTICAL SUPPORT PERSONNEL | 0.00 | 7.00 | 0.00 | 0.00 | 0.00 |
| MATERIAL-RECORDING AND TRANSPORT CLERKS | 3.00 | 68.00 | 4.41 | 60.27 | 20,090.80 |
| MESSENGERS PORTERS AND DELIVERERS | 0.00 | 29.00 | 0.00 | 0.00 | 0.00 |
| MOTOR VEHICLE DRIVERS | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 |
| OCCUPATIONAL THERAPY | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS | 89.00 | 4,372.00 | 2.04 | 1,206.67 | 13,558.08 |
| OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS | 4.00 | 56.00 | 7.14 | 139.36 | 34,840.85 |
| OTHER INFORMATION TECHNOLOGY PERSONNEL. | 1.00 | 47.00 | 2.13 | 20.39 | 20,390.64 |
| OTHER MACHINE OPERATORS | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| OTHER OCCUPATIONS | 6.00 | 90,431.00 | 0.01 | 93.16 | 15,525.90 |
| PHOTOGRAPHIC LITHOGRAPHIC AND RELATED WORKERS | 2.00 | 10.00 | 20.00 | 15.88 | 7,937.88 |
| PHYSIOTHERAPY | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 |
| PRINTING AND RELATED MACHINE OPERATORS | 0.00 | 8.00 | 0.00 | 0.00 | 0.00 |
| PROFESSIONAL NURSE | 1.00 | 25.00 | 4.00 | 24.81 | 24,813.36 |

| | | | | | |
|---|---------------|-------------------|-------------|-----------------|------------------|
| Rank: TEACHER | 0.00 | 29.00 | 0.00 | 0.00 | 0.00 |
| RISK MANAGEMENT AND SECURITY SERVICES | 0.00 | 7.00 | 0.00 | 0.00 | 0.00 |
| SECRETARIES & OTHER KEYBOARD OPERATING CLERKS | 8.00 | 178.00 | 4.49 | 124.70 | 15,587.61 |
| SECURITY GUARDS | 24.00 | 3,269.00 | 0.73 | 179.88 | 7,494.92 |
| SECURITY OFFICERS | 2.00 | 12.00 | 16.67 | 27.46 | 13,729.44 |
| SENIOR MANAGERS | 0.00 | 51.00 | 0.00 | 0.00 | 0.00 |
| SOCIAL SCIENCES RELATED | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| SOCIAL SCIENCES SUPPLEMENTARY WORKERS | 0.00 | 11.00 | 0.00 | 0.00 | 0.00 |
| STAFF NURSES AND PUPIL NURSES | 0.00 | 4.00 | 0.00 | 0.00 | 0.00 |
| TRADE LABOURERS | 0.00 | 9.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 258.00 | 105,872.00 | 0.24 | 3,375.14 | 13,081.95 |

Notes

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



Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 0 | 46 | 0 | 0 | 0 | 0 |
| Band B | 0 | 11 | 0 | 0 | 0 | 0 |
| Band C | 0 | 3 | 0 | 0 | 0 | 0 |
| Band D | 0 | 1 | 0 | 0 | 0 | 0 |
| Total | 0 | 61 | 0 | 0 | 0 | 0 |

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 and 31 March 2017

| Salary band | 01 April 2016 | | 31 March 2017 | | Change | |
|--|---------------|-------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Highly skilled production (Levels 6-8) | 381 | 76.05 | 690 | 79.49 | 309 | 84.20 |
| Highly skilled supervision (Levels 9-12) | 16 | 3.19 | 30 | 3.46 | 14 | 3.81 |
| Lower skilled (Levels 1-2) | 1 | 0.20 | 2 | 0.23 | 1 | 0.27 |
| Other | 2 | 0.40 | | | | |

Table 3.9.2 foreign workers by major occupation for the period 1 April 2016 and 31 March 2017

| Major occupation | 01 April 2016 | | 31 March 2017 | | Change | |
|-------------------------------|---------------|------------|---------------|------------|------------|------------|
| | Number | % of total | Number | % of total | Number | % Change |
| Administrative office workers | 2 | 0.40 | 4 | 0.46 | 2 | 0.54 |
| Elementary occupations | 2 | 0.40 | 4 | 0.46 | 2 | 0.54 |
| Other occupations | 496 | 99.00 | 860 | 99.08 | 364 | 99.18 |
| Professionals and managers | 1 | 0.20 | 0 | 0.00 | 0 | 0.00 |
| TOTAL | 501 | 100 | 868 | 100 | 367 | 100 |

10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2017

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost (R'000) |
|--|---------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| | 41 | 29,27 | 16 | 0,03 | 2,56 | 26 |
| Contract (Levels 3-5) | 220 | 34,55 | 51 | 0,11 | 4,31 | 163 |
| Contract (Levels 6-8) | 74 | 43,24 | 15 | 0,03 | 4,93 | 87 |
| Contract (Levels 9-12) | 12 | 16,67 | 2 | | 6 | 29 |
| Contract Other | 259 | 35,52 | 103 | 0,22 | 2,51 | 82 |
| Highly skilled production (Levels 6-8) | 223911 | 54,16 | 29890 | 64,48 | 7,49 | 292293 |
| Highly skilled supervision (Levels 9-12) | 61330 | 51,39 | 8894 | 19,19 | 6,9 | 121284 |
| Lower skilled (Levels 1-2) | 12063 | 52,05 | 1806 | 3,9 | 6,68 | 5421 |
| Other | 37 | 43,24 | 7 | 0,02 | 5,29 | 16 |
| Senior management (Levels 13-16) | 203 | 55,67 | 28 | 0,06 | 7,25 | 777 |
| Skilled (Levels 3-5) | 36747 | 53,6 | 5541 | 11,95 | 6,63 | 26364 |
| TOTAL | 334897 | 53,48 | 46353 | 100 | 7,22 | 446541 |



Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016

| 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) |
|--|---------------|-----------------------------------|--|---|---------------------------|------------------------|
| Contract (Levels 3-5) | 3 | 100 | 1 | .09 | 3 | 2.00 |
| Highly skilled production (Levels 6-8) | 39 089 | 99.13 | 836 | 72.89 | 46.76 | 50 693.00 |
| Highly skilled supervision (Levels 9-12) | 10 349 | 99.59 | 216 | 18.83 | 47.91 | 20 656.00 |
| Lower skilled (Levels 1-2) | 523 | 97.9 | 16 | 1.39 | 32.69 | 222.00 |
| Skilled (Levels 3-5) | 3 107 | 99.71 | 78 | 6.8 | 39.83 | 2 336.00 |
| TOTAL | 53 071 | 99.24 | 1147 | 100 | 46.27 | 73 909.00 |

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

Table 3.10.3 Annual Leave for the period 1 January 2016 to 31 December 2017

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Contract (Levels 13-16) | 8 | 2 | 4 |
| Contract (Levels 3-5) | 875 | 70 | 12.5 |
| Contract (Levels 6-8) | 395 | 28 | 14.11 |
| Contract (Levels 9-12) | 63 | 6 | 10.5 |
| Contract Other | 3 123 | 445 | 7.02 |
| Highly skilled production (Levels 6-8) | 37 881 | 2 311 | 16.39 |
| Highly skilled supervision (Levels 9-12) | 26 542 | 2 302 | 11.53 |
| Lower skilled (Levels 1-2) | 110 784 | 4 612 | 24.02 |
| Other | 41 | 7 | 5.86 |
| Senior management (Levels 13-16) | 723 | 50 | 14.46 |
| Skilled (Levels 3-5) | 236 006 | 9 208 | 25.63 |
| TOTAL | 416 440 | 19 041 | 21.87 |

Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 22017

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2017 |
|--|----------------------------------|--|---|---|
| Contract (Levels 13-16) | | | | 81.57 |
| Highly skilled production (Levels 6-8) | 3842.5 | 1049 | 3.66 | 46.06 |
| Highly skilled supervision (Levels 9-12) | 4582.34 | 1047 | 4.38 | 64.83 |
| Lower skilled (Levels 1-2) | 36 | 14 | 2.57 | 25.82 |
| Senior management (Levels 13-16) | | | | 85.84 |
| Skilled (Levels 3-5) | 854.75 | 240 | 3.56 | 51.7 |
| TOTAL | 9315.59 | 2350 | 3.96 | 54.86 |

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

Table 3.10.5 Leave payouts for the period 1 April 2016 and 31 March 2017

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---|----------------------|---------------------|------------------------------|
| Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle | - | - | - |
| Capped leave payouts on termination of service for 2016/17 | 156 583 | 1 550 | 101 021 |
| Current leave payout on termination of service for 2016/17 | 197 | 16 | 12 305 |
| Total | 156 780 | 1 566 | 100 115 |

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk |
|--|------------------------------------|
| - | - |
| - | - |

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

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | Yes | | Mr MRC Msweli: Director HRD |
| 2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | Yes | | 13 EHW Practitioners |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | Yes | | Wellness Management Programmes: Wellness Health Screening, Financial Literacy Workshops, Retirement, EHW Advocacy Workshops. HIV/AIDS and TB Management: HCT and condom distribution, Work and Play |
| 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 | | Interdepartmental Wellness Committee: Mr C. Ngcobo(Labour Relations), Mrs NC Sithole(Persal), Mr Nad Moodley (HR-Leave), Mr Jay Govender (SHERQ), Miss Happy Goba(EHW), Mrs Benarie Ngema (EHW Practitioner). External: ELRC Wellness Task Team : Employer and Organised Labour |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | Yes | | HIV/AIDs and TB Policy approved 2015 |
| 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 | | In the Policy |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | Yes | | Attended HCT: 2099, HCT: 903 tested. Tested positive: 33 |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | Yes | | Evaluation forms, DPSA SMT reports, Quarterly reports |

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017

| Subject matter | Date |
|----------------|------------|
| | |
| None | Nil |
| None | Nil |
| TOTAL: | Nil |

Notes

If there were no agreements, keep the heading and replace the table with the following:

| | |
|--|-------------|
| Total number of Collective agreements | None |
|--|-------------|

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017

| Outcomes of disciplinary hearings | Number | % of total |
|---|------------|-------------|
| Correctional counselling | | |
| Fraud | 15 | 5% |
| Insurbodination | 8 | 3% |
| Physical Assault | 25 | 9% |
| Sexually assault | 9 | 3% |
| Sexual Harrasment | 15 | 5% |
| Corporal punishment | 18 | 6% |
| Sexually relationship with learner | 13 | 5% |
| Fraudulent qualification | 6 | 2% |
| Mismanagement of school funds | 9 | 3% |
| Failed to carry lawful instruction | 64 | 23% |
| Improper conduct | 66 | 24% |
| Absenteeism | 21 | 8% |
| Racist and Discrimination | 1 | 0% |
| Misuse of state vehicle | 1 | 0% |
| Unjustifiably prejudices administration of the Department | 6 | 2% |
| Poor Perfomance | 1 | 0% |
| TOTAL | 278 | 100% |

Notes

If there were no agreements, keep the heading and replace the table with the following:

| | |
|--|-------------|
| Total number of Disciplinary hearings finalised | None |
|--|-------------|

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017

| Type of misconduct | Number | % of total |
|-------------------------|------------|-------------|
| Dismissal | 28 | 22% |
| Demotion | 1 | 1% |
| Three months suspension | 12 | 10% |
| Two months suspension | 6 | 5% |
| One month suspension | 10 | 8% |
| Suspended sanction | 20 | 16% |
| Salary fine | 15 | 12% |
| Written Warning | 2 | 2% |
| Final written warning | 16 | 13% |
| Not Guilty | 16 | 13% |
| TOTAL | 126 | 100% |

Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017

| Grievances | Number | % of Total |
|-----------------------------------|------------|-------------|
| Number of grievances not resolved | 201 | 74% |
| Number of grievances resolved | 71 | 26% |
| TOTAL | 272 | 100% |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017

| Disputes | Number | % of Total |
|--|------------|-------------|
| Number of disputes upheld | 133 | 76% |
| Number of disputes dismissed | 43 | 24% |
| Total number of disputes lodged | 176 | 100% |



Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017

| | |
|--|------------------------|
| Number of people suspended | 51 |
| Number of people who's suspension exceeded 30 days | 35 |
| Average number of days suspended | 33 months |
| Cost of suspension(R'000) | R 12 740 485,00 |

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2016 and 31 March 2017

| Occupational category | Gender | Number of employees as at 1 April 2016 | Training needs identified at start of the reporting period | | | |
|--|--------|--|--|---|-------------------------|--------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 26 | 0 | 0 | 0 | 0 |
| | Male | 36 | 0 | 0 | 0 | 0 |
| Professionals | Female | 63936 | 4 446 | 703 | | 5 149 |
| | Male | 26075 | 2 275 | 185 | | 2 460 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Clerks | Female | 8650 | 65 | 153 | | 218 |
| | Male | 7295 | 43 | 102 | | 145 |
| 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 | 97 | 0 | 0 | 0 | 0 |
| | Male | 225 | 0 | 0 | 0 | 0 |
| Sub Total | Female | 72683 | 4 511 | 856 | 0 | 5 367 |
| | Male | 33595 | 2 318 | 287 | 0 | 2 605 |
| Total | | 106278 | 6 829 | 1 143 | 0 | 7 972 |



Table 3.13.2 Training provided for the period 1 April 2016 and 31 March 2017

| Occupational category | Gender | Number of employees as at 1 April 2016 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 26 | 0 | 0 | 0 | 0 |
| | Male | 36 | 0 | 0 | 0 | 0 |
| Professionals | Female | 63936 | 4 446 | 703 | 0 | 5 149 |
| | Male | 26075 | 2 275 | 185 | 0 | 2 460 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Clerks | Female | 8650 | 65 | 153 | 0 | 218 |
| | Male | 7295 | 43 | 102 | 0 | 145 |
| 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 | 97 | 0 | 0 | 0 | 0 |
| | Male | 225 | 0 | 0 | 0 | 0 |
| Sub Total | Female | 72683 | 4 511 | 856 | 0 | 5 367 |
| | Male | 33595 | 2 318 | 287 | 0 | 2 605 |
| Total | | 106278 | 6829 | 1 143 | 0 | 7972 |

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2016 and 31 March 2017

| Nature of injury on duty | Number | % of total |
|---------------------------------------|--------|------------|
| Required basic medical attention only | 22 | 95,7 |
| Temporary Total Disablement | 1 | 4,3 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 23 | |

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 and 31 March 2017

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|---------------|--|----------------------|------------------------|
| Various | - | 261 | 715 p.h. |
| | | | 4.065 p.km. |
| | | | 1 377 938 |

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

| 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 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 and 31 March 2017

| Project title | Total Number of consultants that worked on project | Duration (Work days) | Donor and contract value in Rand |
|---------------|--|----------------------|----------------------------------|
| Various | - | - | - |

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|--------------------------|------------------------------|--------------------------|------------------------------|
| Various | - | - | - |

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---------------|------------------------------------|-------------------------------------|--|
| - | - | - | - |

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017

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





PART E



DEPARTMENT OF EDUCATION KZN
Annual Report 2016/17

FINANCIAL INFORMATION

1 REPORT OF THE AUDITOR GENERAL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Department of Education set out on pages 186 to 290, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Education as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) 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 the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

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

Emphasis of matters

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

Accruals and payables not recognised

7. As disclosed in note 21 to the financial statements, accruals and payables not recognised which exceeded the payment term of 30 days, as required in treasury regulation 8.2.3, amount to R763,55 million. This amount exceeded the voted funds to be surrendered of R77,45 million as per the statement of financial performance by R686,10 million. The amount of R686,10 million would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Irregular expenditure

8. As disclosed in note 25 to the financial statements, irregular expenditure to the amount of R719,41 million that was incurred in the previous years, was still under investigation.

OTHER MATTER

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 291 to 294 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.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention to liquidate or cease operations, or there is no realistic alternative of but to do so.

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

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of

the department for the year ended 31 March 2017:

| Programmes | Pages in the annual performance report |
|--|--|
| Programme 2 – Public ordinary schools | 59 – 62 and 75 |
| Programme 5 – Early childhood development | 65 – 66 |
| Programme 6 – Infrastructure development | 67 – 70 |
| Programme 7 – Examination and education related services | 70 – 74 |

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

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

PROGRAMME 2: PUBLIC ORDINARY SCHOOLS

Statistical indicator: number of learners eligible to benefit from learner transport

20. The reported achievement for number of learners benefiting from the learner transport system (LTS) at the schools was misstated as the evidence provided indicated an estimated 72 869 learners benefiting from LTS and not 47 747 learners as reported.

Statistical indicator: number of learners screened through integrated school health programme

21. The reported achievement for number of learners screened through the integrated school health programme was misstated as the evidence provided indicated an estimated 86 800 learners that were screened and not 42 568 learners as reported.

Statistical indicator: Percentage of learners with at least one educator with specialist training on inclusion

22. The target for this indicator was not specific in clearly identifying the nature of the required level of performance and is not measurable and did not specify the period or deadline for delivery during the planning process as required by the framework for the managing of programme performance information (FMPPi) as the target was omitted from the annual performance plan.

Programme performance measure 207: number of schools provided with media resources

23. The reported achievement for number of schools provided with media resources was misstated as the evidence provided indicated an estimated 427 schools that were provided with media resources and not 598 schools as reported.

24. I did not identify any material findings on the usefulness and reliability of the reported performance information for the other selected programmes.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report on pages 59 to 62 and 75, includes information on the achievement of planned targets as well as explanations for the under and overachievement of a number of targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 20-23 of this report.

Adjustment of material misstatements

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

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

29. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) of the PFMA. Material misstatements on immovable assets identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

31. Persons in service of the department who had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation (TR) 16A8.4.

32. Persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department did not disclose such interest, as required by TR 16A8.4.

Expenditure management

33. Effective steps were not taken to prevent irregular expenditure amounting to R822,21 million as disclosed in note 31 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

34. Contractual obligations and money owed by the department were not settled within 30 days, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Conditional grants

35. I was unable to obtain sufficient appropriate audit evidence that the department evaluated its performance in respect of programmes or functions funded by the mathematics, science and technology grant and social sector expanded public works programme incentive grant, as required by section 11(6) (a) of DoRA.

OTHER INFORMATION

36. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

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

Leadership

40. The leadership did not adequately monitor the implementation of the action plan to address prior year findings on the accuracy of immovable assets, performance information and compliance with applicable laws and regulations.

Financial and performance management

41. Management did not adequately implement controls to ensure that the financial statements and the annual performance report were accurate and that applicable legislation was complied with.

OTHER REPORTS

42. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.



Performance audit on the curriculum support and monitoring provided by education districts to schools

43. A performance audit was conducted during the 2015-16 financial year on the Department of Education's curriculum support and monitoring provided through education districts to schools. The report covered the period 2012 to 2016 and was tabled on 30 November 2016 as part of the 2015-16 education sector report.

Investigations

44. One hundred and thirteen cases relating to various allegations of mismanagement of school funds, falsified qualifications, unaccounted employees and invalid payments were referred to the internal control and risk management section of the department. Fifty cases were finalised and sixty-three cases were in progress.

45. Forty-one cases were referred by the department to the provincial treasury forensic unit to conduct investigations. These investigations covered a range of issues pertaining to procurement irregularities and mismanagement of funds. Twenty eight investigations had been completed and thirteen were in progress.

Auditor-General

Pietermaritzburg

31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

2 ANNUAL FINANCIAL STATEMENTS

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REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2017

1. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

1.1 Departmental Receipts

Table 1

| Department Receipts | 2016/17 | | | 2015/16 | | |
|---|---------------|-------------------------|------------------------|---------------|-------------------------|------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collected | Estimate | Actual Amount Collected | (Over)/Under Collected |
| | R'000 | | | R'000 | | |
| Provincial own receipts | | | | | | |
| Tax receipts | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - |
| Sales of goods and services other than capital assets | 55 467 | 56 377 | (910) | 50 156 | 48 807 | 1 349 |
| of which: Health patient fees | - | - | - | - | - | - |
| Transfers received | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | 341 | 592 | (251) | 321 | 1 618 | (1 297) |
| Sales of capital assets | - | 11 556 | (11 556) | - | 5 489 | (5 489) |
| Financial transactions in assets and liabilities | 31 876 | 55 114 | (23 238) | 30 768 | 37 604 | (6 836) |
| Total | 87 684 | 123 639 | (35 955) | 81 245 | 93 518 | (12 273) |

Total actual revenue collected by the department amounted to R123.639 million in 2016/17 in comparison to R93.518 in the previous financial year, an increase of R30.121 million. The over collection for 2016/17 is R35.955 million (R123.639 million less R 87.684 million). This over-collection can be explained as follows:

- *Sale of goods and services other than capital assets* collected R56.377 million against a budget of R55.467 million, resulting in an over-collection of R910 000 as a result of higher than anticipated sale of tender documents, parking rental, as well as insurance and garnishees.
- *Interest, dividends and rent on land* amounted to R592 000 which is higher than the budget of R341 000, mainly in respect of interest charged on outstanding staff debts. The over-collection of R251 000 is related to the higher than anticipated recovery of staff debts.
- *Sale of capital assets* amounted to R11.556 million against no budget. The revenue collected from this category mainly relates to the department auctioning some of its machinery and office equipment, where continued use was considered economically inefficient.
- *Transactions in financial assets and liabilities* collected R55.114 million against a budget of R31.876 million. This significant over-collection was due to a concerted effort by the department to recover staff debts and previous years' expenses. In relation to previous years' expenses, the over collection relates to salary over-payments. It is difficult to accurately project revenue from this category due to its uncertain nature.

1.2 DISCUSSION

The main appropriation of the Department of Education was R45.464 billion in 2016/17. During the year, the

department's budget was increased by R275.636 million, which is the amount that is to be appropriated in the 2016/17 Adjustments Estimates. The budget for 2016/17 after appropriations and budget adjustments is R 45.740 billion.

- R140 million additional funding was allocated from provincial cash resources in order to fund the above-budget 2016 wage adjustment.
- R40.210 million from 2015/16 to 2016/17 in respect of committed funds relating to payments for vehicles and minor assets as a roll over.
- R8.536 million from the National Department of Basic Education in respect of the National School Nutrition Programme (NSNP) grant to cover the shortfall caused by high food inflation.
- R 86.890 million was received as an additional grant for Education Infrastructure in March 2017.

