

OUR PLEDGE

As an official of the Department of Education and servant of the public I pledge to serve with
and at all times endeavour to treat learners, my colleges and all other stakeholders with
and courtesy, always ensure in the spirit of all hands on deck to continuously strive for
as I demonstrate focus, passion for all I undertake so as to inspire
in government service and fulfill the fundamental principles of
and equity as enshrined in the Constitution of the Republic whilst
and Honesty are the essence of my being when called upon to display a high level of
and Accountability in my daily operations instilling all around me a culture of
and Humility as I make my contribution in moulding the future leaders of our beloved

Empathy
Dignity
Unity
Confidence
Access
Trust
Integrity
Ownership
Nation

in doing so making the Eastern Cape
a compelling place to live, work and invest in.





EASTERN CAPE EDUCATION DEPARTMENT

Annual Report

2010/11

Mr Mandla Makupula

Member of the Executive Council: Education

I have the honour of submitting the Annual Report of the Eastern Cape Education Department for the period 1 April 2010 to 31 March 2011.



Aob. Modidima, Mannya
Head of Department

EASTERN CAPE EDUCATION DEPARTMENT

VOTE 6

2010/11 ANNUAL REPORT

Contents

1.	GENERAL INFORMATION	9
1.1	Vision	11
1.2	Mission	11
1.3	Values	11
1.4	Organisational Structure	12
1.5	Legislative Mandate	13
1.5.1	Constitution	13
1.5.2	Relevant National Legislation and Policies	13
1.5.3	National Educaiton Policies	14
1.5.4	Eastern Cape Department of Education Provincial Legislative Mandate	17
1.6	Foreword by the MEC	19
1.7	Overview by the HoD	21
2.	INFORMATION ON PREDETERMINED OBJECTIVES	23
2.1	Overall Performance	25
2.1.1	Voted Funds	25
2.1.2	Aim of the Vote	25
2.1.3	Summary of Programmes & Sub-programmes	26
2.1.4	Key Strategic Objectives Achievements	27
2.1.5	Overview of Service Delivery Environment for 2010/11	30
2.1.6	Overview of the Organisational Environment for 2010/11	51

2.1.7	Key Policy Developments	54
2.1.8	Collection of Departmental Revenue	55
2.1.9	Departmental Expenditure	55
2.1.10	Transfer Payments	56
2.1.11	Conditional Grants and Earmarked Funds	57
2.1.12	Capital Investment, Maintenance and Asset Management Plan	61
2.2	Programme Performance	66
	Programme 1: Administration	67
	Sub-programme 1.2: Corporate Services	80
	Sub-programme 1.6: Education Management Information Systems (EMIS)	82
	Programme 2: Public Ordinary Schooling	84
	Programme 3: Independent Schools	108
	Programme 4: Public Special Schools	111
	Programme 5: Further Education & Training Colleges	114
	Programme 6: Adult Basic Education & Training	119
	Programme 7: Early Childhood Development	123
	Programme 8: Auxiliary & Associated Services	127
3.	ANNUAL FINANCIAL STATEMENTS	135
	Report of the Audit Committee	137
	Report of the Accounting Officer	143
	Report of the Auditor-General	153
	Appropriation Statement	166
	Notes to the Appropriation Statement	186
	Statement of Financial Performance	189
	Statement of Financial Position	190

Cash Flow Statement	191
Statement of Accounting Policies and Related Matters	192
Notes to the Annual Financial Statements	200
Disclosure notes to the Annual Financial Statements	213
Annexures (Unaudited supplementary schedules)	222
4. HUMAN RESOURCE MANAGEMENT	235
4.1 Service Delivery	237
4.2 Expenditure	243
4.3 Employment and vacancies	247
4.4 Job Evaluation	252
4.5 Employment Changes	254
4.6 Employment equity	264
4.7 Performance rewards	273
4.8 Foreign workers	277
4.9 Leave utilization for the period 1 January 2010 to 31 December 2010	279
4.10 HIV and AIDS & health promotion programmes	283
4.11 Labour Relations	285
4.12 Skills Development	289
5. CONCLUDING REMARKS AND ANNEXURES	293
Concluding Remarks	295
List of Acronyms	297
Acknowledgements	300

1.1 Vision

The vision of the Eastern Cape Department of Education is to offer a quality education and training system that transforms schools into centres of community life and promotes shared moral values, good governance and sustainable development.

1.2 Mission

The Department of Education strives to provide quality education for sustainable development by:

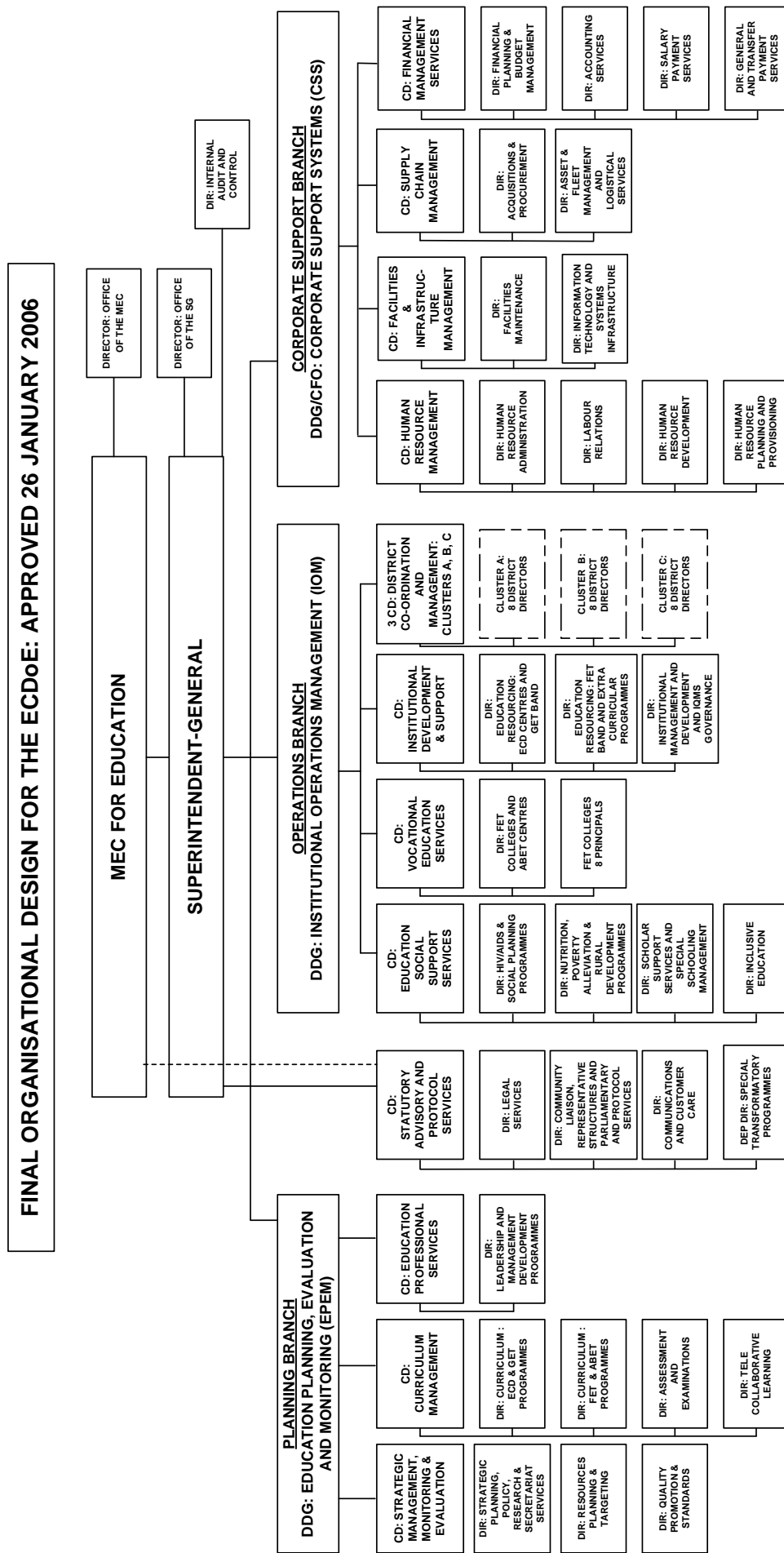
- Providing socially relevant and economically responsive programmes that address the human resource needs of the province and the country.
- Enhancing the skills base for agrarian transformation, manufacturing diversification and tourism in order to meet the needs of the second economy.
- Providing quality programmes to build the capacity of all employees.
- Encouraging participatory decision-making processes which strive to empower the whole community at all levels.

1.3 Values

The vision and mission are supported by the following values, which are based upon Section 195 of the Constitution (Act No. 108 of 1996) and the *Batho Pele* principles:

- Continuous improvement towards excellence in the standards of performance and professionalism through our work ethos.
- Mutual trust, respect and moral values that promote human dignity as reflected in the concept of *Ubuntu*.
- Participatory processes in policy-making.
- Public administration that promotes sustainable development.
- The provision of value for money and accountability of the people of the province in line with the Constitution and the Bill of Rights.
- Transparency, equity and redress through the provision of timely accessible and accurate information.
- Good human resource management and career development practices for all employees to maximize human potential.

1.4 Organisational Structure



1.5 Legislative Mandate

Since 1994, a number of policies have been implemented and legislation promulgated to create a framework allowing access to quality education without discrimination and making schooling compulsory in order to bring about transformation in education and training.

The Department's strategic objectives are based on the following constitutional and other legislative mandates:

1.5.1 Constitution

- The Constitution of the Republic of South Africa Act 1996, (Act No. 108 of 1996), as amended

1.5.2 Relevant National Legislation and Policies

- The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended by Act No. 29 of 1999
- The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- The Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- The Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)
- The General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001)
- The Division of Revenue Acts
- The Public Service Act, 1994, as amended (Proclamation No. 103 of 1994)
- The White Paper on Transforming Public Service Delivery (*Batho Pele*) of 9 May 1997
- Personnel Administrative Measures (Government Notice 222 of 1998)
- Public Service Regulations (Notice No. R 832 of 16 July 2004)

Education Acts 1995 – 1999

- Education Laws Amendment Act, 1999 (Act No. 48 of 1999)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- The National Library of South Africa Act, 1998 (Act No. 92 of 1998)
- Skills Development Act, 1998 (Act No. 97 of 1998)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- The Employment of Educators Act, 1998 (Act No. 76 of 1998), as amended
- Education Laws Amendment Act, 1997 (Act No. 100 of 1997)
- Abolition of Corporal Punishment Act, 1997 (Act No. 33 of 1997)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- The South African Schools Act, 1996 (Act No. 84 of 1996), as amended
- The National Education Policy Act, 1996 (Act No. 27 of 1996), as amended
- The South African Qualifications Authority Act, 1995 (Act No. 58 of 1995)
- Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended by Act No. 29 of 1999
- Education Laws Amendment Act, 2007 (Act No. 31 of 2007)

Acts 2000 – 2009

- Higher Education Amendment Act, 2003 (No.38 of 2003)
- Higher Education Amendment Act, 2008 (Act No. 39 of 2008)
- Education Laws Amendment Act, 2007 (Act No. 31 of 2007)
- Further Education and Training Colleges Act, 2006 (No. 16 of 2006)
- Education Laws Amendment Act, 2005 (No.24 of 2005)
- Education Laws Amendment Act, 2004 (No. 1 of 2004)
- Education Laws Amendment Act, 2002 (No. 50 of 2002)
- Education Laws Amendment Act, 2001 (No. 57 of 2001)
- South African Council for Educators Act (Act No. 31 of 2001)
- General and Further Education and Training Quality Assurance Act, 2001 (No. 58 of 2001)
- National Council for Library and Information Services Act, 2001
- Adult Basic Education & Training Act, 2000 (No.52 of 2000)
- Education Laws Amendment Act, 2000 (No. 53 of 2000)
- South African Council for Educators Act, 2000 (No. 31 of 2000)
- Promotion of Access to Information Act, 2000 (No. 2 of 2000)

1.5.3 National Education Policies

- White Paper on Education and Training
- White Paper 2: The organization, governance and funding of schools
- Education White Paper 3: Programme for the Transformation of Higher Education
- Education White Paper 4: Programme for the Transformation of Further Education and Training
- Education White Paper 5 on Early Childhood Education (May 2001) and Education White Paper 6 on Special Needs Education – Building an Inclusive Education & Training System (July 2001)
- Education White Paper 6: Building an inclusive Education and Training system
- White Paper 7 on e-Education: Transforming Learning and Teaching through Information and Communication Technologies (ICTs)

Access to schools

- National Education Policy Act No. 27 of 1996 - Admission Policy For Ordinary Public Schools
- Improving access to free and quality basic education to all
- National Policy on an Equitable Provision of an Enabling School Physical Teaching and Learning Environment
- National Policy on an Equitable Provision of an Enabling School Physical Teaching and Learning Environment and National Norms and Standards for School
- Policy Document on Adult Basic Education and Training
- Rights and Responsibilities of Parents, Learners and Public Schools: Public School Policy Guide 2005

School management

- Constitution of the Education Labour Relations Council (ELRC) Resolution No.3 of 1999
- Constitution of the Education Labour Relations Council (ELRC) Resolution No.6 of 2000
- Education Labour Relations Council (ELRC) - policy handbook for educators
- Interim Policy for Early Childhood Development
- Language in Education Policy
- National Curriculum Statement
- National Education Information Policy
- National Policy Framework for Teacher Education and Development in South Africa
- National Policy on HIV/AIDS, for Learners and Educators in Public Schools, and Students and Educators in Further Education
- National Policy on Whole School Evaluation

School funding

- Ministerial Statement on Higher Education Funding - 2005/06 to 2007/08
- Ministerial Statement on Higher Education Funding 2006/7 to 2008/9
- Ministerial Statement on Higher Education Funding: 2004/05 to 2006/7
- Higher Education Amendment Act, 2008 (Act No. 39 of 2008)
- South African Schools Act No. 84 Of 1996 - National Norms And Standards For School Funding

National Senior Certificate

- An addendum to the policy document, the NSC: A qualification at Level 4 on the NQF, regarding learners with special needs
- National policy on the conduct, administration and management of the assessment of the Senior Certificate
- National policy on the conduct, administration and management of the National Senior Certificate: A qualification at Level 4 on the NQF
- Regulations for the conduct, administration and management of the assessment of the senior certificate
- Regulations pertaining to the conduct, administration and management of assessment for the National Senior Certificate
- The National Senior Certificate: A qualification at Level 4 on the National Qualifications Framework (NQF)

Government Notices

- National Norms and Standards for School Funding (20 May 2011)
- SA Schools Act: Adopting a code of conduct for learners (GG18900, Notice 776) (15 May 1998)
- SA Schools Act: Age requirements for admission to an ordinary public school (30 June 1998)
- National Education Policy Act: Regulations to provide for the establishment, composition and functioning of National Board for Further Education and Training (14 August 1998)
- SA Schools Act and National Education Policy Act: National Norms and Standards for School Funding (Gazette 19347, Notice 2362) (12 October 1998)

- SA Schools Act: Exemption of parents from the payment of School Fees Regulations (Notice 1293 of 1998) (12 October 1998)
- SA Schools Act: Norms and Standards for funding of public schools (GG 19437, Notice 2362) (12 October 1998)
- SA Schools Act: Age requirements for admission to an ordinary public school (Notice 2433) (19 October 1998)
- National Education Policy Act: Admission Policy for ordinary public schools (GG19377, Notice 2432) (19 October 1998)
- National Education Policy: Publication of the Report of the Ministerial Committee on the investigation into the Senior Certificate Examinations for Public Schools. (7 May 1999)
- National Education Policy Act: National Policy on HIV/AIDS in public schools (Gazette 20372, Notice 1926) (10 August 1999)
- National Education Policy Act: Policy for the Registration of Learners for Home Education (Gazette 20659, Notice 1411) (25 November 1999)
- SA Schools Act: Transfer of funds and other moveable assets of State to Public Schools (Gazette 20669, Notice 1423) (26 November 1999)
- Higher Education Act: Committee of Principals – Requirements and conditions for Matriculation Endorsement and the issuing of Certificates of Exemption (1 December 2000)
- SAQA: Focused Study of the development of the National Qualifications Framework (NQF) with the aim of Streamlining its Implementation (GG22471, Notice . . .) (12 July 2001)
- National Education Policy Act: Policy on Whole School Evaluation (26 July 2001)
- Employment of Educators: Terms and Conditions of Employment of Educators (GG22594, Notice 774) (24 August 2001)
- National Education Policy Act: National Policy regarding Further Education and Training Programmes: Approval of the Language Standardization Document (27 August 2001)
- General and FET Quality Assurance Act: Regulations for issuing of Certificates by General and Further Education and Training Quality Assurance Council (05 December 2001)
- SA School Act: Age requirements for Admission to an Ordinary Public School (Gazette 2298, Notice 1356) (11 December 2001)
- South African Schools Act: National Norms and Standards for School Funding - revision (Gazette 24245, Notice 0020) (10 January 2003)
- Regulations for the registration of Private Further Education and Training Institutions (GG25642, Notice 1602) (31 October 2003)
- National Education Information Policy (GG26766, Notice 1950) (27 November 2004)
- National Norms and Standards for School Funding (GG27014, Notice 1357) (19 November 2004)
- National Education Policy Act and South African Schools Act: Addendum Special Needs (10 April 2006)
- National Education Policy Act and SA Schools Act: Approval of Modern Greek as additional subject to be listed in (03 May 2006)
- Further Education and Training Act: Registration of private further education and training institutions: End of (01 June 2006)
- Employment of Educators Act: Improvement in conditions of service: Annual cost-of-living adjustment for (07 July 2006)

- Employment of Educators Act: Introduction of employee-initiated severance package (Gazette 29056, Notice (21 July 2006)
- South African Schools Act: National norms and standards for school funding (Gazette 29178, Notice 868) (31 August 2006)
- South African Schools Act: Amended national norms and standards for school funding (Gazette 29179, Notice (31 August 2006)
- General and Further Education and Training Quality Assurance Act: Second Umaluzi Council for General (20 September 2006)
- Employment of Educators Act: Implementation of Policy and Procedure on Incapacity Leave and Ill-Health (22 September 2006)
- National Education Policy Act and SA Schools Act: Approval of Maritime Economics and Nautical Science as additional subject to be (10 October 2006)
- Regulations to the Exemption of parents from payment of School Fees in Public Schools (Gazette No. 29311) (18 October 2006)
- Addendum FET policy NCS National Protocol for Grades R - 12, (Gazette 29467, Notice 1267) (11 December 2006)
- Addendum to the FET policy document, NCS on the National Framework regarding learners with special needs, (11 December 2006)
- National Education Policy Act: Requirements for administration of surveys (Gazette 29757, Notice 388) (02 April 2007)
- National Policy Framework for Teacher Education and Development in South Africa (GG29832) (26 April 2007)
- The Higher Education Qualifications Framework Higher Education Act, 1997 (Act No. 101 of 1997) (05 October 2007)
- National Norms and Standards for Funding Adult Learning Centres (NSF ALC) GG30576, 14 December 2007 (14 December 2007)

1.5.4 Eastern Cape Department of Education Provincial legislative mandate

- Eastern Cape Schools Education Act 1999 (Act No. 1 of 1999)
- Eastern Cape Schools Education Amendment Act, ECG 1266, PN 1/2005, 17 July 2005
- Education Laws Amendment Act (Control of Matriculation Examinations) 4 of 1995 (Eastern Cape)
- Matriculation Examinations Regulations, ECG 350, PN 40/1998, 3 November 1998 (ELA (CMS) A)
- Regulations on Misconduct of Learners, ECG 415 PN32/1999, 25 June 1999 (SASA)
- Regulations relating to the Governing Bodies of ELSSEN Schools, ECG 416, PN 33/1999 of 25 June 1999 (SASA)
- Regulations relating to Independent Schools, ECG 766, PN27/2001, 12 July 2001
- (ECSEA)
- Determination in respect of Councils, Academic Boards and Student Representative Councils at Public Further Education and Training Institutions, ECG 875, PN 20/2002, 13 May 2002 (FETA)
- Adult Basic Education and Training Regulations, ECG 903, PN 36/2002, 30 July 2002 (ABETA)

- Regulations to provide for the Registration of Private Centres, ECG 917, PN 44/2002, 30 August 2002 (ABETA)
- Regulations relating to behavior by learners in public schools, ECG 947, PN 60/2002, 2 December 2002 (SASA)
- Regulations in relation to the Qualification, Appointment and Term of Office of Members, Filling of Vacancies and Functions of the Eastern Cape Education and Training Council, 2002 ECG 94, PN 45/2002, 5 September 2002 (ECSEA)
- Regulations relating to the Governing Bodies of Public Schools (Excluding Schools for Learners and Special Education Needs), ECG 1072, PN 51/2003, 4 September 2003 (SASA)
- Regulations on the Eastern Cape Education Advisory Council (ECG) Gazette 2096 of 2009

The following Provincial Curriculum Guidelines (PCG) have been published as Internal Provincial Policies:

- PCG 01: The Constitution of the Provincial Curriculum Co-ordinating Committee (PCCC)
- PCG 02: Organizing and Conducting Workshops
- PCG 03: Guidelines for Phase Committees and Learning Area/Subject Committees
- PCG 04: Role functions and responsibilities of Curriculum Personnel
- PCG 05: On-site School Support for Effective Curriculum Implementation
- PCG 06: The Constitution of the Inter-District Examinations and Assessment Committee
- PCG 07: The Management and Operation Framework of the Assessment & Examinations Directorate

The following Provincial Curriculum Guidelines (PCG) have been published as Internal Provincial Policy Register:

- Human Resources Management: Administration
- Human Resources Management: Labour Relations
- Human Resources Management: Planning
- Financial Management
- Supply Chain Management & Asset Management
- Auxiliary Services & Transport Management



1.6 Foreword by the Member of the Executive Council

Please accept my heartfelt gratitude for giving me the opportunity to table the Annual Report for 2010/11 for the Eastern Cape Education Department. The year was characterised by mixed developments both nationally as well as provincially, by success and challenges.

In the year under review, the Department continued addressing the National Government's number one policy priority of improving the quality of Basic Education through the implementation of the national "Quality Learning and Teaching Campaign" (QLTC) in all Education Districts. The basis for this campaign is an understanding that *education is a societal matter*.