1.2.1 Pre Virement and shifting of funds

Compensation of employees was significantly under-spent due to the following:

- The non-filling of posts to enable the department to accommodate the anticipated budget pressures in the ensuing MTEF years as a result of the shortfall in the carry-through costs related to the above-budget wage adjustments.
- There were delays in capturing various allowances such as rural incentive allowance, housing allowance for employees whose applications were still in progress pending provision of proof of home-ownership, examination markers, night shift allowances for hostel boarding masters, etc. contributed to the under-spending.
- The table below reflects the fluctuation in employee numbers during the year, bearing in mind that a budgetary provision had been made for 115 635 which consists of 107 433 permanent employees and 8 202 periodic payments.

| COMPENSATION OF EMPLOYEES : 2016 /17 | | | | | | | | | | | | | | |
|--------------------------------------|-------|---------------|----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|----------|------------|
| | | Post Approved | Apr 2016 | May 2016 | June 2016 | July 2016 | Aug 2016 | Sept 2016 | Oct 2016 | Nov 2016 | Dec 2016 | Jan 2017 | Feb 2017 | March 2017 |
| TOTAL | EDUC | 90 053 | 88 222 | 89 271 | 89 938 | 89 329 | 89 422 | 89 868 | 89 898 | 90 642 | 86 431 | 86 353 | 86 760 | 88 773 |
| TOTAL | PS | 17 380 | 17 395 | 17 386 | 16 994 | 16 942 | 16 911 | 16 860 | 16 841 | 16 842 | 16 722 | 16 703 | 16 592 | 16 495 |
| TOTAL | | 107 433 | 105 617 | 106 657 | 106 932 | 106 271 | 106 333 | 106 728 | 106 739 | 107 484 | 103 153 | 103 056 | 103 352 | 105 268 |
| TOTAL | OTHER | 8 202 | 6 671 | 7 109 | 6 998 | 7 082 | 7 431 | 6 622 | 7 207 | 7 177 | 7 448 | 7 648 | 7 924 | 8 421 |
| GRAND TOTAL | | 115 635 | 112 288 | 113 766 | 113 930 | 113 353 | 113 764 | 113 350 | 113 946 | 114 661 | 110 601 | 110 704 | 111 276 | 113 689 |

Mitigating the under-spending was over-expenditure against:

Goods and services due to the following:

- Various items were over-spent in respect of operating payments such as printing and publication services for various printing including training materials for training of principals and curriculum Education Specialists and development of the curriculum material, as well as printing of examination papers for both the supplementary and final matric exams for the 2016 academic year.
- There was also over-spending in respect of travel and subsistence to enhance supervision in schools, such as Operation Bounce Back aimed at improving matric results through the holding of Boot Camps in various districts. *Property payments* in respect of cleaning and security services, as well as *inventory other supplies* in respect of the purchase of IT gadgets for the MST grant.



- The high spending against LTSM was due to the purchase of textbooks and other school materials through the management agent on behalf of some schools, agency and support outsourced services for the assessment of PILIR cases, contractors for both maintenance of infrastructure and non-infrastructure related costs.
- Catering for departmental activities were high in respect of provision of refreshments for various marking centres and departmental events, as well as communication for various announcements of Departmental programmes including telephone and fax costs in various districts. These costs include accruals from 2015/16.

Buildings and other fixed structures was under-spent by R7.808 million after R86.890 million was allocated in terms of the second Adjustments Estimate for the EIG in March 2017.

Transfers and subsidies to:

- Provinces and municipalities - this was mainly related to higher than anticipated registration of new motor vehicles, as well as the renewal of existing vehicle licences.
- Non-profit institutions - mainly due to the over-expenditure relates to accruals from the previous year in respect of schools which changed their quintile ranking due to successful contestations.
- Households - was due to higher than anticipated staff exit costs with 743 employees estimated to have exited the system in 2016/17.

1.2.2 Post Virements, Shifting of Funds and Rollovers

1.2.2.1 Virements

The table below reflects the final virements that were undertaken by the department for which an approval has been granted by Provincial Treasury.

| | FROM | | | | | TO | | | | |
|---|---|------------------------|---------------------------|----------------------|-----------------|--|---------------------------|---------------------------|---------------------|-----------------|
| | Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) | Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) |
| 1 | Programme 2: Public Ordinary School Education | Public Primary Schools | Goods and services | Bursaries | 22 521 | Programme 1: Corporate Administration | Corporate Services | Goods and services | Bursaries | 22 521 |
| 2 | Programme 2: Public Ordinary School Education | Public Primary Schools | Compensation of employees | Social contributions | 16 558 | Programme 4: Public Special School Education | Schools | Compensation of employees | Salaries & Wages | 16 558 |
| 3 | Programme 2: Public Ordinary School Education | Public Primary Schools | Compensation of employees | Social contributions | 61 886 | Programme 5: Early Childhood Development | Grade R In Public Schools | Compensation of employees | Salaries & Wages | 61 886 |
| | | | | | 100 965 | | | | | |
| | | | | | | | | | | 100 965 |

1.2.2.2 Shifting of Funds

| FROM | | | | | TO | | | | | Reasons |
|---|--------------------------------|------------------------------|------------------------|-----------------|--|---|------------------------------|---------------------|-----------------|--|
| Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) | Programme | Sub Programme | Economic Classification | Item Classification | Amount R ('000) | |
| Programme 2: Public Ordinary School Education | Public Primary Schools | Compensation of employees | Social Contribution | 58 007 | Programme 5: Early Childhood Development | Grade R In Public Schools | Compensation of employees | Salaries & Wages | 10 280 | Rectify Grade R Educators paid in Programme 2. |
| | | | | | | Grade R In Early Childhood Development Centres | Compensation of employees | Salaries & Wages | 40 695 | Rectify Grade R Educators paid in Programme 2. |
| Programme 2: Public Ordinary School Education | In-School Sport and Culture | Compensation of employees | Social Contribution | 1 212 | Programme 5: Early Childhood Development | Grade R In Early Childhood Development Centres | Compensation of employees | Social Contribution | 8 244 | Rectify Grade R Educators paid in Programme 2. |
| 59 219 | | | | | 59 219 | | | | | |

1.3 Programme Expenditure

| PROGRAMMES | 2016-17 | | | 2015/16 | | |
|--|---------------------------------|--------------------------------|-------------------|---------------------------------|--------------------------------|-------------------|
| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 |
| Administration | 1 855 558 | 1 824 322 | 31 236 | 1 654 260 | 1 651 446 | 2 814 |
| Public Ordinary School Education | 37 942 993 | 37 826 186 | 116 807 | 35 826 451 | 35 580 506 | 245 945 |
| Independent School Subsidies | 81 941 | 80 900 | 1 041 | 77 817 | 77 278 | 539 |
| Public Special School Education | 1 052 128 | 1 047 943 | 4 185 | 944 327 | 942 327 | 2 000 |
| Early Childhood Development | 894 684 | 973 523 | (78 839) | 672 506 | 603 671 | 68 835 |
| Infrastructure Development | 2 596 391 | 2 593 445 | 2 946 | 2 613 953 | 2 613 953 | - |
| Examination and Education Related Services | 1 316 314 | 1 316 238 | 76 | 1 373 556 | 1 418 730 | (45 174) |
| Total | 45 740 009 | 45 662 557 | 77 452 | 43 162 870 | 42 887 911 | 274 959 |

Administration is under-spent by R31.236 million (2015/16: R2.814 million) largely due to:

- Under-expenditure on Other Machinery and Equipment due to cost cutting.
- Non-filling of posts such as office based educators, subject advisors, circuit managers, human resources, external examiners, etc. due to anticipated budget pressures over the MTEF in respect of the under-funded carry-through costs for various wage adjustments.
- The non-filling of posts will have a negative impact on service delivery in districts, since a number of functions, such as finance, human resource, asset management and supply chain management, were decentralized, and there were additional posts created at the time of the organizational review.

Public Ordinary Schools is under-spent by R116.807 million (2015/16: R245.945 million):

- This was due to the non-filling of posts in respect of school support staff such as administration clerks and security guards.
- Also the outstanding claims for the National Schools Nutrition Programme Grant (NSNP) that was undertaken in March 2017 could be only paid in April 2017 also contributed to the underspend.

Independent Schools Subsidies is under-spent by R1.041 million (2015/16: R539 thousand):

- This is entirely against *Transfers and subsidies to: Non-profit institutions* which relates to the late submission of documents by schools, in order for the department to be able to release funds.
- It should be noted that the department subsidizes independent public schools who offer public education based on the number of learners in the previous year, thus the department only pays based on the claims forwarded by the schools.

Public Special Schools is under-spent by R 4.185 million (2015/16: R2 million)

- This is mainly against training and development ascribed to delays in the implementation of the sign language project in schools, as well as inclusive education training aimed at educators and therapists.

Early Childhood Development is over-spent by R78.839 million (2015/16: underspent R68.835 million)

- This is due to Grade R fully qualified teachers being paid in programme two (2). This has now been corrected which has resulted in unauthorised expenditure.

Infrastructure Development is underspent by R 2.946 million (2015/16: fully spent)

- The under spending mainly relates to delays in the filling of technical infrastructure especially in the engineering field.

Examination and Education Related Services is under-spent by R76 thousand and (2015/16: R45.175 million – over-spent).

- This was mainly attributed to some reversals on the payment to markers as reflected in compensation at year.

1.4 Expenditure per Economic Classification

| Economic Classification | 2016-17 | | | 2015/16 | | |
|--------------------------------------|---------------------------|--------------------------|-----------------|---------------------------|--------------------------|----------------|
| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 |
| Current payments | 41 541 532 | 41 467 331 | 74 201 | 38 700 131 | 38 506 958 | 193 173 |
| Compensation of employees | 37 631 034 | 37 608 395 | 22 639 | 34 678 081 | 34 527 080 | 151 001 |
| Goods and services | 3 909 970 | 3 858 408 | 51 562 | 3 884 162 | 3 841 946 | 42 216 |
| Interest and rent on land | 528 | 528 | - | 137 888 | 137 932 | (44) |
| Transfers and subsidies | 1 879 623 | 1 945 524 | (65 901) | 1 958 164 | 1 908 152 | 50 012 |
| Provinces and municipalities | 1 331 | 1 331 | - | 1 702 | 1 702 | - |
| Departmental agencies and accounts | 83 257 | 83 257 | - | 78 139 | 78 139 | - |
| Non-profit institutions | 1 684 192 | 1 692 709 | (8 517) | 1 706 853 | 1 656 841 | 50 012 |
| Households | 110 843 | 168 227 | (57 384) | 171 470 | 171 470 | - |
| Payments for capital assets | 2 286 961 | 2 217 809 | 69 152 | 2 472 683 | 2 440 909 | 31 774 |
| Buildings and other fixed structures | 2 178 493 | 2 170 374 | 8 119 | 2 330 917 | 2 343 612 | (12 695) |
| Machinery and equipment | 104 221 | 47 188 | 57 033 | 136 251 | 97 297 | 38 954 |
| Software and other intangible assets | 4 247 | 247 | 4 000 | 5 515 | - | 5 515 |
| Payment for financial assets | 31 893 | 31 893 | - | 31 892 | 31 892 | - |
| Total | 45 740 009 | 45 662 559 | 77 452 | 43 162 870 | 42 887 911 | 274 959 |

After virements and shifting of funds:

- Compensation of employees** reflects an under expenditure of R22.639 million due to the non-filling of posts as stated earlier.
- Goods and Services** reflects an under-expenditure of R 51.562 million due to the NSNP grant being under-spent, due to the March 2017 invoices not being paid.
- Transfers and subsidies** is over-spent by R 65.901 million. Of this R57.384 million was mainly due to the payment of leave days to employees i.e. leave gratuity payments made to employees exiting the system due to death or retirement. This kind of expenditure is very difficult to budget. Also the re-imbursement accruals of schools which would have been granted fee-exemptions to learners for previous year been processed in the current financial period.
- Buildings and other fixed structures** is under-spent by R8.119 million. This was after additional

funds were allocated by National Treasury in March 2017 to mitigate the expenditure incurred to repair buildings damaged by storms and where schools had unsafe structures. However, it must be noted the conditional Grant is overspent and the net effect of the savings is part of the equitable under spend.

- **Machinery and equipment** is under-spent by R57.033 million due to the incorrect classification of tablets for e-learning for the MST & ICT grant and Operation Phakisa. This was classified as Machinery & Equipment and not Inventory Other Supplies, which has been distributed to schools.

1.5 Rollovers

The department requested a roll-over of R116.807 million in respect of the NSNP grant relating mainly to feeding that was undertaken in March 2017, including some invoices from 2016. Service providers are paid when supporting documentation has been submitted to various districts for verification and processing. This process is generally finalised in the following month. Therefore most of the outstanding claims are for feeding that was undertaken in March 2017, and invoices had been received on the 31 March or beginning of April 2017.

1.6 Unauthorized, irregular and fruitless expenditure

Unauthorised expenditure amounted to R 78.839 million mainly due to the processing of salary payments of Early Childhood in programme two (2) instead of programme five (5).

Irregular expenditure for the year amounts to R824.460 million as disclosed in Note 25 largely due to not following supply chain management processes.

The department's Fruitless and Wasteful expenditure for the year amounts to R 7.480 million as disclosed in Note 26. The bulk of this expenditure arises from interest due to late payment of domestic accounts) followed by the expenditure incurred in settlement of legal debts.

1.7 Public Private Partnerships

The approach being adopted for this project is to develop specialist facilities i.e. science labs, multipurpose classrooms, computer rooms and media centres as new build “add in centres” into existing secondary schools in the pilot nodes. The project has reached the completion of the feasibility stage of its project cycle and is awaiting a decision to continue to the next stage in obtaining National Treasury Approval One (1). This will be dependent on the availability of funding.

1.8 Discontinued activities/activities to be discontinued.

There were no discontinued activities during the year.

1.9 New or proposed activities

There were no new activities introduced or proposed.



1.10 Supply Chain Management

There were no unsolicited bids that were concluded for the year under review. All bids followed a normal supply chain management process and where such processes could not be followed due to impracticality or urgent reasons, the approval from the Accounting Officer as per Treasury Regulation 16.A6.4 was sought and such reasons are recorded in the accompanying requests for approval. Any bids that did not meet any of the above requirements is recorded as *Irregular Expenditure* and disclosed accordingly in the disclosure notes.

The department has fully fledged supply chain management policies that are supported with the relevant process flows. These processes are regularly augmented by the necessary circulars, where re-enforcement is deemed appropriate.

As part of the progressive implementation of the organogram, the supply chain and other relevant delegations were amended and allocated to the relevant District Directors. The pressure on the budget for compensation of employees with the resultant non-filling of posts is creating an emerging risk with respect to the separation of duties as well as general execution of processes within the supply chain environment. A further contributor to the already high vacancy rate is the exodus of employees to other departments through promotions or other forms of exits from employment.

With regard to asset management, the Head Office component works in tandem with the twelve (12) district offices to ensure that the departments has at all times a fixed asset register that meets the minimum reporting standards. Annual physical verification of assets, quarterly inventory counts and monthly asset reconciliations have ensured that this aspect of Finance is under control. The department has migrated its current asset register onto the Provincial HARDCAT system, which is anticipated to elevate the efficiency of future asset verifications, reporting and general maintenance of the department's movable asset register or Fixed Asset Register (FAR).

1.11 Gifts and Donations received in kind from non-related parties

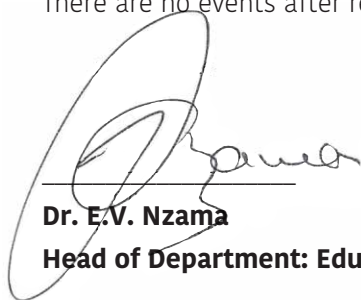
There were no gifts and donations received in kind from non-related parties.

1.12 Exemptions and deviations received from National Treasury

No deviations or exemptions were received from National Treasury.

1.13 Events after the reporting date

There are no events after reporting date that require reporting.



Dr. E.V. Nzama
Head of Department: Education



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Appropriation per programme | | | | | | | | | |
|---|------------------------|-------------------|-----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2016/17 | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| Programmes | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1. Administration | 1 833 037 | - | 22 521 | 1 855 558 | 1 824 322 | 31 236 | 98.3% | 1 654 260 | 1 651 446 |
| 2. Public Ordinary School Education | 38 103 177 | (59 219) | (100 965) | 37 942 993 | 37 826 186 | 116 807 | 99.7% | 35 826 451 | 35 580 506 |
| 3. Independent School Subsidies | 81 941 | - | - | 81 941 | 80 900 | 1 041 | 98.7% | 77 817 | 77 278 |
| 4. Public Special School Education | 1 035 570 | - | 16 558 | 1 052 128 | 1 047 943 | 4 185 | 99.6% | 944 327 | 942 327 |
| 5. Early Childhood Development | 773 579 | 59 219 | 61 886 | 894 684 | 973 523 | (78 839) | 108.8% | 672 506 | 603 671 |
| 6. Infrastructure Development | 2 596 391 | - | - | 2 596 391 | 2 593 445 | 2 946 | 99.9% | 2 613 953 | 2 613 953 |
| 7. Examination and Education Related Services | 1 316 314 | - | - | 1 316 314 | 1 316 238 | 76 | 100.0% | 1 373 556 | 1 418 730 |
| TOTAL (carried forward) | 45 740 009 | - | - | 45 740 009 | 45 662 557 | 77 452 | 99.8% | 43 162 870 | 42 887 911 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | 2016/17 | | 2015/16 | |
|--|------------------------|-----------------------|------------------------|-----------------------|
| | Final Appropriation | Actual Expenditure | Final Appropriation | Actual Expenditure |
| TOTAL (brought forward) | 45 740 009 | 45 662 557 | 43 162 870 | 42 887 911 |
| Reconciliation with statement of financial performance | | | | |
| ADD | | | | |
| Departmental receipts | 123 639 | | 93 518 | |
| NRF Receipts | - | | - | |
| Aid assistance | - | | - | |
| Actual amounts per statement of financial performance (total revenue) | 45 863 648 | | 43 256 388 | |
| ADD | | | | |
| Aid assistance | | - | | - |
| Prior year unauthorised expenditure approved without funding | | - | | - |
| Actual amounts per statement of financial performance (total expenditure) | | 45 662 557 | | 42 887 911 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | 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 |
| Economic classification | | | | | | | | | |
| Current payments | 41 543 657 | - | (2 125) | 41 541 532 | 41 467 331 | 74 201 | 99.8% | 38 700 131 | 38 506 958 |
| Compensation of employees | 37 902 801 | - | (271 767) | 37 631 034 | 37 608 395 | 22 639 | 99.9% | 34 678 081 | 34 527 080 |
| Salaries and wages | 29 829 084 | 50 975 | 2 449 317 | 32 329 376 | 32 393 937 | (64 561) | 100.2% | 29 681 065 | 29 656 492 |
| Social contributions | 8 073 717 | (50 975) | (2 721 084) | 5 301 658 | 5 214 458 | 87 200 | 98.4% | 4 997 016 | 4 870 588 |
| Goods and services | 3 640 708 | - | 269 262 | 3 909 970 | 3 858 408 | 51 562 | 98.7% | 3 884 162 | 3 841 946 |
| Administrative fees | 1 554 | - | 11 031 | 12 585 | 12 585 | - | 100.0% | 6 105 | 6 105 |
| Advertising | 6 835 | - | (1 552) | 5 283 | 5 283 | - | 100.0% | 6 783 | 6 783 |
| Minor assets | 28 431 | - | (26 659) | 1 772 | 1 772 | - | 100.0% | 3 633 | 3 633 |
| Audit costs: External | 9 423 | - | 2 676 | 12 099 | 12 099 | - | 100.0% | 9 923 | 9 923 |
| Bursaries: Employees | 57 000 | - | 9 590 | 66 590 | 67 898 | (1 308) | 102.0% | 88 642 | 88 642 |
| Catering: Departmental activities | 34 097 | - | 34 440 | 68 537 | 68 537 | - | 100.0% | 59 315 | 54 315 |
| Communication | 7 183 | - | 30 089 | 37 272 | 37 272 | - | 100.0% | 26 390 | 26 390 |
| Computer services | 90 738 | - | (6 119) | 84 619 | 84 619 | - | 100.0% | 31 382 | 31 382 |
| Consultants: Business and advisory services | 99 355 | - | 3 770 | 103 125 | 103 125 | - | 100.0% | 127 878 | 107 335 |
| Infrastructure and planning services | 10 772 | - | (10 677) | 95 | 95 | - | 100.0% | - | - |
| Laboratory services | 446 | - | (446) | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | | | | |
|--|-----------|---|---|---|-----------|-----------|----------|----------|--------|-----------|-----------|---|
| Scientific and technological services | - | - | - | - | - | - | - | - | - | - | - | - |
| Legal services | 3 509 | - | - | - | 12 820 | 12 820 | - | - | 100.0% | 120 626 | 120 626 | - |
| Contractors | 500 | - | - | - | 6 053 | 6 053 | - | - | 100.0% | 10 467 | 10 467 | - |
| Agency and support / outsourced services | 1 209 393 | - | - | - | 1 255 940 | 1 255 940 | 100 975 | 100 975 | 92.6% | 1 312 195 | 1 350 847 | - |
| Entertainment | - | - | - | - | 6 | 6 | - | - | 100.0% | 15 | 15 | - |
| Fleet services | 47 060 | - | - | - | 39 403 | 39 403 | - | - | 100.0% | 39 880 | 38 190 | - |
| Housing | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and supplies | - | - | - | - | 156 | 156 | - | - | 100.0% | 3 040 | 3 264 | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 523 | - | - | - | 23 | 23 | - | - | 100.0% | 31 | 31 | - |
| Inventory: Fuel, oil and gas | 277 | - | - | - | 393 | 393 | - | - | 100.0% | 367 | 367 | - |
| Inventory: Learner and teacher support material | 564 372 | - | - | - | 60 914 | 625 286 | - | - | 100.0% | 630 440 | 611 674 | - |
| Inventory: Materials and supplies | 13 840 | - | - | - | 769 | 769 | - | - | 100.0% | 4 273 | 4 273 | - |
| Inventory: Medical supplies | 7 231 | - | - | - | 7 231 | - | - | - | - | 164 | 164 | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - | - | - | - |
| Medsas Inventory Interface | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 214 659 | - | - | - | 209 149 | 242 251 | (33 102) | (33 102) | 115.8% | 191 126 | 207 266 | - |
| Consumable supplies | 76 899 | - | - | - | 19 490 | 19 490 | - | - | 100.0% | 9 630 | 8 652 | - |
| Consumable: Stationery, printing and office supplies | 80 610 | - | - | - | 25 402 | 25 402 | - | - | 100.0% | 136 470 | 134 951 | - |
| Operating leases | 82 202 | - | - | - | 68 730 | 80 837 | (12 107) | (12 107) | 117.6% | 21 283 | 21 283 | - |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|------------------------------------|------------------|----------|--------------|------------------|------------------|-----------------|---------------|------------------|------------------|
| Property payments | 417 522 | - | 75 726 | 493 248 | 493 443 | (195) | 100.0% | 457 009 | 457 009 |
| Transport provided: | 8 642 | - | 1 405 | 10 047 | 10 047 | - | 100.0% | 9 594 | 8 294 |
| Departmental activity | | | | | | | | | |
| Travel and subsistence | 187 703 | - | 189 838 | 377 541 | 380 242 | (2 701) | 100.7% | 255 438 | 300 288 |
| Training and development | 227 224 | - | (217 773) | 9 451 | 9 451 | - | 100.0% | 152 187 | 52 761 |
| Operating payments | 143 317 | - | 95 438 | 238 755 | 238 755 | - | 100.0% | 121 034 | 128 174 |
| Venues and facilities | 9 291 | - | 13 864 | 23 155 | 23 155 | - | 100.0% | 18 700 | 18 700 |
| Rental and hiring | 100 | - | 1 101 | 1 201 | 1 201 | - | 100.0% | 30 142 | 30 142 |
| Interest and rent on land | 148 | - | 380 | 528 | 528 | - | 100.0% | 137 888 | 137 932 |
| Interest | 148 | - | 380 | 528 | 528 | - | 100.0% | 137 888 | 137 932 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 877 655 | - | 1 968 | 1 879 623 | 1 945 524 | (65 901) | 103.5% | 1 958 164 | 1 908 152 |
| Provinces and municipalities | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Provinces | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Provincial agencies and funds | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Departmental agencies and accounts | 83 257 | - | - | 83 257 | 83 257 | - | 100.0% | 78 139 | 78 139 |
| Departmental agencies and accounts | 83 257 | - | - | 83 257 | 83 257 | - | 100.0% | 78 139 | 78 139 |
| Non-profit institutions | 1 684 192 | - | - | 1 684 192 | 1 692 709 | (8 517) | 100.5% | 1 706 853 | 1 656 841 |
| Households | 109 048 | - | 1 795 | 110 843 | 168 227 | (57 384) | 151.8% | 171 470 | 171 470 |
| Social benefits | 109 048 | - | 1 634 | 110 682 | 167 615 | (56 933) | 151.4% | 171 464 | 171 464 |
| Other transfers to households | - | - | 161 | 161 | 612 | (451) | 380.1% | 6 | 6 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | |
|--------------------------------------|-------------------|------------|-------------------|-------------------|---------------|---------------|-------------------|-------------------|
| Payments for capital assets | 2 286 805 | 156 | 2 286 961 | 2 217 809 | 69 152 | 97.0% | 2 472 683 | 2 440 909 |
| Buildings and other fixed structures | 2 178 493 | - | 2 178 493 | 2 170 374 | 8 119 | 99.6% | 2 330 917 | 2 343 612 |
| Buildings | 2 178 493 | - | 2 178 493 | 2 170 374 | 8 119 | 99.6% | 2 330 917 | 2 343 612 |
| Other fixed structures | - | - | - | - | - | - | - | - |
| Machinery and equipment | 104 312 | (91) | 104 221 | 47 188 | 57 033 | 45.3% | 136 251 | 97 297 |
| Transport equipment | 40 210 | - | 40 210 | 33 140 | 7 070 | 82.4% | 62 809 | 62 809 |
| Other machinery and equipment | 64 102 | (91) | 64 011 | 14 048 | 49 963 | 21.9% | 73 442 | 34 488 |
| Software and other intangible assets | 4 000 | 247 | 4 247 | 247 | 4 000 | 5.8% | 5 515 | - |
| Payments for financial assets | 31 892 | 1 | 31 893 | 31 893 | - | 100.0% | 31 892 | 31 892 |
| TOTAL | 45 740 009 | - | 45 740 009 | 45 662 557 | 77 452 | 99.8% | 43 162 870 | 42 887 911 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Statutory Appropriation per economic classification | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|-----------------|---|---------------------|--------------------|
| Economic classification | 2016/17 | | | | | 2015/16 | | | |
| | 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 | 41 543 657 | - | (2 125) | 41 541 532 | 41 467 331 | 74 201 | 99.8% | 38 700 131 | 38 506 958 |
| Compensation of employees | 37 902 801 | - | (271 767) | 37 631 034 | 37 608 395 | 22 639 | 99.9% | 34 678 081 | 34 527 080 |
| Goods and services | 3 640 708 | - | 269 262 | 3 909 970 | 3 858 408 | 51 562 | 98.7% | 3 884 162 | 3 841 946 |
| Interest and rent on land | 148 | - | 380 | 528 | 528 | - | 100.0% | 137 888 | 137 932 |
| Transfers and subsidies | 1 877 655 | - | 1 968 | 1 879 623 | 1 945 524 | (65 901) | 103.5% | 1 958 164 | 1 908 152 |
| Provinces and municipalities | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Departmental agencies and accounts | 83 257 | - | - | 83 257 | 83 257 | - | 100.0% | 78 139 | 78 139 |
| Non-profit institutions | 1 684 192 | - | - | 1 684 192 | 1 692 709 | (8 517) | 100.5% | 1 706 853 | 1 656 841 |
| Households | 109 048 | - | 1 795 | 110 843 | 168 227 | (57 384) | 151.8% | 171 470 | 171 470 |
| Payments for capital assets | 2 286 805 | - | 156 | 2 286 961 | 2 217 809 | 69 152 | 97.0% | 2 472 683 | 2 440 909 |
| Buildings and other fixed structures | 2 178 493 | - | - | 2 178 493 | 2 170 374 | 8 119 | 99.6% | 2 330 917 | 2 343 612 |
| Machinery and equipment | 104 312 | - | (91) | 104 221 | 47 188 | 57 033 | 45.3% | 136 251 | 97 297 |
| Software and other intangible assets | 4 000 | - | 247 | 4 247 | 247 | 4 000 | 5.8% | 5 515 | - |
| Payments for financial assets | 31 892 | - | 1 | 31 893 | 31 893 | - | 100.0% | 31 892 | 31 892 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 1: Administration | | | | | | | | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 2016/17 | | | | | | 2015/16 | | |
| | 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 |
| Sub programme | | | | | | | | | |
| 1.1 Office of the MEC | 35 974 | - | (10 654) | 25 320 | 26 661 | (1 341) | 105.3% | 36 149 | 36 149 |
| 1.2 Corporate Services | 781 390 | - | 219 540 | 1 000 930 | 989 833 | 11 097 | 98.9% | 900 927 | 900 927 |
| 1.3 Education Management | 952 188 | - | (160 635) | 791 553 | 771 558 | 19 995 | 97.5% | 645 901 | 645 901 |
| 1.4 Human Resource Development | 10 299 | - | 134 | 10 433 | 10 433 | - | 100.0% | 38 702 | 38 702 |
| 1.5 Education Mgt Information System (Emis) | 53 186 | - | (25 864) | 27 322 | 25 837 | 1 485 | 94.6% | 32 581 | 29 767 |
| Total for sub programmes | 1 833 037 | - | 22 521 | 1 855 558 | 1 824 322 | 31 236 | 98.3% | 1 654 260 | 1 651 446 |
| Economic classification | | | | | | | | | |
| Current payments | 1 715 984 | - | 22 521 | 1 738 505 | 1 739 813 | (1 308) | 100.1% | 1 505 429 | 1 505 429 |
| Compensation of employees | 1 308 984 | - | (184 179) | 1 124 805 | 1 124 805 | - | 100.0% | 1 052 419 | 1 052 419 |
| Salaries and wages | 1 047 596 | - | (81 519) | 966 077 | 966 077 | - | 100.0% | 899 956 | 899 956 |
| Social contributions | 261 388 | - | (102 660) | 158 728 | 158 728 | - | 100.0% | 152 463 | 152 463 |
| Goods and services | 406 952 | - | 206 325 | 613 277 | 614 585 | (1 308) | 100.2% | 451 323 | 451 323 |
| Administrative fees | 1 054 | - | 2 118 | 3 172 | 3 172 | - | 100.0% | 1 332 | 1 332 |
| Advertising | 4 948 | - | 235 | 5 183 | 5 183 | - | 100.0% | 6 783 | 6 783 |
| Minor assets | 3 600 | - | (2 192) | 1 408 | 1 408 | - | 100.0% | 3 464 | 3 464 |
| Audit costs: External | 9 423 | - | 2 412 | 11 835 | 11 835 | - | 100.0% | 9 712 | 9 712 |
| Bursaries: Employees | 22 000 | - | 44 590 | 66 590 | 67 898 | (1 308) | 102.0% | 65 197 | 65 197 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|---|--------|---|----------|--------|--------|---|--------|--------|--------|
| Catering: Departmental activities | 3 200 | - | (219) | 2 981 | 2 981 | - | 100.0% | 2 704 | 2 704 |
| Communication | 7 183 | - | | | | - | | | |
| Computer services | 76 842 | - | 29 104 | 36 287 | 36 287 | - | 100.0% | 25 024 | 25 024 |
| Consultants: Business and advisory services | 13 488 | - | 2 725 | 79 567 | 79 567 | - | 100.0% | 28 186 | 28 186 |
| Laboratory services | 446 | - | (10 833) | 2 655 | 2 655 | - | 100.0% | 32 | 32 |
| Legal services | 3 509 | - | (446) | - | - | - | - | - | - |
| Contractors | - | - | 3 911 | 7 420 | 7 420 | - | 100.0% | 8 934 | 8 934 |
| Agency and support / outsourced services | 4 973 | - | 3 629 | 3 629 | 3 629 | - | 100.0% | 7 846 | 7 846 |
| Entertainment | - | - | 8 394 | 13 367 | 13 367 | - | 100.0% | 15 204 | 15 204 |
| Fleet services | 44 728 | - | | | | - | | | |
| Housing | - | - | 6 | 6 | 6 | - | 100.0% | 15 | 15 |
| Inventory: Clothing material and supplies | - | - | (5 362) | 39 366 | 39 366 | - | 100.0% | 38 027 | 38 027 |
| Inventory: Food and food supplies | 523 | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 139 | - | 33 | 33 | 33 | - | 100.0% | 252 | 252 |
| Inventory: Learner and teacher support material | - | - | (500) | 23 | 23 | - | 100.0% | 23 | 23 |
| Inventory: Materials and supplies | - | - | (38) | 101 | 101 | - | 100.0% | 58 | 58 |
| Inventory: Medical supplies | 4 343 | - | 560 | 560 | 560 | - | 100.0% | 502 | 502 |
| Inventory: Other supplies | - | - | 57 | 57 | 57 | - | 100.0% | 54 | 54 |
| Consumable supplies | 12 847 | - | (4 343) | - | - | - | - | 5 | 5 |
| | | - | 51 | 51 | 51 | - | 100.0% | 47 | 47 |
| | | - | (9 464) | 3 383 | 3 383 | - | 100.0% | 1 683 | 1 683 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|--|---------------|----------|------------|---------------|---------------|---------------|--------------|---------------|---------------|
| Consumable: Stationery, printing and office supplies | 10 523 | - | 3 155 | 13 678 | 13 678 | - | 100.0% | 18 629 | 18 629 |
| Operating leases | 32 182 | - | (22 497) | 9 685 | 9 685 | - | 100.0% | 10 432 | 10 432 |
| Property payments | 46 873 | - | 41 048 | 87 921 | 87 921 | - | 100.0% | 81 288 | 81 288 |
| Transport provided: | 162 | - | 1 399 | 1 561 | 1 561 | - | 100.0% | 436 | 436 |
| Departmental activity | | | | | | | | | |
| Travel and subsistence | 90 167 | - | 36 337 | 126 504 | 126 504 | - | 100.0% | 100 936 | 100 936 |
| Training and development | 10 299 | - | (9 649) | 650 | 650 | - | 100.0% | 12 449 | 12 449 |
| Operating payments | 3 500 | - | 87 218 | 90 718 | 90 718 | - | 100.0% | 5 800 | 5 800 |
| Venues and facilities | - | - | 4 241 | 4 241 | 4 241 | - | 100.0% | 4 903 | 4 903 |
| Rental and hiring | - | - | 645 | 645 | 645 | - | 100.0% | 1 366 | 1 366 |
| Interest and rent on land | 48 | - | 375 | 423 | 423 | - | 100.0% | 1 687 | 1 687 |
| Interest | 48 | - | 375 | 423 | 423 | - | 100.0% | 1 687 | 1 687 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 32 570 | - | - | 20 433 | 20 433 | 12 137 | 62.7% | 16 976 | 16 976 |
| Provinces and municipalities | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Provinces | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Provincial agencies and funds | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Households | 31 412 | - | (173) | 31 239 | 19 102 | 12 137 | 61.1% | 15 274 | 15 274 |
| Social benefits | 31 412 | - | (334) | 31 078 | 18 941 | 12 137 | 60.9% | 15 274 | 15 274 |
| Other transfers to households | - | - | 161 | 161 | 161 | - | 100.0% | - | - |
| Payments for capital assets | 52 591 | - | (1) | 52 590 | 32 183 | 20 407 | 61.2% | 99 963 | 97 149 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--------------------------------------|------------------|----------|---------------|------------------|------------------|---------------|---------------|------------------|------------------|
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 52 591 | - | (56) | 52 535 | 32 128 | 20 407 | 61.2% | 98 448 | 97 149 |
| Transport equipment | 25 000 | - | - | 25 000 | 18 545 | 6 455 | 74.2% | 62 809 | 62 809 |
| Other machinery and equipment | 27 591 | - | (56) | 27 535 | 13 583 | 13 952 | 49.3% | 35 639 | 34 340 |
| Software and other intangible assets | - | - | 55 | 55 | 55 | - | 100.0% | 1 515 | - |
| Payments for financial assets | 31 892 | - | 1 | 31 893 | 31 893 | - | 100.0% | 31 892 | 31 892 |
| Total | 1 833 037 | - | 22 521 | 1 855 558 | 1 824 322 | 31 236 | 98.3% | 1 654 260 | 1 651 446 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 1.1 Office of the MEC | | | | | | | | | |
|------------------------------------|------------------------|-------------------|-----------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | | | | | | | | | |
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 35 974 | - | (10 654) | 25 320 | 25 320 | - | 100.0% | 36 149 | 36 149 |
| Compensation of employees | 7 920 | - | (5 944) | 1 976 | 1 976 | - | 100.0% | 2 277 | 2 277 |
| Goods and services | 28 054 | - | (4 710) | 23 344 | 23 344 | - | 100.0% | 33 872 | 33 872 |
| Transfers and subsidies | - | - | - | - | 1 269 | (1 269) | - | - | - |
| Households | - | - | - | - | 1 269 | (1 269) | - | - | - |
| Payments for capital assets | - | - | - | - | 72 | (72) | - | - | - |
| Machinery and equipment | - | - | - | - | 72 | (72) | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 1.2 Corporate Services | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | | | | | | | | | |
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 733 249 | - | 215 593 | 948 842 | 950 150 | (1 308) | 100.1% | 805 237 | 805 237 |
| Compensation of employees | 467 880 | - | 123 365 | 591 245 | 591 245 | - | 100.0% | 551 238 | 551 238 |
| Goods and services | 265 321 | - | 91 867 | 357 188 | 358 496 | (1 308) | 100.4% | 252 314 | 252 314 |
| Interest and rent on land | 48 | - | 361 | 409 | 409 | - | 100.0% | 1 685 | 1 685 |
| Transfers and subsidies | 5 950 | - | 3 947 | 9 897 | 9 897 | - | 100.0% | 7 145 | 7 145 |
| Provinces and municipalities | 1 158 | - | 173 | 1 331 | 1 331 | - | 100.0% | 1 702 | 1 702 |
| Households | 4 792 | - | 3 774 | 8 566 | 8 566 | - | 100.0% | 5 443 | 5 443 |
| Payments for capital assets | 42 191 | - | - | 42 191 | 29 786 | 12 405 | 70.6% | 88 545 | 88 545 |
| Machinery and equipment | 42 191 | - | (55) | 42 136 | 29 731 | 12 405 | 70.6% | 88 545 | 88 545 |
| Software and other intangible assets | - | - | 55 | 55 | 55 | - | 100.0% | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 1.3 Education Management | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|------------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2016/17 | | | 2015/16 | | |
| | | | | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | 885 276 | - | (156 688) | 728 588 | 728 588 | - | 100.0% | 602 207 | 602 207 |
| Compensation of employees | 794 824 | - | (286 056) | 508 768 | 508 768 | - | 100.0% | 478 454 | 478 454 |
| Goods and services | 90 452 | - | 129 354 | 219 806 | 219 806 | - | 100.0% | 123 751 | 123 751 |
| Interest and rent on land | - | - | 14 | 14 | 14 | - | 100.0% | 2 | 2 |
| Transfers and subsidies | 26 620 | - | (3 947) | 22 673 | 9 267 | 13 406 | 40.9% | 9 704 | 9 704 |
| Households | 26 620 | - | (3 947) | 22 673 | 9 267 | 13 406 | 40.9% | 9 704 | 9 704 |
| Payments for capital assets | 8 400 | - | (1) | 8 399 | 1 810 | 6 589 | 21.6% | 2 098 | 2 098 |
| Machinery and equipment | 8 400 | - | (1) | 8 399 | 1 810 | 6 589 | 21.6% | 2 098 | 2 098 |
| Payments for financial assets | 31 892 | - | 1 | 31 893 | 31 893 | - | 100.0% | 31 892 | 31 892 |