We recognize the importance of partnerships, National and International collaboration with critical institutions within the education sector in the delivery of quality of basic education in our poor province, especially in the areas of quality teacher education, with a greater emphasis on the training of Foundation Phase educators.

In collaboration with our social partners, the Department successfully implemented the provincial Learner Attainment Improvement Strategy (LAIS), which was launched in January 2007 and also incorporated into the Master Plan for Total Learner Performance and School Management Improvement. As a result, the Eastern Cape witnessed a massive leap in the results of the Grade 12 Class of 2010 where our students did our Province proud by improving results from 51% in 2009 to 58,3%.

One of our tasks as the Department, is to ensure the credibility and security of our Examination System in the province. The Eastern Cape Education Department has had an excellent track record in this regard, characterized by good management and a tight security system. In the year under review, as a department, we have done very well in this area of our responsibility .

The Department understands the scope of challenges confronting the education system in our Province and works on the basis that there is indeed one education system in the country comprising the entire schooling system. The effects of the FIFA 2010 World Cup on the academic year was that it effectively took away a month of schooling (June 2010). Through the Public Sector Mass Action, we lost another month of schooling during August 2010, to mention but a few.

The Department encountered serious challenges in the 2010/11 financial year with a projected over-expenditure due to structural and systemic challenges. These are the challenges that led to the Cabinet instituting the Section 100(1)(b) intervention of the South African Constitution in the last month of the financial year. The root causes of these problems lie in a combination of objective and subjective factors centred around capacity and administrative challenges, financial mismanagement and a vulnerable financial/IT system.

In the year under review the Department had to terminate the appointment of all temporary teachers and suspend the School Nutrition Programme and Learner Transport for the period January to March 2011 – the fourth quarter of the previous financial year and the first term of the 2011 academic year.

In order to fully appreciate the critical financial situation in which the Department finds itself at present, it is important to mention contextual factors such as the historical resource deprivation, especially in the Eastern Region of our province, where two-thirds of the population reside, with which the Department has had to content post-1994. This has been accompanied and aggravated by consistently higher personnel expenditure when compared to other provincial departments.

There are no educational miracles. We have to rise to the occasion however arduous.

In an attempt to address the projected over-expenditure the Department developed a Turnaround Plan, the bulk of which deals with inefficiencies in compensation of employees, and is also aimed to address all the elements of the projected over-expenditure. It also involves the implementation of the Audit Rectification Plan to improve the 2010/11 audit outcome, and to improve learner outcomes. Working with Provincial Government (Provincial Treasury and Office of the Premier) in the year under review, additional measures were put in place to change the above-mentioned situation.

The challenges facing the ECDE are not the exclusive responsibility of ECDE officials, law makers, experts and Unions. On the contrary these problems require concerted, coordinated effort driven by active popular participation, led by the ECDE and its Social Partners. Education is the heritage of society and the property of communities.

Despite these challenges we are confident that we shall overcome them if we work with our people. The greatest hero is the masses who continue to make tremendous sacrifices and immense contributions. We must not fail them, lest history judges us harshly.

Allow me, in conclusion, to pay tribute to our Superintend General and other senior managers of the Department for their dedication and commitment despite the challenges in the year under review.

I hereby present this final Annual Report of the Department of Education for 2010/11 financial year.



M Makupula, MPL
MEMBER OF THE EXECUTIVE COUNCIL FOR EDUCATION
EASTERN CAPE



1.7 Overview by the HoD

This report portrays the efforts of the Department as we strive towards the provision of equal opportunities for all through an effective education system with staff committed to values of accountability, honesty, caring, integrity, excellence, equity, trust, respect and peer support.

The 2010/2011 Annual Report is presented at a critical time in the history of the Department. The Auditor General's audit opinion on the financial statements for the financial year reinforces the long held view that decisive measures must be adopted to bring about the desired change in the affairs of the department. The most disturbing fact is the conclusion of the Auditor General on the failure and/or inability of management to submit documentation for audit purposes and/or lack of cooperation by certain managers during the audit. This in essence has deprived of the Legislature and the public of their responsibility and right to perform the oversight function and the right to obtain a proper account of the use of the budget of the department respectively.

There remain two striking issues as reflected in the annual report and the audit opinion viz: that schools in the province continue to operate and that management problems persist. It is fair to recognise that 2010 marked a turning point in the improvement of the National Senior Certificate owing to various improvement and support intervention to schools and the commitment of both school based staff and learners despite the many challenges at administration level. The release of the Annual National Assessment was also revealing of the major challenges we face both as a Province and nationally.

A number of factors affected the operations of the Department in the 2010/2011 financial year most notable being the cash flow problems owing the cost pressures on the compensation of employees budget. This created an untenable situation of accumulating the accruals of the department. However it was equally disturbing that there were high levels of under-expenditure on other programmes particularly conditional grants.

The lack effective management, proper planning, monitoring and evaluation, data integrity and the full utilisation of information systems as well as the weak control environment during the year under review contributed significantly to the state of affairs of the department.

It is also important to highlight one critical issue. The department has exceeded the target of 60% of no fee schools by 23%. Although this represents a significant progress in the implementation of a pro-poor approach to access to education, this on its own has contributed to the cost pressures and is one of the factors that led to the underfunding of schools.

Another important issue is the critical need to address persistent inequalities in education in the province particularly in remote areas, special needs in education as well as rural education including farm schools. We have realised a phenomenal increase in Grade R enrolment whilst at the same time an apparent drop at Grades 11 and 12. This remains a matter of serious concern.

However the various changes and specific interventions instituted in the last quarter of the financial year as well as the intervention plan adopted by EXCO in 2010 assisted in laying a foundation for the implementation of the comprehensive turnaround plan. Although progress has been made in the implementation of the decisions of SCOPA, the Portfolio Committee on Education, the Executive Council, the total solution still lies in the full implementation of the decisions of these organs. Therefore in the new financial year, more energy will be deployed in ensuring completion of the implementation of these decisions.

Despite all of the identified problems, it remains important to recognise the vigour with which the Executive Council, the Legislature and her oversight committees as well as Provincial Treasury are pursuing their resolve to realise change in the state of the department.

The most important lessons of the financial year under review are that we must remain steadfast in enforcing a culture of good governance, proper planning and indeed making education a societal issue if we are to succeed in turning the situation around.

A handwritten signature in black ink, appearing to read 'M. Manny', is written over a horizontal line. The signature is stylized and somewhat cursive.

Advocate M. Manny
Head of Department

2.1 Overall Performance

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
R22 679 787	R23 183 440	R22 578 404	R605 036
Responsible MEC	Mr M Makupula – Member of the Executive Council: Education		
Administering Dept	Eastern Cape Department of Education		
Accounting Officer	Adv M Manny – Head: Education		

2.1.2 Aim of the Vote

To offer a quality education and training system that transforms schools into centres of community life and promotes shared moral values, good governance and sustainable development.

2.1.3 Summary of Programmes & Sub-programmes

Programme	Sub-Programme purpose
Programme 1: Administration	1.1: Office of the MEC 1.2: Corporate Services 1.3: Education Management 1.4: Human Resource Development 1.6: Education Management Information Systems
Programme 2: Public Ordinary School Education	2.1: Public Primary Schools 2.2: Public Secondary Schools 2.3: Professional Services 2.4: Human Resource Development 2.5: In-School Sport and Culture 2.6: Conditional Grant
Programme 3: Independent School Subsidies	3.1: Primary Phase 3.2: Secondary Phase
Programme 4: Special School Education	4.1: Special schools 4.2: Professional Services 4.3: Human Resource Development 4.4: In-school sport and Culture 4.5: Conditional Grant
Programme 5: Further Education and Training Colleges	5.1: Public Institutions 5.2: Youth Colleges 5.3: Professional Services 5.4: Human Resource Development 5.5: In-College Sport and Culture 5.6: Conditional Grants
Programme 6: Adult Basic Education and Training	6.1: Public Centres 6.2: Subsidies to Private Centres 6.3: Professional Services 6.4: Human Resource Development
Programme 7: Early Childhood Development	7.1: Grade R in Public Schools 7.2: Grade R in Community Centres 7.3: Pre-Grade R 7.4: Professional Services 7.5: Human Resource Development 7.6: Conditional Grants
Programme 8: Auxiliary Services	8.1: Payment to SETA 8.2: Conditional Grants: HIV and AIDS 8.3: Special Projects: Health Promotion in Schools 8.4: External Examinations

2.1.4 Key Strategic Objectives Achievements

The 2010/11 financial year was the first year of the implementation of the 2010/11 – 2014/15 Strategic Plan which recommitted the Department to provide quality education to all learners in the Eastern Cape in line with its constitutional and legal mandate. Despite the financial constraints that the Department experienced a number of achievements were recorded in the 2010/11 financial year. These are:

Programme1: Administration

The Department continued in its efforts to improve organisational effectiveness in 2010/11 under the very strenuous circumstances of instability, especially at the Head Office. In order to strengthen its capacity in Human Resources, Financial Management and Supply Chain Management the post of Chief Director: Supply Chain Management was filled whilst that of the Chief Director: Financial Management Services is still in the process of being filled. The post of Chief Director: Human Resource Management is scheduled to be filled in the new financial year. The posts of Director: Accounting Services and Director: Acquisitions and Procurement are in the process of being filled, with applications having closed in January 2011.

The audit outcome for 2009/10 resulted in an adverse opinion mainly due to the non-submission of documents to the Auditor General. As a result, a Document Management Centre has been identified for the storage of all finance related documents. An Audit Intervention Plan, which focused on the transactions for the year under review, was also implemented.

In addition to the above, the Department is currently implementing a Turnaround Plan in an attempt to address over-expenditure and inefficiencies in the system, especially those regarding compensation of employees. Additional capacity from the Provincial Treasury and National Department of Education was to be provided to assist in this matter.

The implementation of the Performance Management Development System (PMDS) and Integrated Quality Management System (IQMS) continues to be a challenge with the distribution curve not being adhered to. This calls for a change in the approach to performance management in the organisation as a whole.

The implementation of South African Schools' Administration and Management System (SA-SAMS) has continued in the current financial year. There is still, however, a challenge around the integrity of information and this has a negative effect on education resourcing.

Programme 2: Public Ordinary Schools

The Department developed and implemented the Learner Attainment Improvement Strategy (LAIS) and the Master Plan for Total Learner Performance and School Management Improvement (released in January 2010). The LAIS Programme aimed, *inter alia*, to address the situation of 494 underperforming high schools in the Province through mentorship and support programmes. A

shortage of suitably qualified teachers, in schools, and Subject Advisors, at District Offices, qualified in Mathematics and Science remains a challenge for the Department.

In an attempt to pursue the target of a higher National Senior Certificate (NSC) pass rate, the Department, from the opening of schools in January 2010, implemented a strategy to ensure that the 2010 World Cup did not negatively affect this target. A three-pronged post-strike catch-up strategy was also developed which took the following issues into account:

- Syllabus Coverage and Revision,
- Monitoring of activities, &
- Accountability issues.

The pass rate for the NSC improved by 8,3% at the end of the 2010 Academic Year.

An average of 1 531 550 Learners benefitted from the School Nutrition Programme (SNP) during the financial year under review, while an average of 87 132 learners benefitted from the Learner Transport Scheme. Financial constraints made it difficult for the Department to continue with the ferrying of learners in the fourth quarter resulting in a prioritisation of the programme around farm schools and other rural areas where, if the programme were to be discontinued, it would have resulted in children being unable to attend school.

Contestations in the implementation of the no-fee school policy and school safety have been receiving the necessary attention.

The recapitalization of Technical High Schools was a priority area listed in the MEC's 2010/11 Budget and Policy Speech. To date, 17 of the 31 Technical High Schools were targeted for the upgrading of their facilities in collaboration with the Department of Public Works. Besides the Technical High Schools, Agricultural High Schools were also given special attention. The Palmerton Senior Secondary School (SSS) and Moshesh SSS were identified as schools to become Agricultural High Schools. However, suitably qualified educators in this area are scarce and land ownership also posed a challenge. There are Higher Education Institutions (HEIs) that are willing to train educators in this field and twinning could be arranged with established Agricultural High Schools.

In respect of transfer payments to schools, all schools, with the exception of those that did not submit audited annual financial statements, received their payments. The Department put measures in place to improve the monitoring of schools, including independent schools.

Programme 3: Independent Schools

The Department committed to strengthening the monitoring of these schools in the year under review. This was achieved through the verification of learner numbers which was undertaken during the 2010/11 financial year. Stringent measures and controls on registration of schools were applied through the strict implementation of policies. Academic performance was another criterion used to determine eligibility for subsidisation. The Department also collaborated with Umalusi and conducted site visits to schools that attained a pass rate lower than the national average. The

primary objective of these visits was to understand the factors that contributed to the low pass rate and to promote the culture of internal quality management. Monitoring of these institutions on curriculum implementation needs to be strengthened.

Programme 4: Public Special Schools Education

The Department has resourced these schools in the areas of provision of buses for 8 special schools, assistive devices for 16 schools and 1 full service school was equipped with computers. Learning support co-ordinators were appointed in 7 Districts to support learners experiencing barriers to learning at school level. A total of 1 158 disabled out-of-school children were mobilised and screened in Districts. Of these children, 300 have been placed in appropriate schools.

A total of 181 teachers and District Based Support Teams (DBSTs) were trained on Screening, Identification, Assessment and Support (SIAS). In order to ensure access to resources, 4 primary schools were designated as full service schools 2 of which were upgraded structurally, and 2 special schools were designated as resource centres. Some challenges regarding hostel facilities were experienced, as for example at Vukuhambe Special School. However, with the assistance of the local community, the Department successfully addressed and overcame these challenges.

Programme 5: Further Education and Training (FET)

A total of 465 Educators were trained on the National Certificate (Vocational) (NC(V)) curriculum and a number of colleges introduced programmes which were responsive to the needs of the local community. Furthermore 80 students were registered in learnership programmes.

Programme 6: Adult Basic Education and Training (ABET)

There were 40 ABET tutors registered with the Education, Training & Development Practises – Sector Education & Training Authority (ETDP SETA) as part of professional development and 38 ABET centres were visited by joint teams from District and Provincial offices in order to verify their existence and curriculum delivery.

Programme 7: Early Childhood Development (ECD)

The expansion of ECD provisioning resulted in the number of Grade R learners to increase to 174 873 learners in the year under review, thus exceeding the target of 159 375. To date a total of 5 180 Grade R practitioners have been engaged and this has contributed to the improvement in the quality of teaching and learning in this phase. The training of 750 Pre-grade R practitioners at an accredited NQF level 4 through the Extended Public Works Programme had been successfully completed.

Programme 8: Auxiliary and Associated Services

There were a number of programmes funded by ETDP SETA in the year under review. These included an internship programme involving 19 unemployed graduates, the training of 125 educators on Information & Communication Technology (ICT) and of 126 educators in ECD National Qualifications Framework (NQF) level 4, as well as 22 educators completing an Advanced Certificate in Education (ACE) in Technology, 48 educators in ABET Technology (NQF level 4) and 51 principals in financial management.

Under the HIV/AIDS and Orphans & Vulnerable Children (OVC) programmes direct care and support was provided to 122 101 vulnerable learners in 470 schools. Peer education was implemented in 694 schools. This had spinoffs as reported cases of teenage pregnancies dropped from 9 245 in 2009 to 8 421 in 2010. As a sequel to this, 300 schools with a high teenage pregnancy rate were mobilised for HIV/AIDS counselling and testing campaigns. Approximately 400 educators were trained as Master Trainers and Cluster Leaders for the integration of HIV/AIDS into the curriculum.

Other Life Skills programmes, like puppet shows, took place in 106 schools reaching an audience of 5 000 Foundation Phase learners. 30 000 Life Skills Learner Activity books and 5 000 Educator Guides were procured for Grades 4, 5 and 6. A journal which deals with issues of teenage pregnancy, drug and substance abuse and which also encourages a positive lifestyle was developed for learners in the FET Band, and was subsequently printed and distributed to schools.

The capacity of Districts to deliver multi-media HIV/AIDS awareness campaigns was enhanced by procuring laptops, data projectors, portable public address systems and DVDs for schools. The Department continued to ensure provision of quality public education through successful management of credible internal and external examinations, School Based Assessment for Grade 3, 6, 9, 11, 12 and ABET level 4 candidates. The provision of assessment instruments and monitoring was done with great success. The quality assurance of the progression and promotion of learners from grade to grade was successfully executed in the 2010 academic year and irregular promotions were reduced by more than 60%. The pass rate for the National Senior Certificate (NSC) candidates improved in 2010 by 7,3%. The linkage interfacing of Integrated Examination Computerised System (IECS), SA-SAMS and Learner Unit Record Information Tracking System (LURITIS) was not done as more research work is still in progress and development in this area will be strengthened in the 2011/12 Financial Year.

2.1.5 Overview of Service Delivery Environment for 2010/11

The year under review is the first year of the five years of the Department's Strategic Plan 2010/11 – 2014/15.

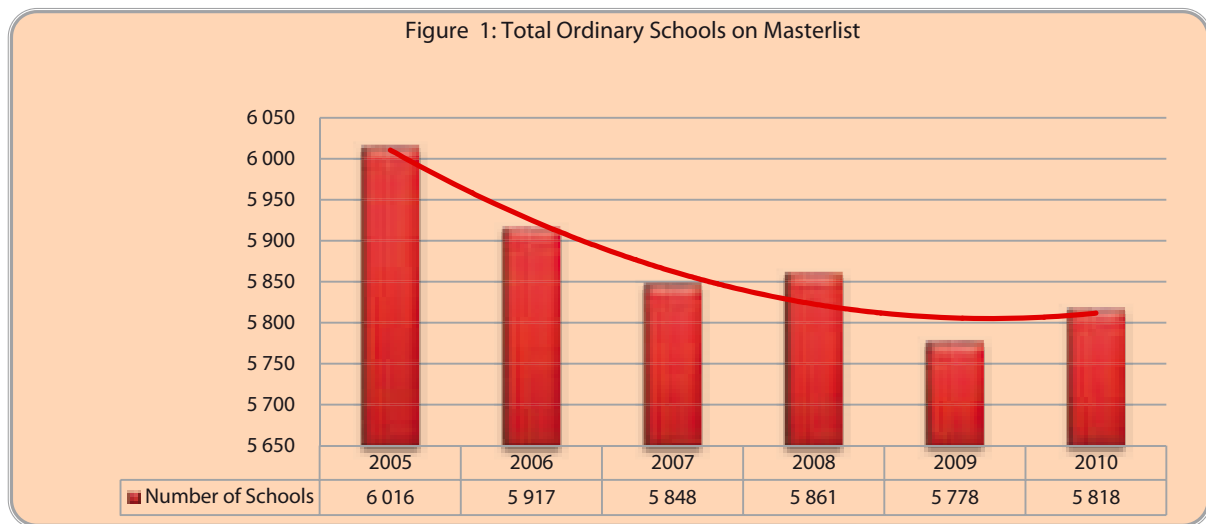
2.1.5.1 Performance Delivery Environment

The analysis on the performance delivery environment is based on an updated School and Learner Quantitative Survey which was conducted in 2010. Statistics on educational institutions, learners, educators and infrastructure were sourced from various Departmental databases. These include the Annual Survey for Ordinary Schools, both public and independent and Snap Surveys for Inclusive Education and ABET which were conducted in March 2010. Data on school infrastructure, that is, power, sanitation and water supply, was sourced from the National Education Infrastructure Management System (NEIMS) which is the official source of infrastructure data at a national level. This source is, however, not currently up-to-date and data from the Department of Water Affairs (DWA) and ESKOM was incorporated in the NEIMS data to provide the latest data on electrification,

water and sanitation. The data is housed at Physical Planning. Enrolment data was extracted from the EMIS data mart where applicable. The latter survey was conducted in March 2010.

The purpose of this section is to present trends on critical educational indicators as a means to assess the effectiveness of the Department’s programmes.

2.1.5.2 Schools and Learners in the Province



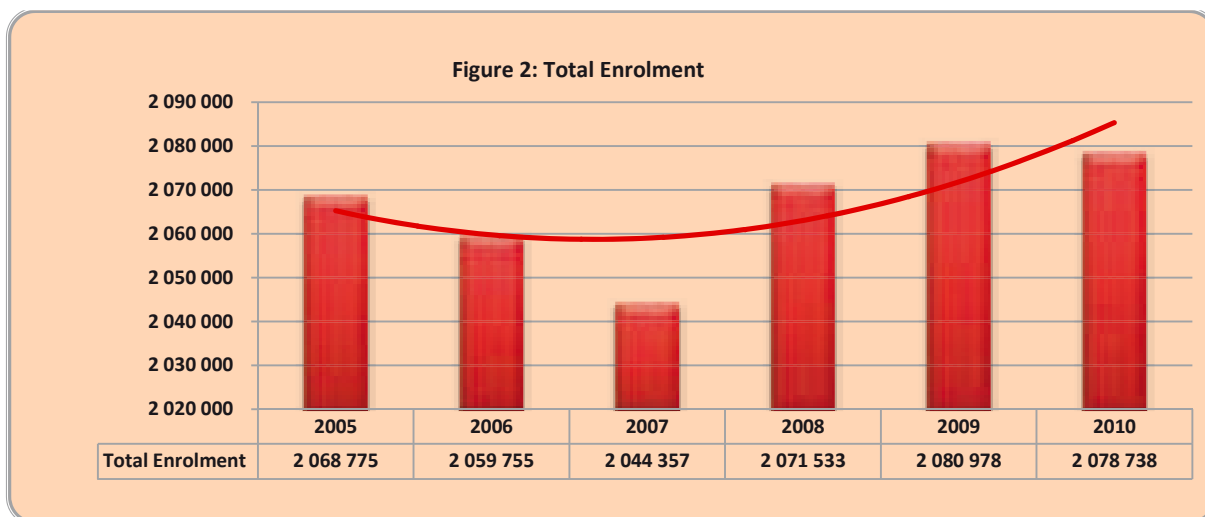
a) Schools

There are currently 5 818 on the Master list, a marginal increase of 40 from 5 778 schools recorded in 2009. Of these, 5 653 are public schools, that is 5 612 public ordinary and 41 public special schools. The remaining 165 are independent schools. The Province has 2 495 combined schools, 841 secondary schools and 2 276 primary schools. The number of schools with Grade R classes increased by 152 to 4 565 in 2010 while a marginal decrease was recorded with regard to the number of ABET centres from 295 in 2009 to 293 in 2010. However, the number of full service schools¹ and ECD centres remained unchanged at 4 and 891 respectively.