| 1.4 Human Resource Development | | | | | | | | | |
|--------------------------------|------------------------|-------------------|------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2016/17 | | | 2015/16 | | |
| | | | | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | 10 299 | - | 134 | 10 433 | 10 433 | - | 100.0% | 38 702 | 38 702 |
| Compensation of employees | - | - | 23 | 23 | 23 | - | 100.0% | 79 | 79 |
| Goods and services | 10 299 | - | 111 | 10 410 | 10 410 | - | 100.0% | 38 623 | 38 623 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 1.5 Education Mgt Information System (Emis) | | | | | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 51 186 | - | (25 864) | 25 322 | 25 322 | - | 100.0% | 23 134 | 23 134 |
| Compensation of employees | 38 360 | - | (15 567) | 22 793 | 22 793 | - | 100.0% | 20 371 | 20 371 |
| Goods and services | 12 826 | - | (10 297) | 2 529 | 2 529 | - | 100.0% | 2 763 | 2 763 |
| Transfers and subsidies | - | - | - | - | - | - | - | 127 | 127 |
| Households | - | - | - | - | - | - | - | 127 | 127 |
| Payments for capital assets | 2 000 | - | - | 2 000 | 515 | 1 485 | 25.8% | 9 320 | 6 506 |
| Machinery and equipment | 2 000 | - | - | 2 000 | 515 | 1 485 | 25.8% | 7 805 | 6 506 |
| Software and other intangible assets | - | - | - | - | - | - | - | 1 515 | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 2: Public Ordinary School Education | | | | | | | | | |
|--|------------------------|-------------------|------------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | 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 |
| Sub programmes | | | | | | | | | |
| 2.1 Public Primary Schools | 22 031 739 | (58 007) | (813 887) | 21 159 845 | 21 096 233 | 63 612 | 99.7% | 20 016 858 | 19 906 291 |
| 2.2 Public Secondary Schools | 14 385 790 | - | 714 178 | 15 099 968 | 15 163 441 | (63 473) | 100.4% | 14 240 684 | 14 177 406 |
| 2.3 Human Resource Development | 177 103 | - | (1 256) | 175 847 | 175 847 | - | 100.0% | 166 659 | 68 369 |
| 2.4 School Sport, Culture and Media Services | 52 201 | (1 212) | - | 50 989 | 50 012 | 977 | 98.1% | 49 574 | 33 513 |
| 2.5 National School Nutrition Programme | 1 363 783 | - | - | 1 363 783 | 1 246 976 | 116 807 | 91.4% | 1 287 034 | 1 326 761 |
| 2.6 EPWP Integrated Grant for Provinces | 2 790 | - | - | 2 790 | 2 844 | (54) | 101.9% | 2 644 | 2 644 |
| 2.7 Social Sector EPWP Incentive Grant for Provinces | 27 318 | - | - | 27 318 | 27 365 | (47) | 100.2% | 3 000 | 3 000 |
| 2.8 Maths Science and Technology Grant | 62 453 | - | - | 62 453 | 63 468 | (1 015) | 101.6% | 59 998 | 62 522 |
| Total for sub programmes | 38 103 177 | (59 219) | (100 965) | 37 942 993 | 37 826 186 | 116 807 | 99.7% | 35 826 451 | 35 580 506 |
| Economic classification | | | | | | | | | |
| Current payments | 36 558 694 | (59 219) | (101 067) | 36 398 408 | 36 240 565 | 157 843 | 99.6% | 34 164 227 | 34 007 280 |
| Compensation of employees | 34 100 398 | (59 219) | (203 707) | 33 837 472 | 33 747 306 | 90 166 | 99.7% | 31 379 533 | 31 252 905 |
| Salaries and wages | 26 748 057 | - | 2 197 700 | 28 945 757 | 28 936 624 | 9 133 | 100.0% | 26 773 208 | 26 761 748 |
| Social contributions | 7 352 341 | (59 219) | (2 401 407) | 4 891 715 | 4 810 682 | 81 033 | 98.3% | 4 606 325 | 4 491 157 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|---|-----------|---|----------|-----------|-----------|---------|--------|-----------|-----------|
| Goods and services | 2 458 196 | - | 102 639 | 2 560 835 | 2 493 158 | 67 677 | 97.4% | 2 648 493 | 2 618 130 |
| Administrative fees | - | - | 7 532 | 7 532 | 7 532 | - | 100.0% | 3 596 | 3 596 |
| Advertising | - | - | - | - | - | - | - | - | - |
| Minor assets | 4 831 | - | (4 831) | - | - | - | - | 14 | 14 |
| Audit costs: External | - | - | 259 | 259 | 259 | - | 100.0% | 205 | 205 |
| Bursaries: Employees | 35 000 | - | (35 000) | - | - | - | - | 23 445 | 23 445 |
| Catering: Departmental activities | 2 131 | - | 16 426 | 18 557 | 18 557 | - | 100.0% | 12 114 | 12 114 |
| Communication | - | - | 98 | 98 | 98 | - | 100.0% | 114 | 114 |
| Computer services | 928 | - | (928) | - | - | - | - | 4 | 4 |
| Consultants: Business and advisory services | 83 189 | - | 17 281 | 100 470 | 100 470 | - | 100.0% | 107 303 | 107 303 |
| Infrastructure and planning services | - | - | 95 | 95 | 95 | - | 100.0% | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | 5 400 | 5 400 | 5 400 | - | 100.0% | 111 692 | 111 692 |
| Contractors | - | - | 286 | 286 | 286 | - | 100.0% | 1 691 | 1 691 |
| Agency and support / outsourced services | 1 197 102 | - | 146 089 | 1 343 191 | 1 242 216 | 100 975 | 92.5% | 1 295 277 | 1 334 929 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services | 553 | - | (524) | 29 | 29 | - | 100.0% | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and supplies | - | - | 64 | 64 | 64 | - | 100.0% | 55 | 55 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | | | |
|--|------------------|----------|------------|------------------|------------------|-----------------|---------------|------------------|------------------|---------|---|
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - | - | 8 |
| Inventory: Fuel, oil and gas | 138 | - | (138) | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 491 376 | - | 55 722 | 547 098 | 547 098 | - | - | 100.0% | 551 667 | 537 108 | |
| Inventory: Materials and supplies | 13 840 | - | (13 358) | 482 | 482 | - | - | 100.0% | 3 960 | 3 960 | |
| Inventory: Medical supplies | 2 888 | - | (2 888) | - | - | - | - | - | 9 | 9 | |
| Inventory: Other supplies | 214 659 | - | (27 864) | 186 795 | 219 897 | (33 102) | 117.7% | 189 583 | 205 723 | | |
| Consumable supplies | 51 808 | - | (37 753) | 14 055 | 14 055 | - | 100.0% | 4 462 | 4 462 | | |
| Consumable: Stationery, Printing and Office supplies | 2 000 | - | 3 134 | 5 134 | 5 134 | - | 100.0% | 19 865 | 21 157 | | |
| Operating leases | 3 020 | - | 935 | 3 955 | 3 955 | - | 100.0% | 3 938 | 3 938 | | |
| Property payments | 29 123 | - | 20 444 | 49 567 | 49 762 | (195) | 100.4% | 105 171 | 105 171 | | |
| Transport provided: Departmental activity | - | - | 6 842 | 6 842 | 6 842 | - | 100.0% | 4 948 | 4 948 | | |
| Travel and subsistence | 26 419 | - | 86 162 | 112 581 | 112 582 | (1) | 100.0% | 44 174 | 59 494 | | |
| Training and development | 186 178 | - | (178 781) | 7 397 | 7 397 | - | 100.0% | 130 816 | 36 828 | | |
| Operating payments | 111 613 | - | 28 558 | 140 171 | 140 171 | - | 100.0% | 33 181 | 38 961 | | |
| Venues and facilities | 1 400 | - | 9 260 | 10 660 | 10 660 | - | 100.0% | 1 039 | 1 039 | | |
| Rental and hiring | - | - | 117 | 117 | 117 | - | 100.0% | 162 | 162 | | |
| Interest and rent on land | 100 | - | 1 | 101 | 101 | - | 100.0% | 136 201 | 136 245 | | |
| Interest | 100 | - | 1 | 101 | 101 | - | 100.0% | 136 201 | 136 245 | | |
| Transfers and subsidies | 1 505 542 | - | 102 | 1 505 644 | 1 585 607 | (79 963) | 105.3% | 1 621 654 | 1 573 083 | | |
| Non-profit institutions | 1 429 549 | - | - | 1 429 549 | 1 446 314 | (16 765) | 101.2% | 1 475 155 | 1 426 584 | | |
| Households | 75 993 | - | 102 | 76 095 | 139 293 | (63 198) | 183.1% | 146 499 | 146 499 | | |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|--------------------------------------|-------------------|-----------------|------------------|-------------------|-------------------|----------------|--------------|-------------------|-------------------|
| Social benefits | 75 993 | - | 102 | 76 095 | 138 842 | (62 747) | 182.5% | 146 493 | 146 493 |
| Other transfers to households | - | - | - | - | 451 | (451) | - | 6 | 6 |
| Payments for capital assets | 38 941 | - | - | 38 941 | 14 | 38 927 | 0.0% | 40 570 | 143 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 912 | 112 |
| Buildings | - | - | - | - | - | - | - | 912 | 112 |
| Machinery and equipment | 34 941 | - | - | 34 941 | 14 | 34 927 | 0.0% | 35 658 | 31 |
| Other machinery and equipment | 34 941 | - | - | 34 941 | 14 | 34 927 | 0.0% | 35 658 | 31 |
| Software and other intangible assets | 4 000 | - | - | 4 000 | - | 4 000 | - | 4 000 | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 38 103 177 | (59 219) | (100 965) | 37 942 993 | 37 826 186 | 116 807 | 99.7% | 35 826 451 | 35 580 506 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 2.1 Public Primary Schools | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|------------------|---------------------|--------------------|-----------------|---|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | 2015/16 | |
| | | | | | | | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 21 075 344 | (58 007) | (813 887) | 20 203 450 | 20 123 348 | 80 102 | 99.6% | 19 056 512 | 18 945 945 |
| Compensation of employees | 20 540 107 | (58 007) | (805 709) | 19 676 391 | 19 596 289 | 80 102 | 99.6% | 18 320 003 | 18 209 436 |
| Goods and services | 535 237 | - | (8 179) | 527 058 | 527 058 | - | 100.0% | 654 788 | 654 788 |
| Interest and rent on land | - | - | 1 | 1 | 1 | - | 100.0% | 81 721 | 81 721 |
| Transfers and subsidies | 956 395 | - | - | 956 395 | 972 885 | (16 490) | 101.7% | 960 234 | 960 234 |
| Non-profit institutions | 926 474 | - | - | 926 474 | 880 333 | 46 141 | 95.0% | 864 312 | 864 312 |
| Households | 29 921 | - | - | 29 921 | 92 552 | (62 631) | 309.3% | 95 922 | 95 922 |
| Payments for capital assets | - | - | - | - | - | - | - | 112 | 112 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 112 | 112 |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 2.2 Public Secondary | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|-----------------|---|---------------------|--------------------|
| | | | | | | | | | |
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 13 836 643 | - | 714 178 | 14 550 821 | 14 550 821 | - | 100.0% | 13 579 310 | 13 564 751 |
| Compensation of employees | 13 476 233 | - | 614 995 | 14 091 228 | 14 091 228 | - | 100.0% | 13 027 942 | 13 027 942 |
| Goods and services | 360 310 | - | 99 183 | 459 493 | 459 493 | - | 100.0% | 496 888 | 482 329 |
| Interest and rent on land | 100 | - | - | 100 | 100 | - | 100.0% | 54 480 | 54 480 |
| Transfers and subsidies | 549 147 | - | - | 549 147 | 612 620 | (63 473) | 111.6% | 661 374 | 612 655 |
| Non-profit institutions | 503 075 | - | - | 503 075 | 565 981 | (62 906) | 112.5% | 610 843 | 562 124 |
| Households | 46 072 | - | - | 46 072 | 46 639 | (567) | 101.2% | 50 531 | 50 531 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| 2.3 Human Resource Development | | | | | | | | | |
|--------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 2016/17 | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 177 103 | - | (1 256) | 175 847 | 175 847 | - | 100.0% | 166 659 | 68 369 |
| Compensation of employees | - | - | 18 288 | 18 288 | 18 288 | - | 100.0% | 17 | 17 |
| Goods and services | 177 103 | - | (19 544) | 157 559 | 157 559 | - | 100.0% | 166 642 | 68 352 |

| 2.4 School Sport, Culture and Media Services | | | | | | | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 52 201 | (1 212) | (102) | 50 887 | 49 910 | 977 | 98.1% | 49 528 | 33 467 |
| Compensation of employees | 44 958 | (1 212) | (31 281) | 12 465 | 11 488 | 977 | 92.2% | 27 270 | 11 209 |
| Goods and services | 7 243 | - | 31 179 | 38 422 | 38 422 | - | 100.0% | 22 258 | 22 258 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | 102 | 102 | 102 | - | 100.0% | 46 | 46 |
| Households | - | - | 102 | 102 | 102 | - | 100.0% | 46 | 46 |

APPROPRIATION STATEMENT for the year ended 31 March 2017

2.5 National School Nutrition Programme

| 2016/17 | | | | | | | | | | 2015/16 | | |
|-----------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------|--|--|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | | |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | | |
| Current payments | 1 356 943 | - | - | 1 356 943 | 1 246 976 | 109 967 | 91.9% | 1 287 034 | 1 326 730 | | | |
| Compensation of employees | 8 992 | - | - | 8 992 | - | 8 992 | - | - | - | - | | |
| Goods and services | 1 347 951 | - | - | 1 347 951 | 1 246 976 | 100 975 | 92.5% | 1 287 034 | 1 326 686 | | | |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | 44 | | |
| Payments for capital assets | 6 840 | - | - | 6 840 | - | 6 840 | - | - | - | 31 | | |
| Machinery and equipment | 6 840 | - | - | 6 840 | - | 6 840 | - | - | - | 31 | | |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 2.6 EPWP Integrated Grant for Provinces | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|-------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 2 790 | - | - | 2 790 | 2 844 | (54) | 101.9% | 2 644 | 2 644 |
| Compensation of employees | 2 790 | - | - | 2 790 | 2 649 | 141 | 94.9% | 1 301 | 1 301 |
| Goods and services | - | - | - | - | 195 | (195) | - | 1 343 | 1 343 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| 2.7 Social Sector EPWP Incentive Grant for Provinces | | | | | | | | | |
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 27 318 | - | - | 27 318 | 27 365 | (47) | 100.2% | 3 000 | 3 000 |
| Compensation of employees | 27 318 | - | - | 27 318 | 27 364 | (46) | 100.2% | 3 000 | 3 000 |
| Goods and services | - | - | - | - | 1 | (1) | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| 2.8 Maths Science and Technology Grant | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|-----------------|---|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | 2016/17 | | | | | 2015/16 | | |
| | | 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 | 30 352 | - | - | 30 352 | 63 454 | (33 102) | 209.1% | 19 540 | 62 374 |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 30 352 | - | - | 30 352 | 63 454 | (33 102) | 209.1% | 19 540 | 62 374 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | 148 |
| Non-profit institutions | - | - | - | - | - | - | - | - | 148 |
| Payments for capital assets | 32 101 | - | - | 32 101 | 14 | 32 087 | 0.0% | 40 458 | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 800 | - |
| Machinery and equipment | 28 101 | - | - | 28 101 | 14 | 28 087 | 0.0% | 35 658 | - |
| Software and other intangible assets | 4 000 | - | - | 4 000 | - | 4 000 | - | 4 000 | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 3: Independent School Subsidies | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | 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 |
| Sub programmes | | | | | | | | | |
| 3.1 Primary Phase | 50 285 | - | 1 868 | 52 153 | 52 153 | - | 100.0% | 47 795 | 47 795 |
| 3.2 Secondary Phase | 31 656 | - | (1 868) | 29 788 | 28 747 | 1 041 | 96.5% | 30 022 | 29 483 |
| Total for sub programmes | 81 941 | - | - | 81 941 | 80 900 | 1 041 | 98.7% | 77 817 | 77 278 |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 81 941 | - | - | 81 941 | 80 900 | 1 041 | 98.7% | 77 817 | 77 278 |
| Non-profit institutions | 81 941 | - | - | 81 941 | 80 900 | 1 041 | 98.7% | 77 817 | 77 278 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 81 941 | - | - | 81 941 | 80 900 | 1 041 | 98.7% | 77 817 | 77 278 |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| 3.1 Primary Phase | | 2016/17 | | | | | | 2015/16 | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 50 285 | - | 1 868 | 52 153 | 52 153 | - | 100.0% | 47 795 | 47 795 |
| Non-profit institutions | 50 285 | - | 1 868 | 52 153 | 52 153 | - | 100.0% | 47 795 | 47 795 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 3.2 Secondary Phase | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| Economic classification | 2016/17 | | | | | 2015/16 | | | |
| | 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 | - | - | - | - | - | - | - | - | - |
| Goods and services | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 31 656 | - | (1 868) | 29 788 | 28 747 | 1 041 | 96.5% | 30 022 | 29 483 |
| Non-profit institutions | 31 656 | - | (1 868) | 29 788 | 28 747 | 1 041 | 96.5% | 30 022 | 29 483 |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 4: Public Special School Education | | | | | | | | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | 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 |
| Sub programmes | | | | | | | | | |
| 4.1 Public Special Schools | 1 028 660 | - | 23 426 | 1 052 086 | 1 047 901 | 4 185 | 99.6% | 931 248 | 929 248 |
| 4.2 Human Resource Development | 6 910 | - | (6 868) | 42 | 42 | - | 100.0% | - | - |
| 4.3 OSD for Therapist Grant | - | - | - | - | - | - | - | 13 079 | 13 079 |
| Total for sub programmes | 1 035 570 | - | 16 558 | 1 052 128 | 1 047 943 | 4 185 | 99.6% | 944 327 | 942 327 |
| Economic classification | | | | | | | | | |
| Current payments | 881 960 | - | 16 558 | 898 518 | 898 518 | - | 100.0% | 815 011 | 815 011 |
| Compensation of employees | 875 050 | - | 22 202 | 897 252 | 897 252 | - | 100.0% | 813 764 | 813 764 |
| Salaries and wages | 736 009 | - | 22 604 | 758 613 | 758 613 | - | 100.0% | 686 122 | 686 122 |
| Social contributions | 139 041 | - | (402) | 138 639 | 138 639 | - | 100.0% | 127 642 | 127 642 |
| Goods and services | 6 910 | - | (5 644) | 1 266 | 1 266 | - | 100.0% | 1 247 | 1 247 |
| Administrative fees | - | - | 10 | 10 | 10 | - | 100.0% | 1 | 1 |
| Catering: Departmental activities | - | - | 40 | 40 | 40 | - | 100.0% | - | - |
| Communication | - | - | - | - | - | - | - | 5 | 5 |
| Fleet services | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | 191 | 191 | 191 | - | 100.0% | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | 1 | 1 |
| Inventory: Other supplies | - | - | 603 | 603 | 603 | - | 100.0% | 943 | 943 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 13 | 13 | 29 | 139 | - | 98 | - | 6 | - | 127 316 | 123 927 | 3 389 | 3 389 | - | - | - | 942 327 |
|--|------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Consumable supplies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, Printing and Office supplies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transport provided: | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Departmental activity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Training and development | 6 910 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 138 400 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 136 757 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Households | 1 643 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Social benefits | 1 643 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 15 210 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 15 210 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transport equipment | 15 210 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 1 035 570 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| 4.1 Public Special Schools | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| Economic classification | 2016/17 | | | | | 2015/16 | | | |
| | 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 | 875 050 | - | 23 426 | 898 476 | 898 476 | - | 100.0% | 801 932 | 801 932 |
| Compensation of Employees | 875 050 | - | 22 202 | 897 252 | 897 252 | - | 100.0% | 800 685 | 800 685 |
| Goods and services | - | - | 1 224 | 1 224 | 1 224 | - | 100.0% | 1 247 | 1 247 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 138 400 | - | - | 138 400 | 134 830 | 3 570 | 97.4% | 127 316 | 127 316 |
| Non-profit institutions | 136 757 | - | - | 136 757 | 130 964 | 5 793 | 95.8% | 123 927 | 123 927 |
| Households | 1 643 | - | - | 1 643 | 3 866 | (2 223) | 235.3% | 3 389 | 3 389 |
| Payments for capital assets | 15 210 | - | - | 15 210 | 14 595 | 615 | 96.0% | 2 000 | - |
| Machinery and equipment | 15 210 | - | - | 15 210 | 14 595 | 615 | 96.0% | 2 000 | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 4.2 Human Resource Development | | | | | | | | | |
|--------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 6 910 | - | (6 868) | 42 | 42 | - | 100.0% | - | - |
| Goods and services | 6 910 | - | (6 868) | 42 | 42 | - | 100.0% | - | - |

| 4.3 OSD for Therapist Grant | | | | | | | | | |
|-----------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | - | - | - | - | - | - | - | 13 079 | 13 079 |
| Compensation of Employees | - | - | - | - | - | - | - | 13 079 | 13 079 |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 5: Early Childhood Development | | | | | | | | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|-----------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | 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 |
| Sub programmes | | | | | | | | | |
| 5.1 Grade R Public Schools | 671 480 | 10 280 | 97 849 | 779 609 | 858 448 | (78 839) | 110.1% | 532 652 | 478 286 |
| 5.2 Grade R Early Childhood Development Centres | 20 398 | 48 939 | 1 275 | 70 612 | 70 612 | - | 100.0% | 78 154 | 74 531 |
| 5.3 Pre-Grade R Training | 75 934 | - | (31 471) | 44 463 | 44 463 | - | 100.0% | 56 262 | 50 854 |
| 5.4 Human Resource Development | 5 767 | - | (5 767) | - | - | - | - | 5 438 | - |
| Total for sub programmes | 773 579 | 59 219 | 61 886 | 894 684 | 973 523 | (78 839) | 108.8% | 672 506 | 603 671 |
| Economic classification | | | | | | | | | |
| Current payments | 753 314 | 59 219 | 61 886 | 874 419 | 954 521 | (80 102) | 109.2% | 654 099 | 586 196 |
| Compensation of employees | 634 777 | 59 219 | 100 094 | 794 090 | 874 192 | (80 102) | 110.1% | 519 650 | 508 269 |
| Salaries and wages | 475 819 | 50 975 | 248 578 | 775 372 | 855 474 | (80 102) | 110.3% | 491 631 | 491 631 |
| Social contributions | 158 958 | 8 244 | (148 484) | 18 718 | 18 718 | - | 100.0% | 28 019 | 16 638 |
| Goods and services | 118 537 | - | (38 208) | 80 329 | 80 329 | - | 100.0% | 134 449 | 77 927 |
| Administrative fees | - | - | 68 | 68 | 68 | - | 100.0% | 16 | 16 |
| Advertising | 970 | - | (970) | - | - | - | - | - | - |
| Minor assets | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 050 | - | (778) | 272 | 272 | - | 100.0% | 5 110 | 110 |
| Communication (G&S) | - | - | - | - | - | - | - | 1 | 1 |
| Computer services | - | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|--|---------------|---|----------|---------------|--------------|--------------|---------------|--------------|---------------|
| Consultants: Business and advisory services | 2 678 | - | (2 678) | - | - | - | 20 543 | - | - |
| Agency and support / outsourced services | 1 053 | - | (1 053) | - | - | - | 1 000 | - | - |
| Fleet services | 1 779 | - | (1 779) | - | - | - | 1 690 | - | - |
| Inventory: Clothing material and accessories | - | - | 11 | 11 | 11 | 100.0% | 53 | 100.0% | 53 |
| Inventory: Learner and teacher support material | 71 696 | - | 4 686 | 76 382 | - | 100.0% | 77 410 | 100.0% | 73 203 |
| Inventory: Materials and supplies | - | - | - | - | - | - | 253 | - | 253 |
| Inventory: Other supplies | - | - | - | - | - | - | 21 | - | 21 |
| Consumable supplies | 1 264 | - | (1 151) | 113 | - | 100.0% | 1 562 | 100.0% | 584 |
| Consumable: Stationery, Printing and Office supplies | 2 000 | - | (805) | 1 195 | - | 100.0% | 5 060 | 100.0% | 2 249 |
| Operating leases | - | - | - | - | - | - | 20 | - | 20 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | 1 100 | - | (1 100) | - | - | - | 1 433 | - | 133 |
| Travel and subsistence | 7 142 | - | (4 885) | 2 257 | - | 100.0% | 1 284 | 100.0% | 1 284 |
| Training and development | 18 427 | - | (18 427) | - | - | - | 5 438 | - | - |
| Operating payments | 9 378 | - | (9 378) | - | - | - | 13 555 | - | - |
| Venues and facilities | - | - | 10 | 10 | - | 100.0% | - | 100.0% | - |
| Rental and hiring | - | - | 21 | 21 | - | 100.0% | - | 100.0% | - |
| Transfers and subsidies | 20 265 | - | - | 19 002 | 1 263 | 93.8% | 18 407 | 93.8% | 17 475 |
| Non-profit institutions | 20 265 | - | - | 18 851 | 1 414 | 93.0% | 17 954 | 93.0% | 17 022 |
| Households | - | - | - | 151 | (151) | - | 453 | - | 453 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | |
|------------------------------------|----------------|---------------|---------------|----------------|-----------------|---------------|----------------|----------------|
| Social benefits | - | - | - | 151 | (151) | - | 453 | 453 |
| Payments for capital assets | | | | | | | | |
| Machinery and equipment | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - |
| Total | 773 579 | 59 219 | 61 886 | 973 523 | (78 839) | 108.8% | 672 506 | 603 671 |