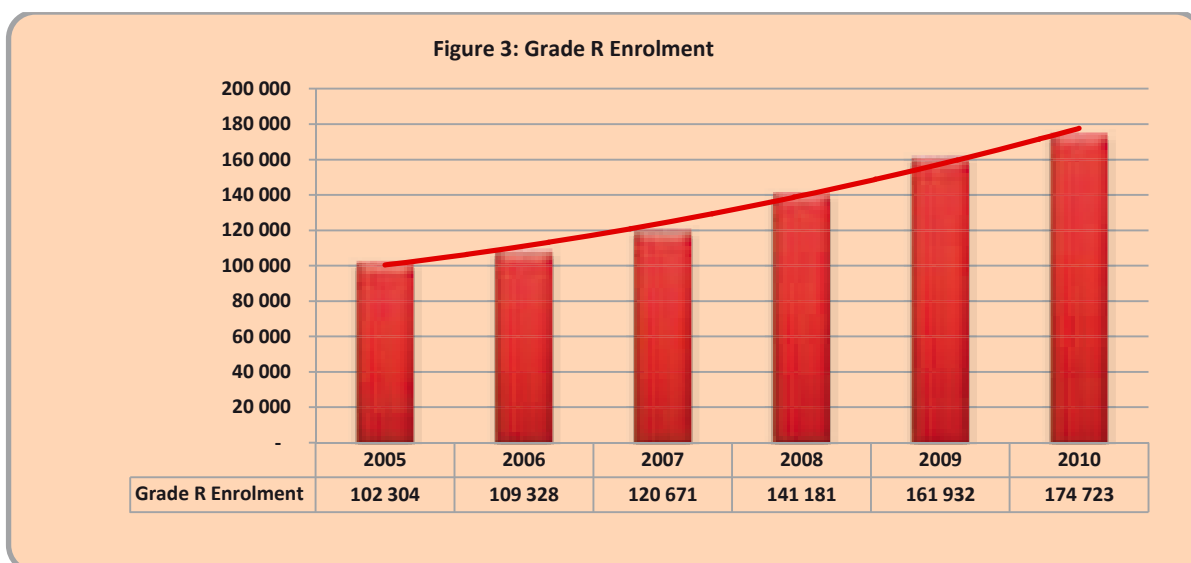
b) Enrolment

Overall enrolment in public schools (including public special schools) and independent schools for 2010 is 2 078 738 which represents a decrease of 2 240 learner compared to the 2009 statistics.

¹ Full-service schools are schools that cater for learners who experience barriers to learning and are in need of low or medium support



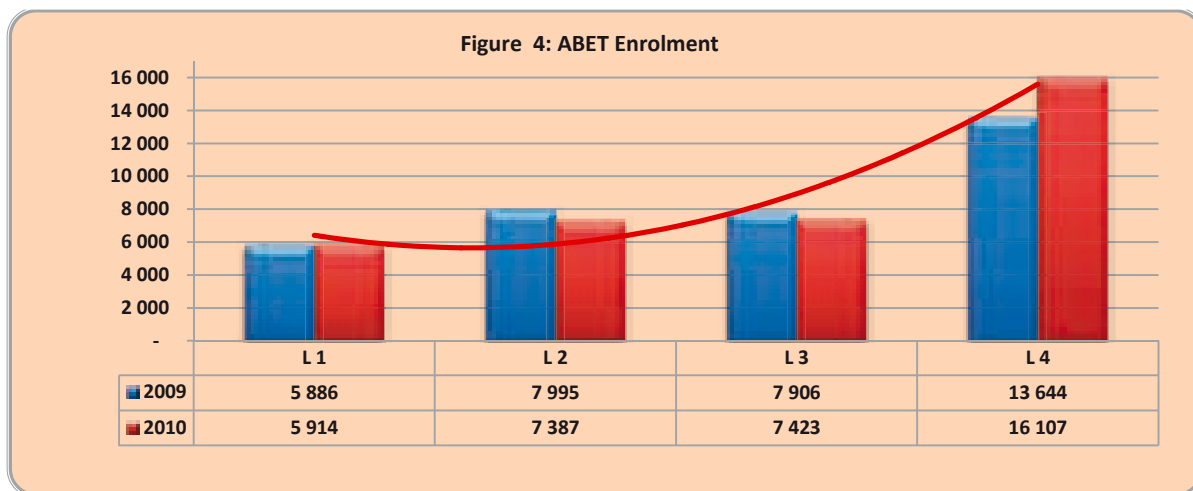
581 977, 410 506 and 1 027 557 learners are enrolled in public primary, secondary and combined schools respectively. This brings the total number of learners enrolled in public ordinary schools to 2 020 158. There was a 12,5% increase in learners enrolled in independent schools from 43 079 in 2009 to 49 257 in 2010. There were no significant increases recorded in enrolment in public special school which stands at 9 249 and ABET centres with 36 973. However, the number of learners with special needs (referring to learners with mild forms of disabilities, hence, learners who can be mainstreamed by being enrolled in public ordinary schools) increased by 19% to 20 962 in 2010. The number of learners in the 8 FET Colleges increased by 21% to 13 796 in 2010.



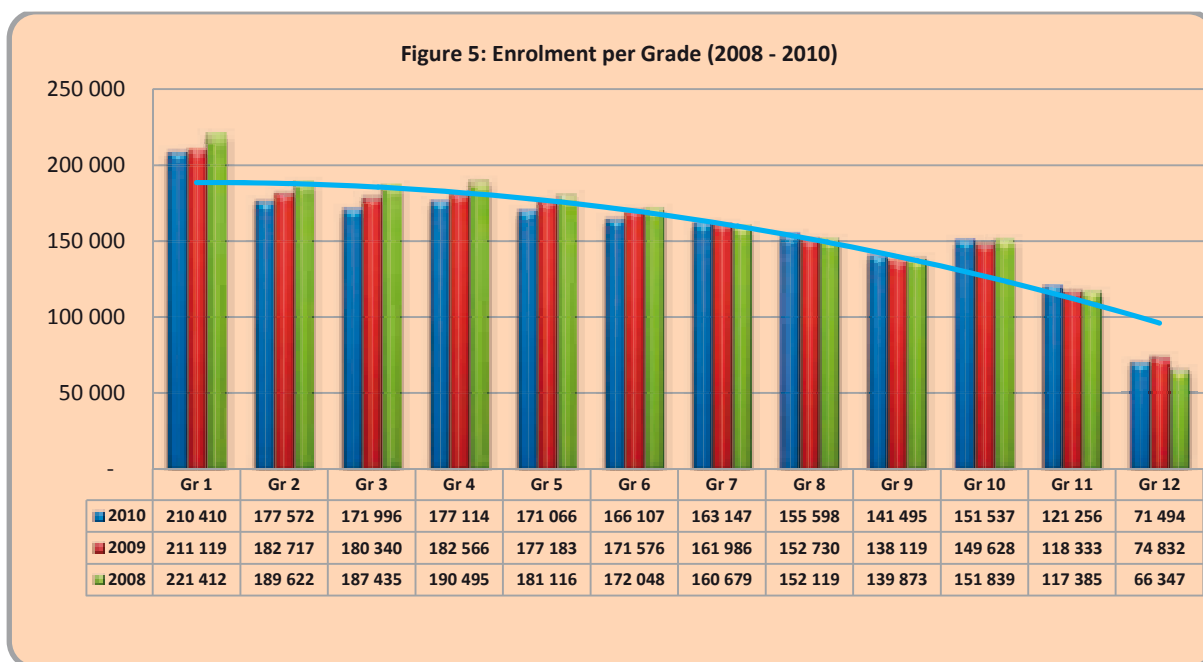
i. Enrolment per Grade

Significant strides have been made with regard to enrolment in Grade R. Fig 3 shows that 72 419 more learners enrolled in Grade R in 2010 than were recorded in 2005 when the enrolment was 102 304. This represents a massive 70% increase in 5 years. The attachment of Grade R classes to public ordinary schools and the overall campaign to increase awareness of the importance of Grade R in the academic career of children appears to be bearing fruits. Grade 1 had the highest

enrolment when compared to the other grades with 210 410 learners being recorded. A clear trend emerges when one compares enrolment per grade from Grade 1 to 12 which indicates that there are challenges that learners face as they proceed through the education system. Drop-out and grade repetition due to the socio-economic situation and poor quality of schooling are factors that are associated with this trend.



Interestingly, enrolment in ABET programmes showed the opposite as there are more learners registered in higher levels. 44% of all ABET learners are enrolled in level 4 with the remaining 56% evenly distributed across levels 1 to 3. This trend confirms that the ABET is becoming a net servicing most learners who dropped out of school and hence are not necessarily required to go through levels 1, 2 and 3. This suggests that the programme will remain relevant for the province, providing a second chance to adults who may have dropped out of or missed the compulsory schooling phase.

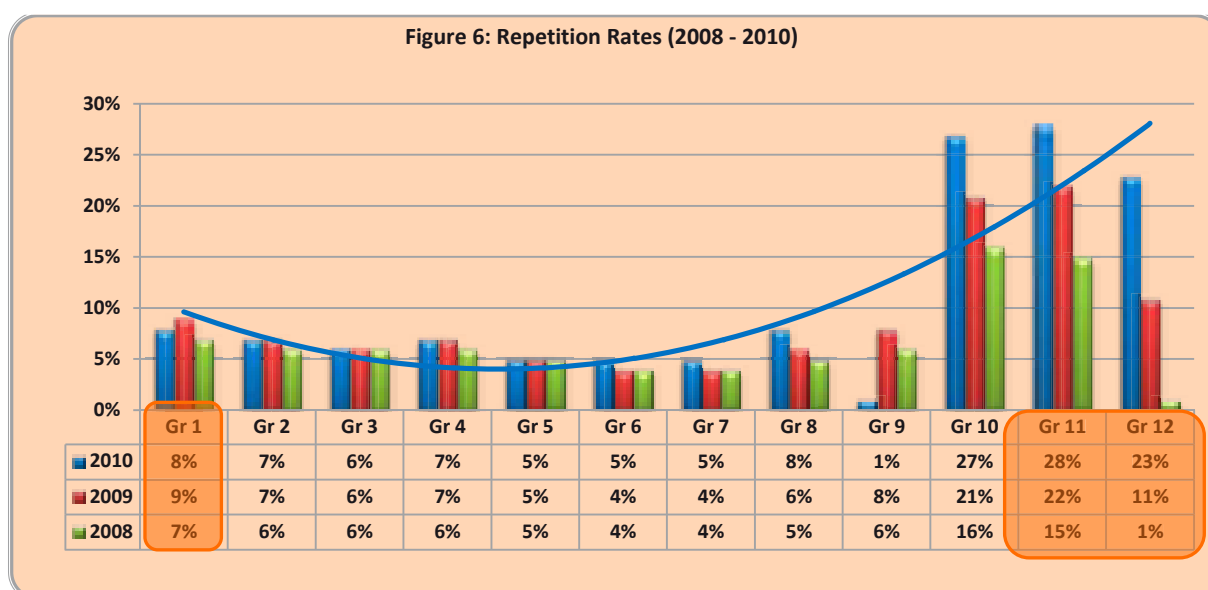


ii. Enrolment per Age

Fig 5 indicates that significant strides were made regarding the correct enrolment of 6-year olds with 86% of those in the system being correctly enrolled. The majority of these learners are enrolled in Grade R (52 965) and Grade 1 (77 181). School participation in the compulsory school going age cohort, that is the age group 7 to 15 years, stands at 86%. Specifically, 1 283 346 out of the 1 497 739² population estimate of the 7 to 15 years age cohort are enrolled in educational institutions. In the 16 to 18 year age cohort, i.e. age group which correspond with enrolment in the Further Education and Training (FET) Band, enrolment rates decreased to 74%. While this trend has been observed over a number of years, it is important to point out that there is still an improvement on the average of 60% as recorded in 2005. Poverty, illness, lack of family support and poor quality of schooling are some of the factors contributing towards this negative trend.

iii. Age Appropriateness of Learners

Age appropriateness of learners is a huge challenge for the Department. Approximately 50% of learners in public schools are over-aged while 15% are under-aged. Based on available data, close to 80% of learners enrol in Grade R at the appropriate age. However, as they progress through the system, the proportion of over-aged learners increases to close to 60% in the FET Band. This trend is confirmed by the statistics on repetition rates per grade depicted in Figure 6 below.