5.1 Grade R in Public Schools

| | 2016/17 | | | | | | 2015/16 | |
|------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|-----------------|---|---------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Current payments | 651 215 | 10 280 | 97 849 | 759 344 | 839 446 | (80 102) | 110.5% | 514 352 |
| Compensation of Employees | 596 473 | 10 280 | 111 803 | 718 556 | 798 658 | (80 102) | 111.1% | 424 161 |
| Goods and services | 54 742 | - | (13 954) | 40 788 | 40 788 | - | 100.0% | 90 191 |
| Interest and rent on land | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 20 265 | - | - | 20 265 | 19 002 | 1 263 | 93.8% | 18 300 |
| Non-profit institutions | 20 265 | - | - | 20 265 | 18 851 | 1 414 | 93.0% | 17 954 |
| Households | - | - | - | - | 151 | (151) | - | 346 |
| Payments for capital assets | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 5.2 Grade R Early Childhood Development Centres | | | | | | | | | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 20 398 | 48 939 | 1 275 | 70 612 | 70 612 | - | 100.0% | 78 047 | 74 424 |
| Compensation of Employees | 12 768 | 48 939 | - | 61 707 | 61 707 | - | 100.0% | 69 643 | 69 643 |
| Goods and services | 7 630 | - | 1 275 | 8 905 | 8 905 | - | 100.0% | 8 404 | 4 781 |
| Transfers and subsidies | - | - | - | - | - | - | - | 107 | 107 |
| Households | - | - | - | - | - | - | - | 107 | 107 |

| 5.3 Pre-Grade R Training | | | | | | | | | |
|---------------------------|------------------------|-------------------|-----------------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 75 934 | - | (31 471) | 44 463 | 44 463 | - | 100.0% | 56 262 | 50 854 |
| Compensation of Employees | 25 536 | - | (11 709) | 13 827 | 13 827 | - | 100.0% | 25 846 | 25 846 |
| Goods and services | 50 398 | - | (19 762) | 30 636 | 30 636 | - | 100.0% | 30 416 | 25 008 |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| 5.4 Human Resource Development | | | | | | | | | |
|--------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | 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 |
| Economic classification | | | | | | | | | |
| Current payments | 5 767 | - | (5 767) | - | - | - | - | 5 438 | - |
| Goods and services | 5 767 | - | (5 767) | - | - | - | - | 5 438 | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 6: Infrastructure Development | | | | | | | | | |
|--|------------------------|-------------------|-----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programmes | | | | | | | | | |
| 6.1 Administration | 158 628 | - | 134 891 | 293 519 | 298 692 | (5 173) | 101.8% | 74 041 | 60 546 |
| 6.2 Public Ordinary School Education | 1 935 655 | - | 174 023 | 2 109 678 | 2 109 678 | - | 100.0% | 2 209 158 | 2 222 653 |
| 6.3 Public Special School Education | 227 016 | - | (162 137) | 64 879 | 64 879 | - | 100.0% | 161 126 | 161 126 |
| 6.4 Early Childhood Development | 275 092 | - | (146 777) | 128 315 | 120 196 | 8 119 | 93.7% | 169 628 | 169 628 |
| Total for sub programmes | 2 596 391 | - | - | 2 596 391 | 2 593 445 | 2 946 | 99.9% | 2 613 953 | 2 613 953 |
| Economic classification | | | | | | | | | |
| Current payments | 416 398 | - | - | 416 398 | 422 756 | (6 358) | 101.5% | 284 156 | 270 661 |
| Compensation of employees | 25 100 | - | - | 25 100 | 19 351 | 5 749 | 77.1% | 25 000 | 11 505 |
| Salaries and wages | 25 100 | - | (1 950) | 23 150 | 17 401 | 5 749 | 75.2% | 25 000 | 11 505 |
| Social contributions | - | - | 1 950 | 1 950 | 1 950 | - | 100.0% | - | - |
| Goods and services | 391 298 | - | - | 391 298 | 403 405 | (12 107) | 103.1% | 259 156 | 259 156 |
| Advertising | - | - | 100 | 100 | 100 | - | 100.0% | - | - |
| Minor assets | 20 000 | - | (19 998) | 2 | 2 | - | 100.0% | - | - |
| Infrastructure and planning services | 10 772 | - | (10 772) | - | - | - | - | - | - |
| Contractors | - | - | 2 051 | 2 051 | 2 051 | - | 100.0% | - | - |
| Inventory: Other supplies | - | - | 21 700 | 21 700 | 21 700 | - | 100.0% | 532 | 532 |
| Consumable: Stationery, Printing and Office supplies | - | - | 56 | 56 | 56 | - | 100.0% | - | - |
| Operating leases | 40 000 | - | 12 138 | 52 138 | 64 245 | (12 107) | 123.2% | 3 365 | 3 365 |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|--------------------------------------|------------------|----------|----------|------------------|------------------|--------------|--------------|------------------|------------------|
| Property payments | 320 526 | - | (6 938) | 313 588 | 313 588 | - | 100.0% | 227 693 | 227 693 |
| Travel and subsistence | - | - | 1 613 | 1 613 | 1 613 | - | 100.0% | - | - |
| Operating payments | - | - | 50 | 50 | 50 | - | 100.0% | - | - |
| Rental and hiring | - | - | - | - | - | - | - | 27 566 | 27 566 |
| Payments for capital assets | 2 179 993 | - | - | 2 179 993 | 2 170 689 | 9 304 | 99.6% | 2 329 797 | 2 343 292 |
| Buildings and other fixed structures | 2 178 493 | - | - | 2 178 493 | 2 170 374 | 8 119 | 99.6% | 2 329 797 | 2 343 292 |
| Buildings | 2 178 493 | - | - | 2 178 493 | 2 170 374 | 8 119 | 99.6% | 2 329 797 | 2 343 292 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 500 | - | (192) | 1 308 | 123 | 1 185 | 9.4% | - | - |
| Other machinery and equipment | 1 500 | - | (192) | 1 308 | 123 | 1 185 | 9.4% | - | - |
| Software and other intangible assets | - | - | 192 | 192 | 192 | - | 100.0% | - | - |
| Total | 2 596 391 | - | - | 2 596 391 | 2 593 445 | 2 946 | 99.9% | 2 613 953 | 2 613 953 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 6.1 Administration | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 65 100 | - | (6 687) | 58 413 | 64 771 | (6 358) | 110.9% | 13 495 | - |
| Compensation of employees | 25 100 | - | (19 351) | 5 749 | - | 5 749 | - | 13 495 | - |
| Goods and services | 40 000 | - | 12 664 | 52 664 | 64 771 | (12 107) | 123.0% | - | - |
| Payments for capital assets | 93 528 | - | 141 578 | 235 106 | 233 921 | 1 185 | 99.5% | 60 546 | 60 546 |
| Buildings and other fixed structures | 92 028 | - | 141 770 | 233 798 | 233 798 | - | 100.0% | 60 546 | 60 546 |
| Machinery and equipment | 1 500 | - | (192) | 1 308 | 123 | 1 185 | 9.4% | - | - |
| 6.2 Public Ordinary School Education | | | | | | | | | |
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 350 772 | - | 7 124 | 357 896 | 357 896 | - | 100.0% | 270 661 | 270 661 |
| Compensation of employees | - | - | 19 351 | 19 351 | 19 351 | - | 100.0% | 11 505 | 11 505 |
| Goods and services | 350 772 | - | (12 227) | 338 545 | 338 545 | - | 100.0% | 259 156 | 259 156 |
| Payments for capital assets | 1 584 883 | - | 166 899 | 1 751 782 | 1 751 782 | - | 100.0% | 1 938 497 | 1 951 992 |
| Buildings and other fixed structures | 1 584 883 | - | 166 707 | 1 751 590 | 1 751 590 | - | 100.0% | 1 938 497 | 1 951 992 |
| Software and other intangible assets | - | - | 192 | 192 | 192 | - | 100.0% | - | - |

APPROPRIATION STATEMENT for the year ended 31 March 2017

6.3 Public Special School Education

| 2016/17 | | | | | | | | | | 2015/16 | |
|--------------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|----------|---|---------------------|--------------------|---------|--|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | | |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | | |
| Current payments | 526 | - | (437) | 89 | 89 | - | 100.0% | - | - | | |
| Goods and services | 526 | - | (437) | 89 | 89 | - | 100.0% | - | - | | |
| Payments for capital assets | 226 490 | - | (161 700) | 64 790 | 64 790 | - | 100.0% | 161 126 | 161 126 | | |
| Buildings and other fixed structures | 226 490 | - | (161 700) | 64 790 | 64 790 | - | 100.0% | 161 126 | 161 126 | | |

6.4 Early Childhood Development

| | 2016/17 | | | | | | | 2015/16 | |
|--------------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Payments for capital assets | 275 092 | - | (146 777) | 128 315 | 120 196 | 8 119 | 93.7% | 169 628 | 169 628 |
| Buildings and other fixed structures | 275 092 | - | (146 777) | 128 315 | 120 196 | 8 119 | 93.7% | 169 628 | 169 628 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| Programme 7: Examination and Education Related Services | | | | | | | | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| 2016/17 | | | | | | 2015/16 | | | |
| | 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 |
| Sub programmes | | | | | | | | | |
| 7.1 Payments to SETA | 83 257 | - | - | 83 257 | 83 257 | - | 100.0% | 78 139 | 78 139 |
| 7.2 Professional Services | 576 140 | - | 41 204 | 617 344 | 621 394 | (4 050) | 100.7% | 585 913 | 585 913 |
| 7.3 External Examinations | 603 821 | - | (41 204) | 562 617 | 556 513 | 6 104 | 98.9% | 658 916 | 699 302 |
| 7.4 HIV and AIDS (Life-Skills) Grant | 53 096 | - | - | 53 096 | 55 074 | (1 978) | 103.7% | 50 588 | 55 376 |
| Total for sub programmes | 1 316 314 | - | - | 1 316 314 | 1 316 238 | 76 | 100.0% | 1 373 556 | 1 418 730 |
| Economic classification | | | | | | | | | |
| Current payments | 1 217 307 | - | (2 023) | 1 215 284 | 1 211 158 | 4 126 | 99.7% | 1 277 209 | 1 322 381 |
| Compensation of employees | 958 492 | - | (6 177) | 952 315 | 945 489 | 6 826 | 99.3% | 887 715 | 888 218 |
| Salaries and wages | 796 503 | - | 63 904 | 860 407 | 859 748 | 659 | 99.9% | 805 148 | 805 530 |
| Social contributions | 161 989 | - | (70 081) | 91 908 | 85 741 | 6 167 | 93.3% | 82 567 | 82 688 |
| Goods and services | 258 815 | - | 4 150 | 262 965 | 265 665 | (2 700) | 101.0% | 389 494 | 434 163 |
| Administrative fees | 500 | - | 1 303 | 1 803 | 1 803 | - | 100.0% | 1 160 | 1 160 |
| Advertising | 917 | - | (917) | - | - | - | - | - | - |
| Minor assets | - | - | 362 | 362 | 362 | - | 100.0% | 155 | 155 |
| Audit costs: External | - | - | 5 | 5 | 5 | - | 100.0% | 6 | 6 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 27 716 | - | 18 971 | 46 687 | 46 687 | - | 100.0% | 39 387 | 39 387 |
| Communication | - | - | 887 | 887 | 887 | - | 100.0% | 1 246 | 1 246 |
| Computer services | 12 968 | - | (7 916) | 5 052 | 5 052 | - | 100.0% | 3 192 | 3 192 |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|--|--------|---|----------|---------|---------|---------|--------|---------|---------|
| Contractors | 500 | - | (413) | 87 | 87 | - | 100.0% | 930 | 930 |
| Agency and support / outsourced services | 6 265 | - | (5 908) | 357 | 357 | - | 100.0% | 714 | 714 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services | - | - | 8 | 8 | 8 | - | 100.0% | 163 | 163 |
| Inventory: Clothing material and supplies | - | - | 48 | 48 | 48 | - | 100.0% | 2 680 | 2 904 |
| Inventory: Fuel, oil and gas | - | - | 292 | 292 | 292 | - | 100.0% | 309 | 309 |
| Inventory: Learner and teacher support material | 1 300 | - | (245) | 1 055 | 1 055 | - | 100.0% | 861 | 861 |
| Inventory: Materials and supplies | - | - | 230 | 230 | 230 | - | 100.0% | 5 | 5 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | 150 | 150 |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 10 980 | - | (9 052) | 1 928 | 1 928 | - | 100.0% | 1 911 | 1 911 |
| Consumable: Stationery, Printing and Office supplies | 66 087 | - | (60 778) | 5 309 | 5 309 | - | 100.0% | 92 903 | 92 903 |
| Operating leases | 7 000 | - | (4 048) | 2 952 | 2 952 | - | 100.0% | 3 499 | 3 499 |
| Property payments | 21 000 | - | 21 172 | 42 172 | 42 172 | - | 100.0% | 42 718 | 42 718 |
| Transport provided: Departmental activity | 7 380 | - | (5 736) | 1 644 | 1 644 | - | 100.0% | 2 777 | 2 777 |
| Travel and subsistence | 63 975 | - | 70 270 | 134 245 | 136 945 | (2 700) | 102.0% | 108 946 | 138 476 |
| Training and development | 5 410 | - | (4 046) | 1 364 | 1 364 | - | 100.0% | 3 484 | 3 484 |
| Operating payments | 18 826 | - | (11 010) | 7 816 | 7 816 | - | 100.0% | 68 492 | 83 407 |
| Venues and facilities | 7 891 | - | 353 | 8 244 | 8 244 | - | 100.0% | 12 758 | 12 758 |
| Rental and hiring | 100 | - | 318 | 418 | 418 | - | 100.0% | 1 048 | 1 048 |
| Interest and rent on land | - | - | 4 | 4 | 4 | - | 100.0% | - | - |
| Interest | - | - | 4 | 4 | 4 | - | 100.0% | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| | | | | | | | | | |
|--------------------------------------|------------------|----------|--------------|------------------|------------------|----------------|---------------|------------------|------------------|
| Transfers and subsidies | 98 937 | - | 1 866 | 100 803 | 104 752 | (3 949) | 103.9% | 95 994 | 96 024 |
| Departmental agencies and accounts | 83 257 | - | - | 83 257 | 83 257 | - | 100.0% | 78 139 | 78 139 |
| Departmental agencies | 83 257 | - | - | 83 257 | 83 257 | - | 100.0% | 78 139 | 78 139 |
| Non-profit institutions | 15 680 | - | - | 15 680 | 15 680 | - | 100.0% | 12 000 | 12 030 |
| Households | - | - | 1 866 | 1 866 | 5 815 | (3 949) | 311.6% | 5 855 | 5 855 |
| Social benefits | - | - | 1 866 | 1 866 | 5 815 | (3 949) | 311.6% | 5 855 | 5 855 |
| Payments for capital assets | 70 | - | 157 | 227 | 328 | (101) | 144.5% | 353 | 325 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 208 | 208 |
| Buildings | - | - | - | - | - | - | - | 208 | 208 |
| Machinery and equipment | 70 | - | 157 | 227 | 328 | (101) | 144.5% | 145 | 117 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 70 | - | 157 | 227 | 328 | (101) | 144.5% | 145 | 117 |
| Total | 1 316 314 | - | - | 1 316 314 | 1 316 238 | 76 | 100.0% | 1 373 556 | 1 418 730 |

| 7.2 Professional Services | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 576 140 | - | 41 204 | 617 344 | 617 344 | - | 100.0% | 580 533 | 580 533 |
| Compensation of Employees | 501 390 | - | 18 293 | 519 683 | 519 683 | - | 100.0% | 493 585 | 493 585 |
| Goods and services | 74 750 | - | 22 907 | 97 657 | 97 657 | - | 100.0% | 86 948 | 86 948 |
| Interest and rent on land | - | - | 4 | 4 | 4 | - | 100.0% | - | - |
| Transfers and subsidies | - | - | - | - | 3 949 | (3 949) | - | 5 172 | 5 172 |
| Households | - | - | - | - | 3 949 | (3 949) | - | 5 172 | 5 172 |
| Payments for capital assets | - | - | - | - | 101 | (101) | - | 208 | 208 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 208 | 208 |
| Machinery and equipment | - | - | - | - | 101 | (101) | - | - | - |



APPROPRIATION STATEMENT for the year ended 31 March 2017

| 7.3 External Examinations | | | | | | | | | |
|------------------------------------|------------------------|-------------------|-----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | | | | | | | | | |
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Economic classification | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 603 821 | - | (43 227) | 560 594 | 554 490 | 6 104 | 98.9% | 658 116 | 698 502 |
| Compensation of Employees | 436 647 | - | (24 470) | 412 177 | 406 073 | 6 104 | 98.5% | 382 492 | 382 492 |
| Goods and services | 167 174 | - | (18 757) | 148 417 | 148 417 | - | 100.0% | 275 624 | 316 010 |
| Transfers and subsidies | - | - | 1 866 | 1 866 | 1 866 | - | 100.0% | 683 | 683 |
| Households | - | - | 1 866 | 1 866 | 1 866 | - | 100.0% | 683 | 683 |
| Payments for capital assets | - | - | 157 | 157 | 157 | - | 100.0% | 117 | 117 |
| Machinery and equipment | - | - | 157 | 157 | 157 | - | 100.0% | 117 | 117 |

APPROPRIATION STATEMENT for the year ended 31 March 2017

| 7.4 HIV and AIDS (Life-Skills) Grant | | | | | | | | | |
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NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2017

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

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

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

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

3. Detail on payments for financial assets

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

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

| 4.1 Per programme | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|---|------------------------|-----------------------|-------------------|--|
| Administration | 1 855 558 | 1 824 322 | 31 236 | 1.7% |
| Public Ordinary School Education | 37 942 993 | 37 826 186 | 116 807 | 0.3% |
| Independent School Subsidies | 81 941 | 80 900 | 1 041 | 1.3% |
| Public Special School Education | 1 052 128 | 1 047 943 | 4 185 | 0.4% |
| Early Childhood Development | 894 684 | 973 523 | (78 839) | (8.8%) |
| In line with the advice from Provincial Treasury to align the spending of compensation per programme, all ECD Practitioners expenditure from programme two had to be corrected. | | | | |
| Infrastructure Development | 2 596 391 | 2 593 445 | 2 946 | 0.1% |
| Examinations and Education Related Services | 1 316 314 | 1 316 238 | 76 | 0.0% |

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2017

| 4.2 Per economic classification | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|---|------------------------|-----------------------|----------|--|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 37 631 034 | 37 608 395 | 22 639 | 0.1% |
| Goods and services | 3 909 970 | 3 858 408 | 51 562 | 1.3% |
| Purchase of sanitary items and printing of revision examination material for extra classes to improve pass rate. | | | | |
| Interest and rent on land | 528 | 528 | - | - |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 1 331 | 1 331 | - | - |
| Departmental agencies and accounts | 83 257 | 83 257 | - | - |
| Non-profit institutions | 1 684 192 | 1 692 709 | (8 517) | (0.5%) |
| Households | 110 843 | 168 227 | (57 384) | (51.8%) |
| This is due to the payment of leave that would have been accrued to employees on exit, due to death or retirement and is extremely difficult to forecast. | | | | |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 2 178 493 | 2 170 374 | 8 119 | 0.4% |
| Machinery and equipment | 104 221 | 47 188 | 57 033 | 54.7% |
| Cost cutting measures implemented to offset the over-expenditure in other classifications. MST Conditional Grant was allocated under this item but utilised under Goods & Services. | | | | |
| Software and other intangible assets | 4 247 | 247 | 4 000 | 94.2% |
| MST Conditional Grant was allocated under this item but utilised under Goods & Services. | | | | |
| Payments for financial assets | 31 893 | 31 893 | - | - |

**NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2017**

| 4.3 Per conditional grant | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|--|--------------------------------|-------------------------------|-----------------|---|
| | R'000 | R'000 | R'000 | R'000 |
| National School Nutrition Programme (NSNP) | 1 363 783 | 1 246 976 | 116 807 | 8.6% |
| EPWP Integrated Grant For Provinces Grant | 2 790 | 2 844 | (54) | (1.9%) |
| Social Sector EPWP Incentive Grant For Provinces Grant | 27 318 | 27 365 | (47) | (0.2%) |
| Maths, Science and Technology Grant (MST) | 62 453 | 63 468 | (1 015) | (1.6%) |
| HIV and Aids (Life-Skills Education) Grants (HIV/Aids) | 53 096 | 55 074 | (1 978) | (3.7%) |
| Education Infrastructure Grant | 2 045 211 | 2 049 580 | (4 369) | (0.2%) |

National School Nutrition Programme Grant March 2017 invoices still to be paid. HIV/Aids Grant accruals from the previous year.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2017

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|-------------------|-------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 45 740 009 | 43 162 870 |
| Departmental revenue | 2 | 123 639 | 93 518 |
| TOTAL REVENUE | | 45 863 648 | 43 256 388 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 37 608 395 | 34 527 080 |
| Goods and services | 4 | 3 858 408 | 3 841 946 |
| Interest and rent on land | 5 | 528 | 137 932 |
| Total current expenditure | | 41 467 331 | 38 506 958 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 6 | 1 945 524 | 1 908 152 |
| Total transfers and subsidies | | 1 945 524 | 1 908 152 |
| Expenditure for capital assets | | | |
| Tangible assets | 7 | 2 217 562 | 2 440 909 |
| Intangible assets | 7 | 247 | - |
| Total expenditure for capital assets | | 2 217 809 | 2 440 909 |
| Unauthorised expenditure approved without funding | 8 | 31 893 | 31 892 |
| Payments for financial assets | | - | - |
| TOTAL EXPENDITURE | | 45 662 557 | 42 887 911 |
| SURPLUS FOR THE YEAR | | 201 091 | 368 477 |
| Reconciliation of Net Surplus for the year | | | |
| Voted funds | | 77 452 | 274 959 |
| Annual appropriation | | (39 355) | 274 959 |
| Conditional grants | | 116 807 | - |
| Departmental revenue and NRF Receipts | 2 | 123 639 | 93 518 |
| Aid assistance | | - | - |
| SURPLUS FOR THE YEAR | | 201 091 | 368 477 |

**STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2017**

| | Note | 2016/17 | 2015/16 |
|---|------|----------------|----------------|
| | | R'000 | R'000 |
| ASSETS | | | |
| Current assets | | 266 700 | 179 178 |
| Unauthorised expenditure | 8 | 155 905 | 108 959 |
| Cash and cash equivalents | | - | - |
| Prepayments and advances | 9 | - | - |
| Receivables | 10 | 110 795 | 70 219 |
| Loans | | - | - |
| Aid assistance prepayments | | - | - |
| Aid assistance receivable | | - | - |
| Non-current assets | | 418 142 | 378 838 |
| Investments | 11 | 1 589 | 1 509 |
| Receivables | 10 | 416 553 | 377 329 |
| Loans | | - | - |
| TOTAL ASSETS | | 684 842 | 558 016 |
| LIABILITIES | | | |
| Current liabilities | | 481 804 | 395 462 |
| Voted funds to be surrendered to the Revenue Fund | 12 | 69 406 | 320 136 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13 | 8 301 | 15 949 |
| Bank overdraft | 14 | 362 798 | 5 345 |
| Payables | 15 | 41 299 | 54 032 |
| Aid assistance repayable | | - | - |
| Aid assistance unutilised | | - | - |
| Non-current liabilities | | | |
| Payables | 16 | 1 592 | 1 511 |
| TOTAL LIABILITIES | | 483 396 | 396 973 |
| NET ASSETS | | 201 446 | 161 043 |