² The population is based on the Statistics South Africa's General Household Survey.

Grade 10 has the highest percentage of over-age learners at 66%. This is both a cause and manifestation of poor quality of teaching and learning in public schools. It causes poor quality of teaching and learning in that over-aged learners are often disruptive because they feel out of place and this in turn increases the chances of them choosing to drop out from school. They may also become a bad influence on other learners. Underage learners are very often either physically or intellectually not ready for their grade and therefore may miss out on the comprehension of valuable concepts. The age appropriateness of learners is depicted in Fig 7 and Tables 1 and 2.

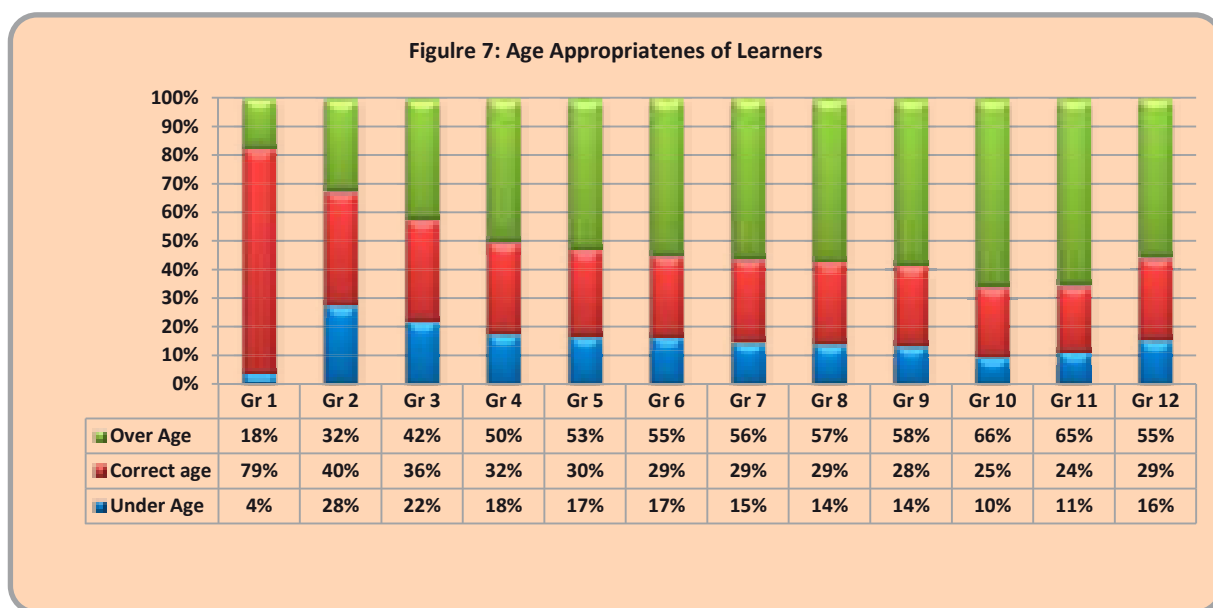


Table 1: Age Specific Enrolment Rate

	Age Group	6	7	8	9	10	11	12	13	14	15	16	17	18
2008	Enrolment	116 773	146 613	153 311	154 875	154 960	155 158	158 545	156 096	152 762	144 300	137 072	120 226	91 044
	Population	147 749	147 860	150 667	156 171	162 797	167 624	170 770	172 234	172 015	174 704	178 514	177 963	173 051
	ASER	79%	99%	102%	99%	95%	93%	93%	93%	91%	89%	83%	77%	68%
2009	Enrolment	120 932	139 936	145 446	150 113	153 037	150 215	152 806	155 792	149 119	142 102	133 188	121 865	91 391
	Population	158 730	162 114	158 216	168 610	168 852	163 143	171 815	168 752	170 501	165 736	174 271	161 547	152 406
	ASER	76%	86%	92%	89%	91%	92%	89%	92%	87%	86%	76%	75%	60%
2010	Enrolment	135 736	141 506	136 883	134 889	143 361	145 139	143 022	148 711	149 102	140 733	136 332	122 459	102 856
	Population	158 730	162 114	158 216	168 610	168 852	163 143	171 815	168 752	170 501	165 736	174 271	161 547	152 406
	ASER	86%	87%	87%	80%	85%	89%	83%	88%	87%	85%	78%	76%	67%

Note: The statistics of population of the age group of 2008 is based on the Simkins projections while those for 2009 and 2010 are based on Statistics South Africa's General Household Survey.

Table 2: Grade and Age Matrix

Age	Pre Grade R	Grade R	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12
0-3	4 244	2 152	15											
4	6 947	26 281	544						2					
5	4 138	88 260	7 717						12	2				
6	323	52 965	77 181	4 824	316	33	6		7	11	1			
7	17	4 348	88 002	44 738	3 828	351	29	5	16	13	14			
8	6	647	26 716	71 048	34 182	3 525	444	98	41	16	10			
9	1	134	6 953	34 753	61 215	27 661	3 320	471	132	36	14			
10		44	2 203	14 435	39 747	57 343	25 335	3 361	586	85	17			
11	6	14	609	4 929	19 099	40 991	51 585	23 716	3 348	443	120	5	2	2
12		3	208	1 665	8 107	23 695	37 875	47 528	20 358	2 824	460	12	5	5
13			64	661	3 262	12 633	24 949	37 818	47 589	18 899	2 458	87	8	8
14		5	29	285	1 358	6 256	14 818	25 715	37 748	44 689	16 230	1 597	160	12
15		3	15	111	531	2 786	7 456	14 774	24 831	35 371	39 691	13 175	1 668	149
16	1	1	11	42	171	1 248	3 333	7 544	15 382	25 253	32 450	37 289	11 939	1 487
17		1	6	12	74	357	1 235	3 260	7 678	14 944	23 055	33 370	28 782	9 566
18			1	2	16	117	413	1 217	3 585	8 025	14 308	28 174	26 058	20 847
19			19	21	34	63	157	349	1 260	3 288	7 463	18 486	20 982	14 974
20+	1	15	117	46	56	55	111	251	572	1 699	5 204	19 342	31 652	24 444
Total	15 684	174 873	210 410	177 572	171 996	177 114	171 066	166 107	163 147	155 598	141 495	151 537	121 256	71 494

Key

Under age

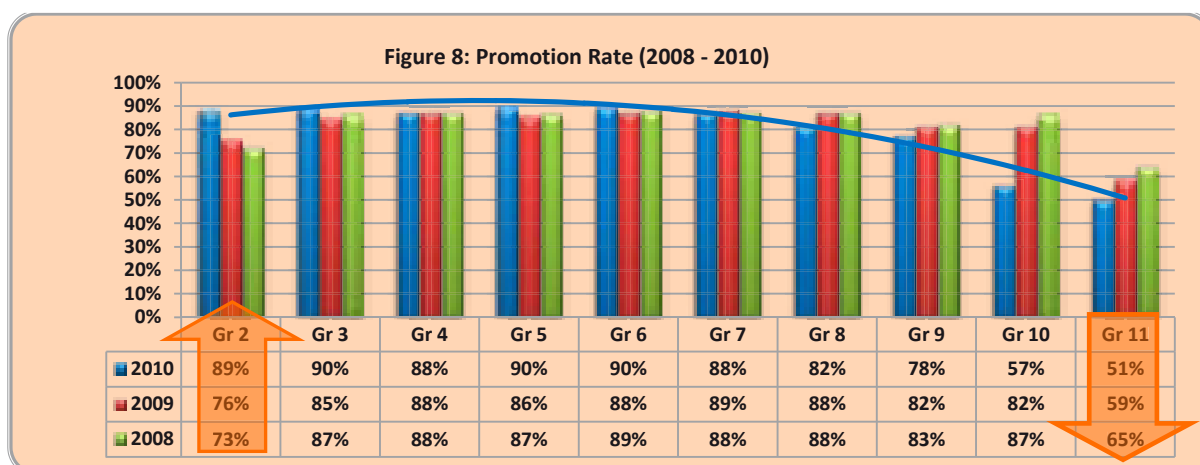
Correct age

Over age

c) Repetition, Promotion and Dropout Rates

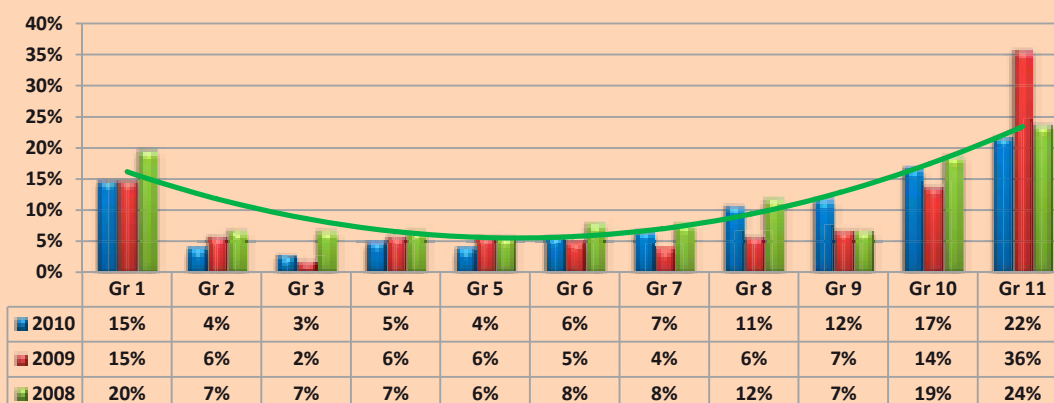
Repetition, promotion and dropout rates are important measures of institutional efficiency. When repetition is high the *per capita* expenditure will also rise. Likewise, where repetition is high fewer learners will progress to the next grade. Grade repetition is also widely accepted as the single most important predictor of eventual dropout rate. Schools are expected to comply with the progression and promotion requirements. A high dropout rate also raises the *per capita* expenditure in that learners exit the education system without completing their studies or spend longer in the system than they should.