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2017

| | <i>Note</i> | 2016/17 | 2015/16 |
|------------------------|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Represented by: | | | |
| Capitalisation reserve | | - | - |
| Recoverable revenue | | 201 446 | 161 043 |
| Retained funds | | - | - |
| Revaluation reserves | | - | - |
| TOTAL | | 201 446 | 161 043 |

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2017

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Capitalisation Reserves | | | |
| Opening balance | | - | - |
| Transfers: | | - | - |
| Movement in Equity | | - | - |
| Movement in Operational Funds | | - | - |
| Other movements | | - | - |
| Closing balance | | - | - |
| Recoverable revenue | | | |
| Opening balance | | 161 043 | 148 371 |
| Transfers: | | 40 403 | 12 672 |
| Irrecoverable amounts written off | | - | - |
| Debts revised | | - | - |
| Debts recovered (included in departmental receipts) | | - | - |
| Debts raised | | 40 403 | 12 672 |
| Closing balance | | 201 446 | 161 043 |
| Retained funds | | | |
| Opening balance | | - | - |
| Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY) | | - | - |
| Utilised during the year | | - | - |
| Other transfers | | - | - |
| Closing balance | | - | - |
| Revaluation Reserve | | | |
| Opening balance | | - | - |
| Revaluation adjustment (Housing departments) | | - | - |
| Transfers | | - | - |
| Other | | - | - |
| Closing balance | | - | - |
| TOTAL | | 201 446 | 161 043 |

CASH FLOW STATEMENT for the year ended 31 March 2017

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 45 765 202 | 43 605 899 |
| Annual appropriated funds received | 1.1 | 45 653 119 | 43 517 870 |
| Departmental revenue received | 2 | 111 491 | 86 411 |
| Interest received | 2.2 | 592 | 1 618 |
| Net (increase)/decrease in working capital | | (139 479) | 149 513 |
| Surrendered to Revenue Fund | | (451 418) | (370 586) |
| Surrendered to RDP Fund/Donor | | - | - |
| Current payments | | (41 419 857) | (38 355 744) |
| Interest paid | 5 | (528) | (137 932) |
| Payments for financial assets | | - | - |
| Transfers and subsidies paid | | (1 945 524) | (1 908 152) |
| Net cash flow available from operating activities | 17 | 1 808 396 | 2 982 998 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 7 | (2 217 809) | (2 440 909) |
| Proceeds from sale of capital assets | 2.3 | 11 556 | 5 489 |
| (Increase)/decrease in loans | | - | - |
| (Increase)/decrease in investments | | (80) | (52) |
| (Increase)/decrease in other financial assets | | - | - |
| Net cash flows from investing activities | | (2 206 333) | (2 435 472) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Distribution/dividend received | | - | - |
| Increase/(decrease) in net assets | | 40 403 | 12 672 |
| Increase/(decrease) in non-current payables | | 81 | 51 |
| Net cash flows from financing activities | | 40 484 | 12 723 |
| Net increase/(decrease) in cash and cash equivalents | | (357 453) | 560 249 |
| Cash and cash equivalents at beginning of period | | (5 345) | (565 594) |
| Cash and cash equivalents at end of period | 14 | (362 798) | (5 345) |

ACCOUNTING POLICIES for the year ended 31 March 2017

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 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.

1.4 Rounding

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

1.5 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.

1.6 Errors

Current period errors in that period, are investigated and corrected before the financial statements are authorised for issue. Material errors discovered in a subsequent period and these prior period errors are corrected in the comparative information presented in the financial statements for subsequent period.

ACCOUNTING POLICIES for the year ended 31 March 2017

1.7 Comparative figures - Appropriation Statement

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

2 Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

2.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

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.

ACCOUNTING POLICIES for the year ended 31 March 2017

Cheques issued in previous accounting periods that expire before being banked is recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is re-issued 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 of 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 expenses.

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.

ACCOUNTING POLICIES for the year ended 31 March 2017

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.

ACCOUNTING POLICIES for the year ended 31 March 2017

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

The overspending of a vote or a main division within a vote; or expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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 recorded in the notes to the financial statements when confirmed. It is expenditure made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

3.8 Irregular expenditure

Irregular Expenditure is recorded in the notes to the financial statements when confirmed. Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

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).

ACCOUNTING POLICIES for the year ended 31 March 2017

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 and derecognised as and when the goods/services are received or the funds are utilised.

Prepayments 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 (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost. Amounts that are potentially irrecoverable are included in the disclosure notes.

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. This would be inventory held in the form of materials or supplies that are to be consumed or distributed in the rendering of services.

ACCOUNTING POLICIES for the year ended 31 March 2017

4.8 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

4.9 Capital assets

4.9.1 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”, recorded in the notes of the financial statements and is capitalised in the asset register of the department on completion of the project. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

4.9.2 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”. Completed projects before final completion and handover to Department of Public Works is disclosed in the notes. On final completion and handover, 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.

4.9.3 Intangible 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”, recorded in the notes of the financial statements and is capitalised in the asset register of the department on completion of the project. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

ACCOUNTING POLICIES for the year ended 31 March 2017

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.

5.1 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

Payables comprise of all money owed by the department which is due after reporting date. This is recognised in the Statement of Financial Position at cost.

5.5 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

5.6 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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 notes.

Accrued expenditure payable is recorded in the notes to the financial statements. Accrued expenditure payable is measured at cost.

5.8 Payables not recognised

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 notes.

5.9 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

ACCOUNTING POLICIES for the year ended 31 March 2017

5.10 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 notes.

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

5.11 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

6 Accrued departmental revenue

Accrued departmental revenue are disclosed in the notes to the annual financial statements. These accrued departmental revenues are written off when identified as irrecoverable and are disclosed separately.

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 notes.

9 Key management personnel

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

10 Principal-Agent

The Agents costs is recorded in the notes to the financial statements. These Agents are contracted to the Department of Education to manage and facilitate capital projects on its behalf.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

1. Annual Appropriation

1.1 Annual Appropriation

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

| | 2016/17 | | | 2015/16 | |
|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|
| | Final | Actual Funds | Funds not | Final | Appropriation |
| | Appropriation | Received | requested/not received | Appropriation | received |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 1 855 558 | 1 855 558 | - | 1 654 260 | 1 654 260 |
| Public Ordinary School | 37 942 993 | 37 942 993 | - | 35 826 451 | 35 826 451 |
| Education | | | | | |
| Independent School | 81 941 | 81 941 | - | 77 817 | 77 817 |
| Subsidies | | | | | |
| Public Special School | 1 052 128 | 1 052 128 | - | 944 327 | 944 327 |
| Education | | | | | |
| Early Childhood | 894 684 | 894 684 | - | 672 506 | 672 506 |
| Development | | | | | |
| Infrastructure | 2 596 391 | 2 509 501 | 86 890 | 2 613 953 | 2 968 953 |
| Development | | | | | |
| Examination and | 1 316 314 | 1 316 314 | - | 1 373 556 | 1 373 556 |
| Education Related | | | | | |
| Services | | | | | |
| Total | 45 740 009 | 45 653 119 | 86 890 | 43 162 870 | 43 517 870 |

Additional budget received amounting to R 86 890 ('000) through Provincial Treasury after adjustment estimates and at reporting date no funds have been received for Infrastructure Development.

1.2 Conditional grants

| | Note | 2016/17 | 2015/16 |
|---|------|-----------|-----------|
| | | R'000 | R'000 |
| Total grants received | 35 | 3 467 761 | 3 395 026 |
| Provincial grants included in Total Grants received | | 1 958 321 | 1 978 683 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

2. Departmental revenue

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| Tax revenue | | - | - |
| Sales of goods and services other than capital assets | 2.1 | 56 377 | 48 807 |
| Interest, dividends and rent on land | 2.2 | 592 | 1 618 |
| Sales of capital assets | 2.3 | 11 556 | 5 489 |
| Transactions in financial assets and liabilities | 2.4 | 55 114 | 37 604 |
| Total revenue collected | | 123 639 | 93 518 |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | | 123 639 | 93 518 |

2.1 Sales of goods and services other than capital assets

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| | 2 | | |
| Sales of goods and services produced by the department | | 56 377 | 48 772 |
| Sales by market establishment | | 2 004 | 2 094 |
| Administrative fees | | - | - |
| Other sales | | 54 373 | 46 678 |
| Sales of scrap, waste and other used current goods | | - | 35 |
| Total | | 56 377 | 48 807 |

2.2 Interest, dividends and rent on land

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--------------|------|------------------|------------------|
| | 2 | | |
| Interest | | 592 | 1 618 |
| Dividends | | - | - |
| Rent on land | | - | - |
| Total | | 592 | 1 618 |

2.3 Sale of capital assets

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--------------------------------------|------|------------------|------------------|
| | 2 | | |
| Tangible assets | | 11 556 | 5 489 |
| Buildings and other fixed structures | | - | - |
| Machinery and equipment | 30.2 | 11 556 | 5 489 |
| Total | | 11 556 | 5 489 |

2.4 Transactions in financial assets and liabilities

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| | 2 | | |
| Loans and advances | | - | - |
| Receivables | | 19 352 | 15 235 |
| Forex gain | | - | - |
| Stale cheques written back | | - | - |
| Other Receipts including Recoverable Revenue | | 35 762 | 22 369 |
| Gains on GFECRA | | - | - |
| Total | | 55 114 | 37 604 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

3. Compensation of employees

3.1 Salaries and Wages

| | Note | 2016/17 | 2015/16 |
|----------------------------------|------|-------------------|-------------------|
| | | R'000 | R'000 |
| Basic salary | | 27 445 586 | 25 293 571 |
| Performance award | | 33 600 | 36 679 |
| Service Based | | 63 510 | 60 046 |
| Compensative/circumstantial | | 581 112 | 464 258 |
| Periodic payments | | 9 623 | 71 029 |
| Other non-pensionable allowances | | 4 260 506 | 3 730 909 |
| Total | | 32 393 937 | 29 656 492 |

3.2 Social contributions

| | Note | 2016/17 | 2015/16 |
|--|------|-------------------|-------------------|
| | | R'000 | R'000 |
| Employer contributions | | | |
| Pension | | 3 420 515 | 3 130 717 |
| Medical | | 1 785 210 | 1 731 542 |
| UIF | | 672 | 465 |
| Bargaining council | | 2 469 | 2 349 |
| Official unions and associations | | 5 592 | 5 513 |
| Insurance | | - | 2 |
| Total | | 5 214 458 | 4 870 588 |
| Total compensation of employees | | 37 608 395 | 34 527 080 |
| Average number of employees | | 105 633 | 105 538 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

4. Goods and services

| | Note | 2016/17 | 2015/16 |
|---|------|------------------|------------------|
| | | R'000 | R'000 |
| Administrative fees | | 12 585 | 6 105 |
| Advertising | | 5 283 | 6 783 |
| Minor assets | 4.1 | 1 772 | 3 633 |
| Bursaries (employees) | | 67 898 | 88 642 |
| Catering | | 68 537 | 54 315 |
| Communication | | 37 272 | 26 390 |
| Computer services | 4.2 | 84 619 | 31 382 |
| Consultants: Business and advisory services | | 103 125 | 107 335 |
| Infrastructure and planning services | | 95 | - |
| Legal services | | 12 820 | 120 626 |
| Contractors | | 6 053 | 10 467 |
| Agency and support / outsourced services | | 1 255 940 | 1 350 847 |
| Entertainment | | 6 | 15 |
| Audit cost – external | 4.3 | 12 099 | 9 923 |
| Fleet services | | 39 403 | 38 190 |
| Inventory | 4.4 | 868 878 | 827 039 |
| Consumables | 4.5 | 44 892 | 143 603 |
| Operating leases | | 80 837 | 21 283 |
| Property payments | 4.6 | 493 443 | 457 009 |
| Rental and hiring | | 1 201 | 30 142 |
| Transport provided as part of the departmental activities | | 10 047 | 8 294 |
| Travel and subsistence | 4.7 | 380 242 | 300 288 |
| Venues and facilities | | 23 155 | 18 700 |
| Training and development | | 9 451 | 52 761 |
| Other operating expenditure | 4.8 | 238 755 | 128 174 |
| Total | | 3 858 408 | 3 841 946 |

4.1 Minor assets

| | Note | 2016/17 | 2015/16 |
|--------------------------------------|------|--------------|--------------|
| | 4 | R'000 | R'000 |
| Tangible assets | | | |
| Buildings and other fixed structures | | - | - |
| Machinery and equipment | | 1 772 | 3 633 |
| Transport assets | | - | - |
| Intangible assets | | | |
| Software | | - | - |
| Total | | 1 772 | 3 633 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

4.2 Computer services

| | Note | 2016/17 | 2015/16 |
|-------------------------------------|------|---------------|---------------|
| | 4 | R'000 | R'000 |
| SITA computer services | | 84 336 | 30 687 |
| External computer service providers | | 283 | 695 |
| Total | | 84 619 | 31 382 |

4.3 Audit cost – External

| | Note | 2016/17 | 2015/16 |
|--------------------|------|---------------|--------------|
| | 4 | R'000 | R'000 |
| Regularity audits | | 12 099 | 9 923 |
| Performance audits | | - | - |
| Total | | 12 099 | 9 923 |

4.4 Inventory

| | Note | 2016/17 | 2015/16 |
|---|-------|----------------|----------------|
| | 4 | R'000 | R'000 |
| Clothing material and accessories | | 156 | 3 264 |
| Farming supplies | | - | - |
| Food and food supplies | | 23 | 31 |
| Fuel, oil and gas | | 393 | 367 |
| Learning, teaching and support material | | 625 286 | 611 674 |
| Materials and supplies | | 769 | 4 273 |
| Medical supplies | | - | 164 |
| Medicine | | - | - |
| Other supplies | 4.4.1 | 242 251 | 207 266 |
| Total | | 868 878 | 827 039 |

4.4.1 Other supplies

| | Note | 2016/17 | 2015/16 |
|-------------------------------|------|----------------|----------------|
| | 4.4 | R'000 | R'000 |
| Assets for distribution | | 242 191 | 207 232 |
| Machinery and equipment | | - | - |
| School furniture | | 242 191 | 207 232 |
| Sports and recreation | | - | - |
| Library material | | - | - |
| Other assets for distribution | | - | - |
| Other | | 60 | 34 |
| Total | | 242 251 | 207 266 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

4.5 Consumables

| | Note | 2016/17 | 2015/16 |
|--|------|---------------|----------------|
| | 4 | R'000 | R'000 |
| Consumable supplies | | 19 490 | 8 652 |
| Uniform and clothing | | 881 | 345 |
| Household supplies | | 16 916 | 6 951 |
| Building material and supplies | | 10 | 98 |
| Communication accessories | | - | - |
| IT consumables | | - | - |
| Other consumables | | 1 683 | 1 258 |
| Stationery, printing and office supplies | | 25 402 | 134 951 |
| Total | | 44 892 | 143 603 |

4.6 Property payments

| | Note | 2016/17 | 2015/16 |
|----------------------------------|------|----------------|----------------|
| | 4 | R'000 | R'000 |
| Municipal services | | 69 021 | 130 866 |
| Property management fees | | - | - |
| Property maintenance and repairs | | 316 538 | 238 941 |
| Other | | 107 884 | 87 202 |
| Total | | 493 443 | 457 009 |

4.7 Travel and subsistence

| | Note | 2016/17 | 2015/16 |
|--------------|------|----------------|----------------|
| | 4 | R'000 | R'000 |
| Local | | 377 281 | 299 751 |
| Foreign | | 2 961 | 537 |
| Total | | 380 242 | 300 288 |

4.8 Other operating expenditure

| | Note | 2016/17 | 2015/16 |
|---|------|----------------|----------------|
| | 4 | R'000 | R'000 |
| Professional bodies, membership and subscription fees | | - | 2 |
| Resettlement costs | | 1 029 | 2 840 |
| Other | | 237 726 | 125 332 |
| Total | | 238 755 | 128 174 |

5. Interest and rent on land

| | Note | 2016/17 | 2015/16 |
|---------------|------|------------|----------------|
| | | R'000 | R'000 |
| Interest paid | | 528 | 137 932 |
| Total | | 528 | 137 932 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

6. Transfers and subsidies

| | | 2016/17 | 2015/16 |
|------------------------------------|-------------|------------------|------------------|
| | | R'000 | R'000 |
| | <i>Note</i> | | |
| Provinces and municipalities | 36 | 1 331 | 1 702 |
| Departmental agencies and accounts | Annex 1A | 83 257 | 78 139 |
| Non-profit institutions | Annex 1B | 1 692 709 | 1 656 841 |
| Households | Annex 1C | 168 227 | 171 470 |
| Total | | 1 945 524 | 1 908 152 |

7. Expenditure for capital assets

| | <i>Note</i> | 2016/17 | 2015/16 |
|--------------------------------------|-------------|------------------|------------------|
| | | R'000 | R'000 |
| Tangible assets | | 2 217 562 | 2 440 909 |
| Buildings and other fixed structures | | 2 170 374 | 2 343 612 |
| Machinery and equipment | 30.1 | 47 188 | 97 297 |
| Intangible assets | | 247 | - |
| Software | 31 | 247 | - |
| Total | | 2 217 809 | 2 440 909 |

7.1 Analysis of funds utilised to acquire capital assets – 2016/17

| | Voted funds | Aid assistance | Total |
|--------------------------------------|------------------|----------------|------------------|
| | R'000 | R'000 | R'000 |
| Tangible assets | 2 217 562 | - | 2 217 562 |
| Buildings and other fixed structures | 2 170 374 | - | 2 170 374 |
| Machinery and equipment | 47 188 | - | 47 188 |
| Intangible assets | 247 | - | 247 |
| Software | 247 | - | 247 |
| Total | 2 217 809 | - | 2 217 809 |

7.2 Analysis of funds utilised to acquire capital assets – 2015/16

| | Voted funds | Aid assistance | Total |
|--------------------------------------|------------------|----------------|------------------|
| | R'000 | R'000 | R'000 |
| Tangible assets | 2 440 909 | - | 2 440 909 |
| Buildings and other fixed structures | 2 343 612 | - | 2 343 612 |
| Machinery and equipment | 97 297 | - | 97 297 |
| Total | 2 440 909 | - | 2 440 909 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

| | Note | 2016/17 | 2015/16 |
|--|------|----------------|----------------|
| | | R'000 | R'000 |
| Opening balance | | 108 959 | 260 333 |
| Prior period error | | - | - |
| As restated | | 108 959 | 260 333 |
| Unauthorised expenditure – discovered in current year (as restated) | | 78 839 | 45 174 |
| Less: Amounts approved by Parliament/Legislature with funding | | - | (164 656) |
| Less: Amounts approved by Parliament/Legislature without funding | | (31 893) | (31 892) |
| Current | | (31 893) | (31 892) |
| Unauthorised expenditure awaiting authorisation / written off | | 155 905 | 108 959 |

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

| | 2016/17 | 2015/16 |
|-------------------------|----------------|----------------|
| | R'000 | R'000 |
| Current | 155 905 | 108 959 |
| Capital | - | - |
| Transfers and subsidies | - | - |
| Total | 155 905 | 108 959 |

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

| | 2016/17 | 2015/16 |
|---|----------------|----------------|
| | R'000 | R'000 |
| Unauthorised expenditure relating to overspending of the vote or a main division within a vote | 155 905 | 108 959 |
| Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division | - | - |
| Total | 155 905 | 108 959 |

8.4 Details of unauthorised expenditure – current year

| Incident | Disciplinary steps taken/criminal proceedings | 2016/17 |
|--------------|---|---------------|
| | | R'000 |
| Programme 5 | Early Childhood Development | 78 839 |
| Total | | 78 839 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

9. Prepayments and advances

| | Note | 2016/17 | 2015/16 |
|---------------|------|----------|----------|
| | | R'000 | R'000 |
| Advances paid | 9.1 | - | - |
| Total | | - | - |

9.1 Advances paid

| | Note | 2016/17 | 2015/16 |
|-----------------|------|---------|---------|
| | | R'000 | R'000 |
| Public entities | 9 | - | - |

10. Receivables

| 2016/17 | | | | 2015/16 | | | |
|---------------------------|------|----------------|----------------|----------------|---------------|----------------|----------------|
| | | Current | Non-current | Total | Current | Non-current | Total |
| | Note | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims | | | | | | | |
| recoverable | 10.1 | 19 312 | 4 413 | 23 725 | 3 980 | 2 317 | 6 297 |
| Staff debt | 10.2 | 81 210 | 362 620 | 443 830 | 57 814 | 332 209 | 390 023 |
| Fruitless and wasteful | | | | | | | |
| expenditure | 10.4 | - | 19 924 | 19 924 | - | 19 924 | 19 924 |
| Other debtors | 10.3 | 10 273 | 29 596 | 39 869 | 8 425 | 22 879 | 31 304 |
| Total | | 110 795 | 416 553 | 527 348 | 70 219 | 377 329 | 447 548 |

10.1 Claims recoverable

| | Note | 2016/17 | 2015/16 |
|------------------------|------|---------------|--------------|
| | | R'000 | R'000 |
| National departments | 10 | 13 888 | 454 |
| Provincial departments | | 9 837 | 5 843 |
| Total | | 23 725 | 6 297 |

10.2 Staff debt

| | Note | 2016/17 | 2015/16 |
|--------------------|------|----------------|----------------|
| | | R'000 | R'000 |
| Staff Debt Account | 10 | 443 822 | 389 361 |
| Salary: Tax Debt | | 8 | 662 |
| Total | | 443 830 | 390 023 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

10.3 Other debtors

| | Note | 2016/17 | 2015/16 |
|---|------|---------------|---------------|
| | 10 | R'000 | R'000 |
| Advances to Public Corporations and Private Enterprises | | 1 095 | - |
| Salary Accounts | | 4 512 | 6 241 |
| Debt Account: Supplier Debtors | | 1 105 | 1 290 |
| Official Union Debt | | 33 157 | 23 773 |
| Total | | 39 869 | 31 304 |

10.4 Fruitless and wasteful expenditure

| | Note | 2016/17 | 2015/16 |
|---|------|---------------|---------------|
| | 10 | R'000 | R'000 |
| Opening balance | | 19 924 | 19 924 |
| Less amounts recovered | | - | - |
| Less amounts written off | | - | - |
| Transfers from note 26 Fruitless and Wasteful Expenditure | | - | - |
| Total | | 19 924 | 19 924 |

11. Investments

| | Note | 2016/17 | 2015/16 |
|-------------------------------------|------|--------------|--------------|
| | | R'000 | R'000 |
| Non-Current | | | |
| Securities other than shares | | | |
| JMNA Hershensohn Funds | | 242 | 239 |
| Robert Acutt Scholarship Fund | | 211 | 203 |
| FL Johnsson Scholarship Fund | | 107 | 104 |
| Harry Escombe Scholarship Fund | | 149 | 141 |
| HA Koch Scholarship Fund | | 802 | 749 |
| Jean Miller Memorial Prize Fund | | 78 | 73 |
| Total | | 1 589 | 1 509 |
| Total Non-Current | | 1 589 | 1 509 |

| | 2016/17 | 2015/16 |
|--|--------------|--------------|
| | R'000 | R'000 |
| Analysis of non-current investments | | |
| Opening balance | 1 509 | 1 457 |
| Additions in cash | 80 | 52 |
| Closing balance | 1 589 | 1 509 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

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 in savings and money market instruments, thus earning market related interest. For the 2016/17 financial period the trusts earned R 81 055-92 (R 518 862 - from 2006/7 to 2015/16). The credit in respect of the interest is posted to the Payables-non-current - Note 16.