Figure 6 shows that in the Foundation Phase (Grades 1-3) repetition rates are slightly higher when compared to the Intermediate (Grades 4-6) and Senior (Grades 7-9) Phases. However, the picture changes significantly in the FET Band with 28% (32 594) of the learners repeating Grade 11 in 2010. While this trend is generally similar over the 3 years, it is important to point out that in 2010 the percentage of learners repeating in the FET Band increased sharply when compared to the previous two academic years.



The graph on promotion rates presented by Figure 8 is basically the inverse of that of the repetition rate. Fewer learners are progressing to Grade 2 and about half of the learners in Grade 11 in 2010 did not progress to Grade 12. Interestingly, a comparison of this trend at Foundation phase between 2008 and 2010 shows a positive improvement with 89% of the learners in Grade 1 progressing to Grade 2. The same comparison in the FET band reveals an opposite trend as fewer learners are progressing to the next Grade.

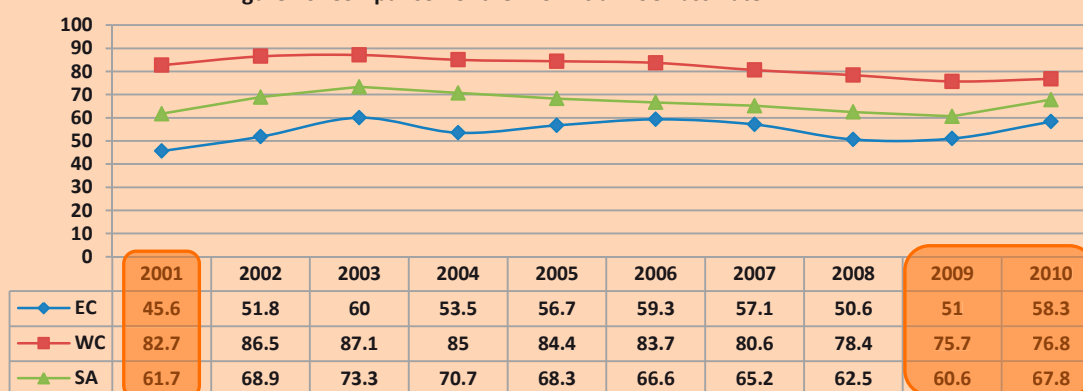
Figure 9: Dropout Rate (2008 - 2010)



The dropout rate mirrors the trend observed in the repetition rate. Perhaps it is not a surprise given that grade repetition is the single most reliable predictor of the dropout rate. A noticeably high dropout rate is recorded in Grade 1 although it has remained steady since 2009. From Grades 2 to 9 more learners appear to remain enrolled at school. In the Dropout and Repetition Rates Study (2009/10), published by the Department, the impact of poverty, illness, quality of family support, pregnancy, family commitments, and quality of schooling are all factors that contribute to this trend. Over the past years the Department has inaugurated programmes such as the mobilisation of out-of-school youths through the Back to School Campaign, the provision of care and support to OVC, Learner Transport, School Nutrition Programme, implementation of the no-fee school and the fee exemption policies and the provision of school hostels to accommodate deserving learners. The implications of these findings suggest that a more targeted approach is required to address the trends as they impact negatively on education.

d) Learner Performance

Figure 10: Comparison of the Provincial NSC Pass Rate



The Province has recorded a significant improvement in the Matric results, from 51% in 2009 to 58,3% in 2010, which represents a 7,3% increase, being ahead of both Limpopo and Mpumalanga Provinces. Despite this improvement the Province is still performing below the national average which suggests that there is still room for improvement. The number of candidates qualifying for admission to a Bachelor Degree increased from 13,9% in 2009 to 15,9% in 2010, diploma course passes increased from 20,4% to 23,8% and those qualifying for admission for Higher Certificates increased from 16,5% to 18,4% in 2010. The improvement in both quantity and quality of our results is testimony to the impact of our focused LAIS interventions.

The largest improvement of results was recorded in Cluster B with an 11,3% improvement from the 45,5% recorded in 2009, followed by Cluster A with an 8,3% improvement. Cluster C remains the best performing cluster with a pass rate of 62,2% which is a marginal improvement of 3,3%.

Year	2008	2009	2010
Cluster A	41%	45.5%	53.8%
Cluster B	44.6%	45.6%	56.9%
Cluster C	60.2%	58.9%	62.2%

The best performing District in the province for 2010 was Cradock, where a pass rate of 75,4% was achieved. The most improved District in the province for 2010 was Qumbu, with an impressive 21,5% increase. The pass rate for 2009 was 35,5% compared to 56,96% recorded in 2010. Qumbu was closely followed by Cofimvaba District with an improvement of 20,8%. The lowest district pass rate was recorded by Fort Beaufort at 44,01 %. Of the 23 Districts in the province 21 recorded improved pass rates ranging from 1% to 21,5%. The two most disappointing District performances in the province were recorded by Libode District, with a reduction of the pass rate by 5,8% and Port Elizabeth District, where results have been declining over the past few years, this time by 1%.

i. Results per Quintile

The analysis of results per quintile show an improvement in the lower quintiles with quintile 1 improving by 10% from the 39,2% pass rate recorded in 2009. While this positive trend is commendable more could be done to ensure equity in educational achievement in the province. Continued implementation of the LAIS will be key in addressing this uneven learner performance.

Year	2008	2009	2010
Q1	34.9%	39.2%	49.2%
Q2	38.7%	46.1%	53.1%
Q3	42%	44%	52.5%
Q4	58.2%	51.8%	59.8%
Q5	78.4%	77.5%	77.1%

ii. Analysis of Results by Subject

In the high enrolment examinable subjects, the province produced improved performances in Home Languages, e.g. of the 52 295 candidates registered for isiXhosa Home Language a 99,7% pass rate was attained whilst the 7 588 candidates registered for English Home Language attained a 92,6% pass and the 4 543 registered for Afrikaans Home Language attained a 95,9% pass rate. However, the Province continues to be challenged by English First Additional Language where the pass rate

increased by a marginal 0,4% compared to the 2009 pass rate of 89,2%, to 89,6% in 2010. This is a matter of grave concern as English is the medium of instruction in the majority of schools.

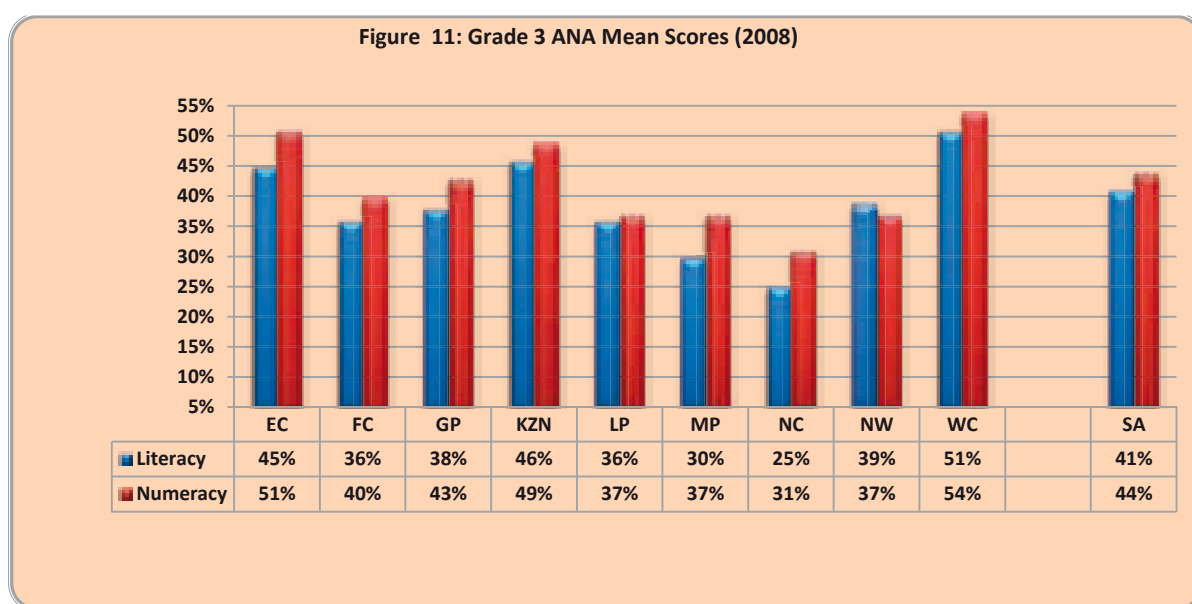
In 2010 an improvement of 14,62% was recorded in the pass rate in Physical Sciences, where 27 163 candidates wrote obtaining a pass rate of 43,3%, compared to 28,68% pass rate of 2009. Life Sciences improved by 7,23% with a pass rate of 65,9%. It was extremely pleasing to note that the Agricultural Sciences pass rate improved by 16,17% and produced a 68% pass rate. Although this is a significant improvement it still requires much attention, given the rural nature of our province.

In the field of Mathematics, the performance has been disappointing. The pass rate was 37,5% in 2009 and decreased marginally by 0,19% in 2010 with a pass rate of only 37,3% being attained. Mathematical Literacy recorded a pass rate of 80% – an improvement of 8,67%. Only 440 candidates wrote Mathematics Paper 3 and the pass rate was improved by 16,95% to 68.9%.

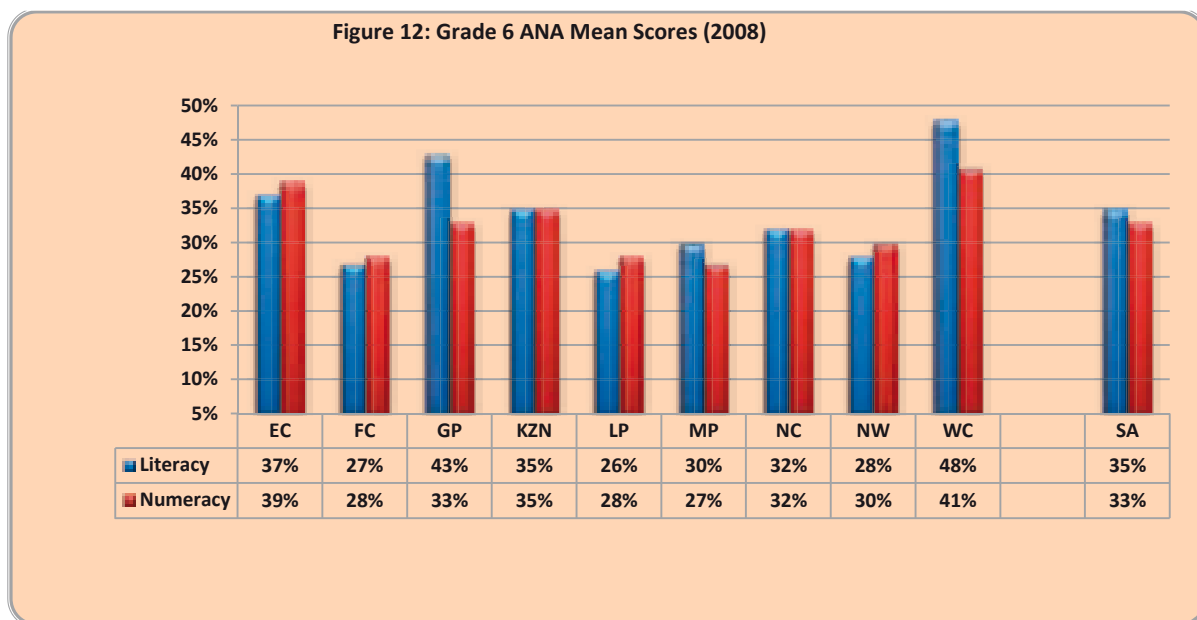
History had 12 185 candidates registered and the pass percentage was 73,2%, an improvement of 4,91%. Disappointingly, Geography declined slightly by 1,73% to 66,8% in 2010. Referring to the commercial subjects, Accounting improved by 2,86% with the 18 055 candidates who registered for the subject producing a 61,9% pass rate. Both Business Studies and Economics also had a large number of candidates and recorded pass rates of 64,7% and 71,2% respectively , with improvements of 0,36% in Business Studies and 4,85% in Economics.