12. Voted funds to be surrendered to the Revenue Fund

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 320 136 | (68 554) |
| Prior period re-statement | 12.1 | - | - |
| As restated | | 320 136 | (68 554) |
| Transfer from statement of financial performance (as restated) | | 77 452 | 274 959 |
| Add: Unauthorised expenditure for current year | 8 | 78 839 | 45 174 |
| Voted funds not requested/not received | 1.1 | (86 890) | 355 000 |
| Paid during the year | | (320 131) | (286 443) |
| Closing balance | | 69 406 | 320 136 |

The above closing balance consists of a 116 807 ('000) rand value to be surrendered to National Departments for unspent conditional grants and a 39 484 ('000) rand value to be surrendered to the Provincial Revenue Fund. The Department had been further allocated an 86 890 ('000) rand value after the mid-year adjustment estimates, which at reporting date was still not received from Provincial Treasury.

12.1 Prior period re-statement

| | Note | 2015/16 R'000 |
|--|------|------------------|
| Nature of prior period re-statement | 12 | |
| Relating to 2015/16 | | - |
| | | |
| Total prior period re-statement | | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

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

| | Note | 2016/17 | 2015/16 |
|--|------|--------------|---------------|
| | | R'000 | R'000 |
| Opening balance | | 15 949 | 6 574 |
| Prior period error | | - | - |
| As restated | | 15 949 | 6 574 |
| Transfer from Statement of Financial Performance (as restated) | | 123 639 | 93 518 |
| Paid during the year | | (131 287) | (84 143) |
| Closing balance | | 8 301 | 15 949 |

14. Bank Overdraft

| | Note | 2016/17 | 2015/16 |
|--|------|----------------|--------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General Account | | 362 798 | 5 345 |
| Total | | 362 798 | 5 345 |

15. Payables – current

| | Note | 2016/17 | 2015/16 |
|---------------------------------|------|---------------|---------------|
| | | R'000 | R'000 |
| Amounts owing to other entities | | - | - |
| Clearing accounts | 15.1 | 40 703 | 44 455 |
| Other payables | 15.2 | 596 | 9 577 |
| Total | | 41 299 | 54 032 |

15.1 Clearing accounts

| | Note | 2016/17 | 2015/16 |
|--------------------------------------|------|---------------|---------------|
| | 15 | R'000 | R'000 |
| Sal: ACB recalls | | 23 007 | 19 492 |
| Sal: UIF | | - | 5 |
| Sal: Bargaining council | | 85 | 145 |
| Sal: Finance institution study loans | | 818 | 839 |
| Sal: Garnishee order | | 522 | 414 |
| Sal: Income tax | | 14 173 | 22 809 |
| Sal: Medical aid | | 1 755 | 751 |
| Sal: Housing | | 1 | - |
| Sal: Salary reversal account | | 342 | - |
| Total | | 40 703 | 44 455 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

15.2 Other payables

| | <i>Note</i> | 2016/17 | 2015/16 |
|---|-------------|----------------|----------------|
| | <i>15</i> | R'000 | R'000 |
| Sal: GEHS refund control | | 596 | - |
| Salary: Pension Debt Account | | - | 881 |
| Advances to Public Corporations and Private Enterprises | | - | 8 696 |
| Total | | 596 | 9 577 |

16. Payables – non-current

| | | 2016/17 | | | | 2015/16 |
|----------------|-------------|-----------------------------|-----------------------------------|----------------------------------|--------------|----------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | | One to two years | Two to three years | More than three years | Total | Total |
| | <i>Note</i> | | | | | |
| Other payables | <i>16.1</i> | 134 | 51 | 1 407 | 1 592 | 1 511 |
| Total | | 134 | 51 | 1 407 | 1 592 | 1 511 |

16.1 Other payables

| | <i>Note</i> | 2016/17 | 2015/16 |
|----------------------------------|-------------|----------------|----------------|
| | <i>16</i> | R'000 | R'000 |
| JMNA Hershensohn Funds | | 245 | 242 |
| Robert Acutt Scholarship Fund | | 211 | 203 |
| FL Johnsson Scholarship Fund | | 107 | 104 |
| Harry Escombe Scholarship Fund | | 149 | 141 |
| HA Koch Scholarship Fund | | 801 | 747 |
| Jean Miller Memorial Prize Fund | | 78 | 73 |
| Umkomaas War Memorial Prize Fund | | 1 | 1 |
| Total | | 1 592 | 1 511 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

17. Net cash flow available from operating activities

| | Note | 2016/17 | 2015/16 |
|--|------|------------------|------------------|
| | | R'000 | R'000 |
| Net surplus/(deficit) as per Statement of Financial Performance | | 201 091 | 368 477 |
| Add back non-cash/cash movements not deemed operating activities | | 1 607 305 | 2 614 521 |
| (Increase)/decrease in receivables – current | | (79 800) | 73 250 |
| (Increase)/decrease in prepayments and advances | | - | - |
| (Increase)/decrease in other current assets | | 31 893 | 196 548 |
| Increase/(decrease) in payables – current | | (12 733) | (75 111) |
| Proceeds from sale of capital assets | | (11 556) | (5 489) |
| Proceeds from sale of investments | | - | - |
| (Increase)/decrease in other financial assets | | - | - |
| Expenditure on capital assets | | 2 217 809 | 2 440 909 |
| Surrenders to Revenue Fund | | (451 418) | (370 586) |
| Surrenders to RDP Fund/Donor | | - | - |
| Voted funds not requested/not received | | (86 890) | 355 000 |
| Own revenue included in appropriation | | - | - |
| Other non-cash items | | - | - |
| Net cash flow generated by operating activities | | 1 808 396 | 2 982 998 |

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

| | Note | 2016/17 | 2015/16 |
|--|------|------------------|----------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General account | | (362 798) | (5 345) |
| Total | | (362 798) | (5 345) |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

19. Contingent liabilities and contingent assets

Contingent liabilities

| | Note | 2016/17 | 2015/16 |
|---|---------------|----------------|----------------|
| | | R'000 | R'000 |
| Liability to | Nature | | |
| Motor vehicle guarantees | Employees | - | - |
| Housing loan guarantees | Employees | Annex 2A 4 418 | 4 065 |
| Other guarantees | | - | - |
| Claims against the department | Annex 2B | 805 535 | 224 809 |
| Intergovernmental payables (unconfirmed balances) | Annex 4 | 126 185 | 468 |
| Environmental rehabilitation liability | | - | - |
| Other | Annex 2B | 5 912 | 114 601 |
| Total | | 942 050 | 343 943 |

"Housing loan guarantees" reside with financial institutions and the uncertainty of when the department becomes liable.

"Claims against the department" are those claims made by third parties, where there is an uncertainty around the settlement amount.

"Intergovernmental payables (unconfirmed balances)" are balances that the department cannot confirm at date of reporting.

"Other" this category of amount that is uncertain, is disclosed separately, if it does not form a part of those listed above.

19.2 Contingent assets

| | Note | 2016/17 | 2015/16 |
|---|------|----------------|----------------|
| | | R'000 | R'000 |
| Nature of contingent asset | | | |
| Strike debtors 2010/11 recovery | | 606 325 | 606 325 |
| Termination Ex-employees (Without Reversals) and Frozen cases | | 6 003 | 9 461 |
| Legal claims on behalf of the department | | 1 060 | 1 060 |
| Transfers to other Departments | | 5 432 | 12 833 |
| Secondment of staff to Trade Unions Claim | | - | - |
| Disputed payments Ilembe Enterprises/NSNP | | 6 304 | 6 304 |
| Total | | 625 124 | 635 983 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

20. Commitments

| | <i>Note</i> | 2016/17 | 2015/16 |
|---------------------------------|-------------|------------------|------------------|
| | | R'000 | R'000 |
| Current expenditure | | | |
| Approved and contracted | | 195 306 | 544 776 |
| Approved but not yet contracted | | 2 145 | 7 787 |
| | | 197 451 | 552 563 |
| Capital expenditure | | | |
| Approved and contracted | | 3 451 010 | 2 934 726 |
| Approved but not yet contracted | | - | 9 745 |
| | | 3 451 010 | 2 944 471 |
| Total Commitments | | 3 648 461 | 3 497 034 |

Capital commitments amounting to R 3 812 471 ('000) is per the Infrastructure Reporting Template developed internally by the department. This amount is inclusive of infrastructure accruals.

21. Accruals and payables not recognised

21.1 Accruals

| | | 2016/17 | 2015/16 |
|--|----------------|-----------------|----------------|
| | | R'000 | R'000 |
| Listed by economic classification | | | |
| | 30 Days | 30+ Days | Total |
| Goods and services | 105 984 | 283 908 | 389 892 |
| Interest and rent on land | - | - | - |
| Transfers and subsidies | - | 12 736 | 12 736 |
| Capital assets | - | 200 778 | 200 778 |
| Other | 77 133 | - | 77 133 |
| Total | 183 117 | 497 422 | 680 539 |

| Listed by programme level | <i>Note</i> | 2016/17 | 2015/16 |
|--|-------------|----------------|----------------|
| | | R'000 | R'000 |
| Administration | | 88 383 | 86 474 |
| Public ordinary school education | | 251 639 | 411 717 |
| Independent school subsidies | | - | - |
| Public special school education | | 1 360 | 199 |
| Early childhood development | | 154 | 468 |
| Infrastructure development | | 260 009 | 91 724 |
| Examination and education related services | | 78 994 | 56 727 |
| Total | | 680 539 | 647 309 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

21.2 Payables not recognised

| | | | | 2016/17 | 2015/16 |
|-----------------------------------|---------------|----------------|----------------|---------|--------------|
| | | | | R'000 | R'000 |
| Listed by economic classification | | | | | |
| | 30 Days | 30+ Days | Total | | Total |
| Goods and services | 26 369 | 103 314 | 129 683 | | 4 433 |
| Interest and rent on land | - | - | - | | - |
| Transfers and subsidies | - | 409 | 409 | | - |
| Capital assets | - | 162 405 | 162 405 | | - |
| Other | 72 951 | - | 72 951 | | 248 |
| Total | 99 320 | 266 128 | 365 448 | | 4 681 |

| Listed by programme level | | Note | 2016/17 | 2015/16 |
|--|--|------|----------------|--------------|
| | | | R'000 | R'000 |
| Administration | | | 57 957 | 4 681 |
| Public ordinary school education | | | 139 181 | - |
| Independent school subsidies | | | 368 | - |
| Public special school education | | | 125 | - |
| Early childhood development | | | 693 | - |
| Infrastructure development | | | 161 460 | - |
| Examination and education related services | | | 5 664 | - |
| Total | | | 365 448 | 4 681 |

| | Note | 2016/17 | 2015/16 |
|---|---------|----------------|--------------|
| | | R'000 | R'000 |
| Included in the totals are the following: | | | |
| Confirmed balances with other departments | Annex 4 | 167 047 | 1 766 |
| Confirmed balances with other government entities | | - | - |
| Total | | 167 047 | 1 766 |

22. Employee benefits

| | Note | 2016/17 | 2015/16 |
|-----------------------------------|------|------------------|------------------|
| | | R'000 | R'000 |
| Leave entitlement | | 147 901 | 136 553 |
| Service bonus (Thirteenth cheque) | | 1 135 724 | 1 046 822 |
| Performance awards | | - | - |
| Capped leave commitments | | 2 634 846 | 2 664 574 |
| Other | | 51 011 | 23 914 |
| Total | | 3 969 482 | 3 871 863 |

The leave entitlement and capped leave balances as disclosed above are the net of negative balances. The negative balances amount is R 357 351-62 relating to 90 cases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

23. Lease commitments

23.1 Operating leases expenditure

| 2016/17 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------------|---------------|---|-------------------------------|----------------|
| Not later than 1 year | - | 4 415 | 59 428 | 33 503 | 97 346 |
| Later than 1 year and not later than 5 years | - | 17 662 | 122 633 | 7 886 | 148 181 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | 22 077 | 182 061 | 41 389 | 245 527 |

| 2015/16 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|--|--------------------------------------|--------------|---|-------------------------------|----------------|
| Not later than 1 year | - | 4 373 | 66 301 | 108 895 | 179 569 |
| Later than 1 year and not later than 5 years | - | 2 932 | 89 781 | 6 567 | 99 280 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | 7 305 | 156 082 | 115 462 | 278 849 |

Generally the lease commitments of the Department relates to leased buildings whose period may be between periods of one to ten years. The other category relates to the leasing of machinery whose period is less than or equal to three years. The final category relates to the renting of public schools on private land which are termed Section 14 agreements per the South African Schools Act of 1996. These agreements are in perpetuity, however the disclosure is made up of five years. The department has no renewal or purchase options. There is no lease restrictions.

24. Accrued departmental revenue

| | Note | 2016/17 | 2015/16 |
|--------------------------------------|-------------|---------------|---------------|
| | | R'000 | R'000 |
| Interest, dividends and rent on land | | 7 417 | 7 417 |
| Other | | 21 092 | 15 289 |
| Total | 24.1 | 28 509 | 22 706 |

This is funds due to the department for LTSM discounts and interest from Managing Agents.

24.1 Analysis of accrued departmental revenue

| | Note | 2016/17 | 2015/16 |
|---|-----------|---------------|---------------|
| | | R'000 | R'000 |
| Opening balance | | 22 706 | 22 706 |
| Add: amounts recognised | | 5 803 | - |
| Less: amounts written-off/reversed as irrecoverable | | - | - |
| Closing balance | 24 | 28 509 | 22 706 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

| | Note | 2016/17 | 2015/16 |
|---|------|------------------|------------------|
| | | R'000 | R'000 |
| Opening balance | | 2 811 105 | 2 533 280 |
| Prior period error | | - | - |
| As restated | | 2 811 105 | 2 533 280 |
| Add: Irregular expenditure – relating to prior year | | 2 251 | - |
| Add: Irregular expenditure – relating to current year | | 822 209 | 283 278 |
| Less: Prior year amounts condoned | | (1 455) | - |
| Less: Current year amounts condoned | | (1 964) | (5 453) |
| Less: Amounts not condoned and not recoverable | | - | - |
| Closing balance | | 3 632 146 | 2 811 105 |

Analysis of awaiting condonation per age classification

| | | |
|--------------|------------------|------------------|
| Current year | 820 245 | 277 825 |
| Prior years | 2 811 901 | 2 533 280 |
| Total | 3 632 146 | 2 811 105 |

Included in the prior year's irregular expenditure is an amount of 719 409 ('000) rand value which is still being investigated by the department.

25.2 Details of irregular expenditure – current year

| Incident | Disciplinary steps taken/criminal proceedings | 2016/17 R'000 |
|---------------------------|---|------------------|
| Goods and Services | Still being investigated | 811 694 |
| Payment of Capital Assets | Still being investigated | 10 515 |
| Total | | 822 209 |

25.3 Details of irregular expenditure condoned

| Incident | Condoned by (condoning authority) | 2016/17 R'000 |
|--------------------|-----------------------------------|------------------|
| Goods and Services | Condoned by Accounting Officer | 3 419 |
| Total | | 3 419 |

25.4 Details of irregular expenditure not recoverable (not condoned)

| Incident | Not condoned by (condoning authority) | 2016/17 R'000 |
|--------------|---------------------------------------|------------------|
| | | - |
| | | - |
| Total | | - |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

25.5 Details of irregular expenditures under investigation (not included in main note)

| Incident | 2016/17 R'000 |
|---|------------------|
| Capital projects with outstanding supply chain documents. | 32 810 |
| Total | 32 810 |

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 161 043 | 19 455 |
| Prior period error | | - | - |
| As restated | | 161 043 | 19 455 |
| Fruitless and wasteful expenditure – relating to prior year | | 1 750 | - |
| Fruitless and wasteful expenditure – relating to current year | | 5 730 | 141 588 |
| Less: Amounts resolved | | - | - |
| Fruitless and wasteful expenditure awaiting resolution | | 168 523 | 161 043 |

26.2 Analysis of awaiting resolution per economic classification

| | 2016/17 R'000 | 2015/16 R'000 |
|--------------|------------------|------------------|
| Current | 168 523 | 161 043 |
| Total | 168 523 | 161 043 |

26.3 Analysis of Current year's fruitless and wasteful expenditure

| Incident | Disciplinary steps taken/criminal proceedings | 2016/17 R'000 |
|--------------------|---|------------------|
| Goods and Services | Still being investigated | 5 730 |
| Total | | 5 730 |

27. 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 influence 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 this 2016/17 financial period. No funds was received from the Flemish Government on behalf of the trust for 2016/17 financial period at year end, as a result no funds are credited to the KwaZulu-Natal Education Development Trust. The Department acts as an agent in respect of the receipt of these funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

28. Key management personnel

| | No. of Individuals | 2016/17 R'000 | 2015/16 R'000 |
|---|-----------------------|------------------|------------------|
| Political office bearers (provide detail below) | 2 | 1 902 | 1 902 |
| Officials: | | | |
| Level 15 to 16 | 5 | 5 937 | 6 888 |
| Level 14 (incl. CFO if at a lower level) | 12 | 11 158 | 12 463 |
| Family members of key management personnel | 22 | 8 370 | 8 558 |
| Total | | 27 367 | 29 811 |

29. Provisions

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Provision 1 - Debtors ex-employees (3 yrs. and over) | | 253 624 | 201 616 |
| Provision 2 - S14 Schools Unsigned Leases | | 627 | 728 |
| Provision 3 - Retentions for Infrastructure Projects (Capital) | | 110 470 | 85 386 |
| Provision 4 - Legal Claims to be paid to Third Parties | | 1 320 | - |
| Total | | 366 041 | 287 730 |

29.1 Reconciliation of movement in provisions – 2016/17

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Provision 4 R'000 | Total provisions R'000 |
|------------------------|----------------------|----------------------|----------------------|----------------------|------------------------------|
| Opening balance | 201 616 | 728 | 85 386 | - | 287 730 |
| Increase in provision | 52 008 | - | 25 084 | 1 320 | 78 412 |
| Unused amount reversed | - | (101) | - | - | (101) |
| Closing balance | 253 624 | 627 | 110 470 | 1 320 | 366 041 |

29.2 Reconciliation of movement in provisions – 2015/16

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Total provisions R'000 |
|------------------------|----------------------|----------------------|----------------------|------------------------------|
| Opening balance | 136 441 | 735 | - | 137 176 |
| Increase in provision | 65 175 | - | 85 386 | 150 561 |
| Unused amount reversed | - | (7) | - | (7) |
| Closing balance | 201 616 | 728 | 85 386 | 287 730 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

Provision 1 - Debtors ex-employees (3 years and over) - these are debts owed by ex-employees which maybe irrecoverable.

Provision 2 - S14 Schools Unsigned Leases - these leases may become recoverable if the landlords claim the rental.

Provision 3 - Retentions for Infrastructure Projects (Capital) - amounts due to contractors on final completion of projects.

Provision 4 - Legal claims to be paid to third parties - these are amounts to be paid to third parties where the department acts as a mediator.

30. Movable Tangible Capital Assets

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

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 323 973 | 16 370 | 45 251 | 31 680 | 353 914 |
| Transport assets | 216 434 | - | 31 203 | 31 600 | 216 037 |
| Computer equipment | 82 533 | 14 387 | 10 770 | - | 107 690 |
| Furniture and office equipment | 23 989 | 1 895 | 2 847 | - | 28 731 |
| Other machinery and equipment | 1 017 | 88 | 431 | 80 | 1 456 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 323 973 | 16 370 | 45 251 | 31 680 | 353 914 |

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

| | Cash R'000 | Non-cash R'000 | (Capital Work in Progress current costs and finance lease payments) R'000 | Received current, not paid (Paid current year, received prior year) R'000 | Total R'000 |
|---|---------------|-------------------|---|--|----------------|
| MACHINERY AND EQUIPMENT | 47 188 | - | - | (1 937) | 45 251 |
| Transport assets | 33 140 | - | - | (1 937) | 31 203 |
| Computer equipment | 10 770 | - | - | - | 10 770 |
| Furniture and office equipment | 2 847 | - | - | - | 2 847 |
| Other machinery and equipment | 431 | - | - | - | 431 |
| TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 47 188 | - | - | (1 937) | 45 251 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

30.2 Disposals

| DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017 | | | | |
|--|---------------|----------|---------------|---------------|
| | Sold for cash | Non-cash | Total | Cash Received |
| | | disposal | disposals | Actual |
| | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 31 680 | - | 31 680 | 11 556 |
| Transport assets | 31 600 | - | 31 600 | 11 552 |
| Computer equipment | - | - | - | - |
| Furniture and office equipment | - | - | - | - |
| Other machinery and equipment | 80 | - | 80 | 4 |
| TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | 31 680 | - | 31 680 | 11 556 |

30.3 Movement for 2015/16

| MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016 | | | | | |
|---|-----------------|--------------------|---------------|---------------|-----------------|
| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| MACHINERY AND EQUIPMENT | 265 379 | (874) | 99 234 | 39 766 | 323 973 |
| Transport assets | 169 831 | (884) | 64 747 | 17 260 | 216 434 |
| Computer equipment | 71 748 | - | 28 610 | 17 825 | 82 533 |
| Furniture and office equipment | 22 055 | 10 | 5 469 | 3 545 | 23 989 |
| Other machinery and equipment | 1 745 | - | 408 | 1 136 | 1 017 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 265 379 | (874) | 99 234 | 39 766 | 323 973 |

30.3.1 Prior period error

| | Note | 2015/16 |
|--|------|--------------|
| | 30.3 | R'000 |
| Relating to prior 2014/15 | | (874) |
| Add - Disposed vehicles not on the FAR Opening Balance | | 553 |
| Less - Duplicates for disposed vehicles 2015/16 in Opening Balance FAR | | (1 437) |
| Add - Misclassification of asset type capital Software to Furniture & Office Equipment | | 10 |
| Total | | (874) |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017****30.4 Minor assets**

| MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017 | | | | | | |
|--|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |

| | | | | | | |
|---------------------------|----------|------------|----------|---------------|----------|---------------|
| Opening balance | - | 106 | - | 25 900 | - | 26 006 |
| Value adjustments | - | - | - | 24 464 | - | 24 464 |
| Additions | - | - | - | 1 772 | - | 1 772 |
| TOTAL MINOR ASSETS | - | 106 | - | 52 136 | - | 52 242 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-------------------------------------|--------------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| Number of R1 minor assets | - | - | - | 42 281 | - | 42 281 |
| Number of minor assets at cost | - | - | - | 31 351 | - | 31 351 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 73 632 | - | 73 632 |

| MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016 | | | | | | |
|--|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |

| | | | | | | |
|---------------------------|----------|------------|----------|---------------|----------|---------------|
| Opening balance | - | 106 | - | 29 209 | - | 29 315 |
| Additions | - | - | - | 3 633 | - | 3 633 |
| Disposals | - | - | - | 6 942 | - | 6 942 |
| TOTAL MINOR ASSETS | - | 106 | - | 25 900 | - | 26 006 |

| MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016 | | | | | | |
|--|--------------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| Number of R1 minor assets | - | - | - | 42 281 | - | 42 281 |
| Number of minor assets at cost | - | - | - | 30 507 | - | 30 507 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 72 788 | - | 72 788 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

31. Intangible Capital Assets

| MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017 | | | | | |
|---|--------------------|----------------------|------------|-----------|--------------------|
| | Opening balance | Value adjustments | Additions | Disposals | Closing Balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 1 249 | - | 247 | - | 1 496 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 1 249 | - | 247 | - | 1 496 |

31.1 Additions

| ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017 | | | | | |
|--|------------|----------|---|---|------------|
| | Cash | Non-Cash | (Development work in progress – current costs) | Received current year, not paid (Paid current year, received prior year) | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 247 | - | - | - | 247 |
| TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS | 247 | - | - | - | 247 |

31.2 Disposals

| DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017 | | | | |
|--|---------------|----------------------|--------------------|----------------------------|
| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
| | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | - | - | - | - |
| TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS | - | - | - | - |

31.3 Movement for 2015/16

| MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016 | | | | | |
|---|--------------------|-----------------------|-----------|-----------|--------------------|
| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 1 313 | (64) | - | - | 1 249 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 1 313 | (64) | - | - | 1 249 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

31.3.1 Prior period error

| | Note | 2015/16 |
|---|------|-------------|
| | 31.3 | R'000 |
| Nature of prior period error | | |
| Relating to 2014/15 (affecting the opening balance) | | (64) |
| Misclassification of asset type included in Software moved to Furniture & Equipment | | (10) |
| Adjustment for prior period not done in 2015/16 | | (54) |
| Total | | (64) |

32. Immovable Tangible Capital Assets

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

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| BUILDINGS AND OTHER FIXED | | | | | |
| STRUCTURES | 4 119 076 | - | 1 829 833 | - | 5 948 909 |
| Non-residential buildings | 4 119 076 | - | 1 829 833 | - | 5 948 909 |
| Capital Work-in-progress | 2 995 972 | - | 2 170 374 | 1 829 833 | 3 336 513 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 7 115 048 | - | 4 000 207 | 1 829 833 | 9 285 422 |

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

| | Cash R'000 | Non-cash R'000 | (Capital Work in Progress current costs and finance lease payments) R'000 | Received current, not paid (Paid current year, received prior year) R'000 | Total R'000 |
|---|------------------|--------------------|---|--|------------------|
| BUILDING AND OTHER FIXED | | | | | |
| STRUCTURES | 2 170 374 | (1 829 833) | 1 489 292 | - | 1 829 833 |
| Non-residential buildings | 2 170 374 | (1 829 833) | 1 489 292 | - | 1 829 833 |
| TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS | 2 170 374 | (1 829 833) | 1 489 292 | - | 1 829 833 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017

32.2 Movement for 2015/16

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
|---|--------------------|-----------------------|------------------|------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED | | | | | |
| STRUCTURES | 790 435 | - | 3 328 641 | - | 4 119 076 |
| Non-residential buildings | 790 435 | - | 3 328 641 | - | 4 119 076 |
| Capital Work-in-progress | 5 328 451 | (831 374) | 1 827 536 | 3 328 641 | 2 995 972 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL | | | | | |
| ASSETS | 6 118 886 | (831 374) | 5 156 177 | 3 328 641 | 7 115 048 |

32.2.1 Prior period error

| | Note | 2015/16 |
|---|------|--------------------|
| | | R'000 |
| Nature of prior period error | | |
| Relating to 2014/15 (affecting the opening balance) | 32.2 | (831 374) |
| Duplications of opening balance for previous years | | (831 374) |
| Relating to 2015/16 | | (2 791 185) |
| Duplications of Work-In-Progress for previous years | | (209 597) |
| Prior year management fee not capitalised | | 93 909 |
| Completed projects not recognised now recognised as completed | | (2 675 497) |
| Total prior period errors | | (3 622 559) |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2017****33. Agent-principal arrangements****33.1 Department acting as the principal**

| | 2016/17 | 2015/16 |
|------------------|---------------|---------------|
| | R'000 | R'000 |
| COEGA | 16 898 | 33 194 |
| IDT | 39 574 | 59 640 |
| Ethekwini Water | 201 | 612 |
| Umhlathuze Water | - | 3 055 |
| DBSA | 8 149 | - |
| Total | 64 822 | 96 501 |

The Agents listed above are contracted to the Department of Education to manage and facilitate capital and maintenance projects on its behalf. This has been revised from total cost paid in prior years to include just the management fees paid. The prior year amounts have been re-stated. This change has come about per the review done by Provincial Treasury.

34. Prior period errors**34.1 Correction of prior period errors**

| | Note | 2015/16 |
|---|------|------------------|
| | | R'000 |
| Other: | | |
| Duplications of opening balance for previous years (2014/15) | | (831 374) |
| Duplications of Work-In-Progress for previous years (2015/16) | | (209 597) |
| Prior year management fee not capitalised (2015/16) | | 93 909 |
| Completed projects not recognised now recognised as completed (2015/16) | | (2 675 497) |
| Completed projects now recognised as completed projects (2015/16) | | 2 675 497 |
| Net effect | | (947 062) |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

36. STATEMENT OF CONDITIONAL/UNCONDITIONAL GRANTS AND TRANSFERS PAID TO PROVINCIAL DEPARTMENTS AND MUNICIPALITIES

| NAME OF MUNICIPALITY / PROVINCIAL DEPARTMENTS | GRANT ALLOCATION | | | | TRANSFER | | 2015/16 |
|---|-------------------------|--------------------------------|-------------|-----------------|-----------------|----------------|--------------|
| | Division of Revenue Act | Roll Overs / Shifting of Funds | Adjustments | Total Available | Actual Transfer | Funds Withheld | |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | |
| KwaZulu-Natal Department of Transport | 1 158 | - | 173 | 1 331 | 1 331 | - | 1 702 |
| | 1 158 | - | 173 | 1 331 | 1 331 | - | 1 702 |

ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 2015/16 |
|-----------------------------|------------------------|--------------------------------|-------------|-----------------|-----------------|----------------------------------|---------------|
| | Adjusted Appropriation | Roll Overs / Shifting of Funds | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | |
| EDTP SETA | 83 257 | - | - | 83 257 | 83 257 | 100% | 78 139 |
| Total | 83 257 | - | - | 83 257 | 83 257 | | 78 139 |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 1B

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| NON-PROFIT INSTITUTIONS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2015/16 |
|--|----------------------------|--------------------------------|-------------|------------------|------------------|----------------------------------|------------------|
| | Adjusted Appropriation Act | Roll Overs / Shifting of Funds | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | |
| Transfers | | | | | | | |
| Public Ordinary School Education | 1 429 549 | - | - | 1 429 549 | 1 446 314 | 101% | 1 475 155 |
| Independent Schools | 81 941 | - | - | 81 941 | 80 900 | 99% | 77 817 |
| Public Special School Education | 136 757 | - | - | 136 757 | 130 964 | 96% | 123 927 |
| Early Childhood Development | 20 265 | - | - | 20 265 | 18 851 | 93% | 17 954 |
| Examination and Education Related Services | 15 680 | - | - | 15 680 | 15 680 | 100% | 12 000 |
| Total | 1 684 192 | - | - | 1 684 192 | 1 692 709 | | 1 706 853 |

ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 1C STATEMENT OF TRANSFERS TO HOUSEHOLDS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2015/16 |
|-------------------|----------------------------|--------------------------------|--------------|-----------------|-----------------|----------------------------------|----------------|
| | Adjusted Appropriation Act | Roll Overs / Shifting of Funds | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | |
| HOUSEHOLDS | | | | | | | |
| Transfers | | | | | | | |
| Employees | 109 048 | - | 1 795 | 110 843 | 168 227 | 152% | 171 470 |
| Total | 109 048 | - | 1 795 | 110 843 | 168 227 | | 171 470 |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2016 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2017 | Guaranteed interest for year ended 31 March 2017 | Realised losses not recoverable i.e. claims paid out |
|------------------------|-------------------------|------------------------------------|------------------------------|---------------------------------------|---|--------------|-------------------------------|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Housing | | | | | | | | | |
| Standard Bank | | - | 1 365 | - | (278) | - | 1 643 | - | - |
| FNB | | - | 467 | - | (5) | - | 472 | - | - |
| Nedbank | | - | 468 | - | (119) | - | 587 | - | - |
| ABSA | | - | 1 458 | - | - | - | 1 458 | - | - |
| Peoples Bank FBC | | - | 19 | - | - | - | 19 | - | - |
| Old Mutual | | - | 49 | - | 49 | - | - | - | - |
| Ithala Limited | | - | 178 | - | - | - | 178 | - | - |
| Green Start HL | | - | 41 | - | - | - | 41 | - | - |
| Company Unique Finance | | - | 20 | - | - | - | 20 | - | - |
| Subtotal | | - | 4 065 | - | (353) | - | 4 418 | - | - |
| Total | | - | 4 065 | - | (353) | - | 4 418 | - | - |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

| Nature of Liability | Opening Balance 1 April 2016 | Liabilities incurred during the year | Liabilities paid/ cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2017 |
|--|------------------------------------|---|---|---|-------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| Legal Claims | 224 809 | 580 726 | - | - | 805 535 |
| Subtotal | 224 809 | 580 726 | - | - | 805 535 |
| Other | | | | | |
| Ithala (Utilisation of own funds to pay contractors) | 5 912 | - | - | - | 5 912 |
| SANTS | 56 107 | - | 56 107 | - | - |
| Durban University of Technology (DUT) | 15 141 | - | 15 141 | - | - |
| University of Zululand | 11 408 | - | 11 408 | - | - |
| University of KwaZulu-Natal | 15 291 | - | 15 291 | - | - |
| University of South Africa | 8 489 | - | 8 489 | - | - |
| North West University | 2 253 | - | 2 253 | - | - |
| Subtotal | 114 601 | - | 108 689 | - | 5 912 |
| TOTAL | 339 410 | 580 726 | 108 689 | - | 811 447 |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 3

CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|--|-------------------------------|------------|---------------------------------|--------------|---------------|--------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Department | | | | | | |
| Gauteng Department of Education | - | - | 2 705 | 1 074 | 2 705 | 1 074 |
| Gauteng Department of Infrastructure and Development | - | - | 5 | 5 | 5 | 5 |
| Mpumalanga Department of Education | - | - | 1 239 | 372 | 1 239 | 372 |
| Eastern Cape Department of Education | - | - | 1 360 | 1 025 | 1 360 | 1 025 |
| KZN Agriculture | - | - | 99 | 99 | 99 | 99 |
| KZN Office of the Premier | - | - | - | 24 | - | 24 |
| KZN Department of Social Development | - | - | 694 | 679 | 694 | 679 |
| National Labour | - | - | - | 15 | - | 15 |
| KZN Arts & Culture | - | - | 743 | - | 743 | - |
| Free State Department of Education | - | - | 914 | 502 | 914 | 502 |
| KZN Department of COGTA | - | - | - | - | - | - |
| National Department of Home Affairs | - | - | - | - | - | - |
| KZN Department of Transport | - | - | 603 | 432 | 603 | 432 |
| Government Employees Pension Fund | - | - | - | - | - | - |
| KZN Department of Public Works | - | - | - | - | - | - |
| Western Cape Department of Education | - | - | 132 | 46 | 132 | 46 |
| National Basic Education | - | - | - | - | - | - |
| National Higher Education & Training | - | - | 13 600 | 315 | 13 600 | 315 |
| Total c/f | - | - | 22 094 | 4 588 | 22 094 | 4 588 |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 3 (continued) CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|--|-------------------------------|------------|---------------------------------|------------|------------|------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Department | | | | | | |
| Total b/f | - | - | 22 094 | 4 588 | 22 094 | 4 588 |
| National Department of Correctional Services | - | - | 197 | 103 | 197 | 103 |
| North West Department of Education | - | - | 291 | 291 | 291 | 291 |
| KZN Department of Economic Development | - | - | - | - | - | - |
| KZN Sport & Recreation | - | - | - | 743 | - | 743 |
| Northern Cape Department of Education | - | - | 71 | 47 | 71 | 47 |
| KZN Safety and Security | - | - | 163 | 163 | 163 | 163 |
| National Department of Trade & Industry | - | - | - | - | - | - |
| KZN Department of Health | - | - | - | 5 | - | 5 |
| Limpopo Department of Education | - | - | 818 | 336 | 818 | 336 |
| KZN Human Settlement | - | - | - | - | - | - |
| Pretoria Economic Affairs | - | - | - | - | - | - |
| South African Police Services | - | - | 91 | 21 | 91 | 21 |
| Total | - | - | 23 725 | 6 297 | 23 725 | 6 297 |



ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|--|-------------------------------|--------------|---------------------------------|------------|----------------|--------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| DEPARTMENTS | | | | | | |
| Current | | | | | | |
| KwaZulu-Natal Department of Transport | 1 405 | - | 18 640 | - | 20 045 | - |
| KwaZulu-Natal Department of Public Works | 161 118 | - | 107 399 | - | 268 517 | - |
| Department of Justice | 4 450 | 1 519 | 106 | 425 | 4 556 | 1 944 |
| KZN Provincial Treasury | - | - | - | - | - | - |
| KwaZulu-Natal Department of Health | 24 | 5 | - | - | 24 | 5 |
| Department of Basic Education | - | 242 | - | - | - | 242 |
| KwaZulu-Natal Department of Social Development | - | - | - | 3 | - | 3 |
| KwaZulu-Natal Premiers Office | - | - | - | - | - | - |
| Government Printers | - | - | - | - | - | - |
| Gauteng Provincial Treasury | 50 | - | - | - | 50 | - |
| National Department of Home Affairs | - | - | 40 | 40 | 40 | 40 |
| Total | 167 047 | 1 766 | 126 185 | 468 | 293 192 | 2 194 |

ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 5 INVENTORY

| Inventory | Note | Quantity | 2016/17 R'000 | Quantity | 2015/16 R'000 |
|---|------|----------|------------------|----------|------------------|
| Opening balance | | - | 13 706 | - | 9 638 |
| Add/(Less): Adjustments to prior year balance | | - | 208 | - | 194 |
| Add: Additions/Purchases - Cash | | - | 619 843 | - | 590 249 |
| Add: Additions - Non-cash | | - | 324 | - | 173 |
| (Less): Disposals | | - | - | - | (94) |
| (Less): Issues | | - | (616 307) | - | (586 447) |
| Add/(Less): Adjustments | | - | (1 391) | - | (7) |
| Closing balance | | - | 16 383 | - | 13 706 |

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 Ndatabase Printing Solutions Warehouse. This excludes "Inventory" as represented by certain directorates that purchase on their own behalf and any other that the department buys on behalf of schools.

**ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017****ANNEXURE 6****MOVEMENT IN CAPITAL WORK IN PROGRESS****MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017**

| | Opening balance | Current Year Capital WIP | Completed Assets | Closing balance |
|--|--------------------|-----------------------------|---------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 |

BUILDINGS AND OTHER FIXED STRUCTURES

2 995 972 2 170 374 (1 829 833) 3 336 513

Non-residential buildings

2 995 972 2 170 374 (1 829 833) 3 336 513

Total

2 995 972 2 170 374 (1 829 833) 3 336 513

| Age analysis on ongoing projects | Number of projects | | 2016/17 |
|----------------------------------|---|-------------------------------------|------------------|
| | Planned, Construction not started | Planned, Construction started | Total R'000 |
| 0 to 1 Year | 3 155 | 236 | 1 265 944 |
| 1 to 3 Years | - | 84 | 450 590 |
| 3 to 5 Years | - | 302 | 1 619 979 |
| Longer than 5 Years | - | - | - |
| Total | 3 155 | 622 | 3 336 513 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance | Prior period error | Current Year Capital WIP | Completed Assets | Closing balance |
|--|--------------------|--------------------------|--------------------------------|---------------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |

BUILDINGS AND OTHER FIXED STRUCTURES

5 328 451 (831 374) 1 827 536 (3 328 641) 2 995 972

Non-residential buildings

5 328 451 (831 374) 1 827 536 (3 328 641) 2 995 972

TOTAL

5 328 451 (831 374) 1 827 536 (3 328 641) 2 995 972

ANNEXURES TO THE ANNUAL STATEMENT for the year ended 31 March 2017

ANNEXURE 7

INTER-ENTITY ADVANCES PAID (note 9)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|--------|----------------------------------|------------|------------------------------------|------------|------------|------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |

PUBLIC ENTITIES

- - - - - - -

Subtotal

- - - - - - -

Total

- - - - - - -



KWA-ZULU 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* was **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 structures* 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 Kwa-Zulu 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**.

Disposals/Transfers

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

Movements to immovable assets – 2011/2012

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 2011/2012 year recorded on *Buildings and other fixed structures* are **R 2 097 788 000**.

Work-In-Progress

The work-in-progress as at 31 March 2012 recorded on *Buildings and other fixed structures* are **R 1 521 296 000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2011/12 financial year.

Movements to immovable assets – 2012/2013

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 2012/2013 year recorded on *Buildings and other fixed structures* are **R 2 463 676 000**.



Work-In-Progress

The work-in-progress as at 31 March 2013 recorded on *Buildings and other fixed structures* are **R 2 313 991 000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2012/13 financial year.

Movements to immovable assets – 2013/2014

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 2013/2014 year recorded on *Buildings and other fixed structures* are **R 2 360 611 000**.

Work-In-Progress

The work-in-progress as at 31 March 2014 recorded on *Buildings and other fixed structures* are **R 1 944 036 000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2013/14 financial year.

Movements to immovable assets – 2014/2015

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 2014/2015 year recorded on *Buildings and other fixed structures* are **R 2 017 870 000**.

Work-In-Progress

The work-in-progress as at 31 March 2015 recorded on *Buildings and other fixed structures* are **R 1 084 899 000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2014/15 financial year.

Movements to immovable assets – 2015/2016

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 2015/2016 year recorded on *Buildings and other fixed structures* are **R 2 343 612 000**.

Work-In-Progress

The work-in-progress as at 31 March 2016 recorded on *Buildings and other fixed structures* are **R 1 827 536 000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2015/16 financial year.

Movements to immovable assets – 2016/2017

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 2016/2017 year recorded on *Buildings and other fixed structures* are **R 2 170 374 000**.

Work-In-Progress

The work-in-progress as at 31 March 2017 recorded on *Buildings and other fixed structures* are **R 2 170 374 000**.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2016/17 financial year.

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



PART E



DEPARTMENT OF EDUCATION KZN
Annual Report 2016/17

GENERAL INFORMATION

1 CONCLUSION

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. The accomplishment of the Department over the period under review 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 successes of the Department are largely due to the improved systems and procedures that we have in place to ensure compliance with the Public Finance Management Act and other related policies. 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.

2 GLOSSARY OF PLANNING TERMS

The definitions attached to particular terms in this document are provided below

| | |
|---------------------------------|---|
| 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, traveling time, waiting time, affordability, language, accommodation of the physically challenged. |
| Activities | The processes or actions that use a range of inputs to produce an output and ultimately an outcome. |
| Adequacy indicators | Reflect the quantity of input or output relative to the need or demand. They respond to the question: “Is enough being done to address the problem?”. |
| Baseline | Baseline refers to 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. |
| Cost or Price indicators | Important in determining the economy and efficiency of service delivery. |
| 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. |
| 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 |
| 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. |
| 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. |
| 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. |

| | |
|-------------------------------------|--|
| 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. |
| Inputs | The resources that contribute to the production and delivery of an output. |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving particular outputs. |
| Outputs | The goods and services produced by an institution for delivery. |
| Performance Indicator | Identify specific numerical that tracks progress towards the achievement of a goal. |
| Performance standards | Express the minimum acceptable level of performance, or the level of performance that is generally expected. |
| 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. |
| 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 that tracks progress towards the achievement of a sector priority. |
| 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. |
| 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. |
| 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. |







education

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