As part of the overall LAIS strategy the Department will utilise this analysis to inform subject specific interventions at District level. Consequently, all schools will be required to develop and include Subject Improvement Plans in their School Improvement Plans. These were compiled and operationalised as part of the School Readiness programme for 2011.

iii. Annual National Assessment Results



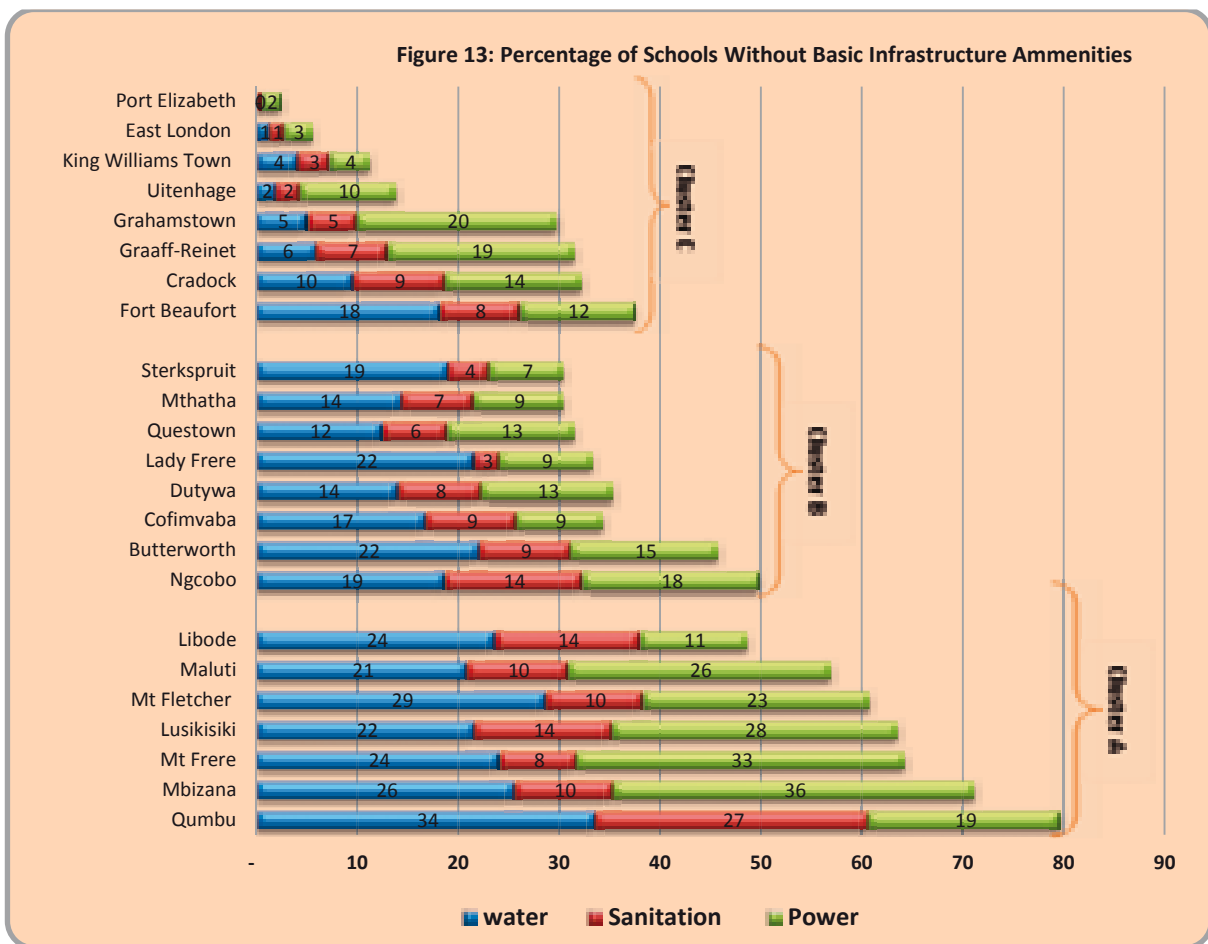
Despite the Province taking the 6th place in the provincial ranking of the 2010 NSC results, the picture is very different when one consider the 2008 Annual National Assessment (ANA) results in numeracy and literacy. The Province came third in the performance in literacy and second in numeracy at Grade 3, well above the national average of 41% and 44% respectively. The trend is the same at Grade 6 level with the Province being placed third in the performance in literacy and second in numeracy above the national average of 35% and 33% respectively.



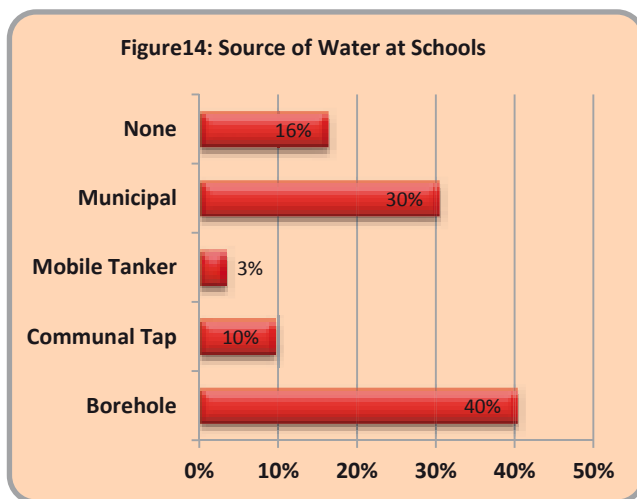
Overall performance is still unsatisfactory considering that the country has set a 60% target in performance in literacy and numeracy at both Grades 3 and 6. A more concerted and consistent effort is required to ensure that the province improves learner performance in these areas.

2.1.5.3 School Infrastructure

School infrastructure remains one of the Department's greatest challenges. There are still schools without a water supply, sanitation and/or electricity. Most of these schools are in Clusters A and B. In Cluster C a similar trend emerges in Districts which are situated in former homelands. The urban Districts of Port Elizabeth, East London, King William's Town and Uitenhage, all of which fall under Cluster C, are well-off compared to the other Districts. Districts like Qumbu, Mbizana, Mt Frere and Lusikisiki are the least resourced Districts in terms of basic infrastructure amenities. Fig 13 presents percentages of schools without the basic amenities per District.

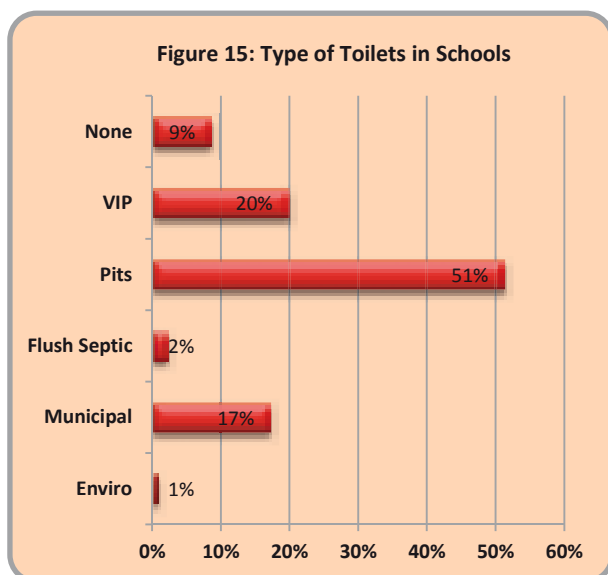


The effect of this trend is manifested in a number of areas including pass rates which have remained lower in Districts mostly affected by these infrastructural challenges.



i. Source of Water in Schools

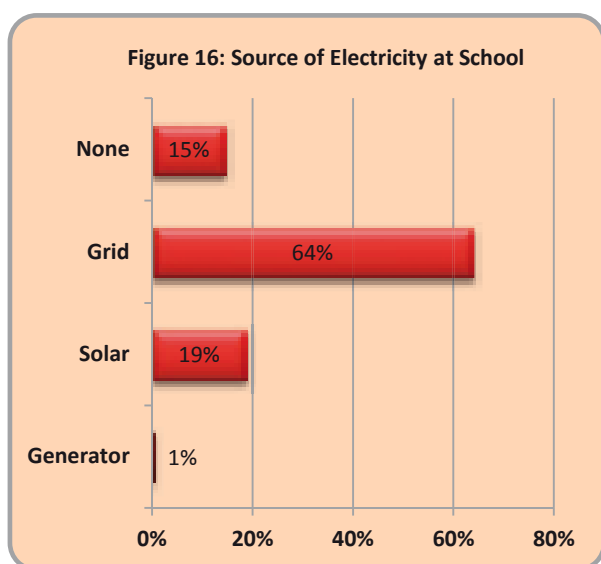
Approximately 40% of schools use a borehole as their source of water. This is no surprise given that the Province is largely rural. Municipal (or piped) water is provided to approximately 30% of the Province's schools. Unfortunately 16% of schools still do not have a water supply with the Libode District topping the list, having 98 schools without this critical amenity. Qumbu District, however, has the highest proportion with 33% of their schools without a water supply.



ii. Type of Sanitation in Schools

Just over half of the Province's schools are using pit latrines while 20% and 17% are using the VIP and municipal sewage system respectively. Sadly 457 schools do not have sanitation at all and 56%

of these schools are in Cluster A with Qumbu (68 schools), Libode (60 schools) and Lusikisiki (47 schools) topping the list. As can be expected, the urban Districts of King William's Town, East London Port Elizabeth and Uitenhage are the least affected by this challenge. Most schools in these Districts are using flush toilets which are connected to the municipal sewage system.



iii. Source of Power in Schools

Approximately 64,3% of the schools in the Province are connected to the electricity grid, i.e. they are serviced by ESKOM through their local municipalities while 18,9% are using solar systems. Only 0,5% of the Province's schools make use of generators with the remaining 14,7% having no form of electricity whatsoever. Of the schools without power, 52,5% are in Cluster A compared to 10,9% of schools in Cluster C. Maluti and Mt Frere Districts have 110 and 92 schools respectively without this basic service. The remaining 36,6% of schools without power are located in Cluster B.

2.1.5.4 Social Issues Affecting Learners

Besides high levels of poverty, particularly in the former Transkei and many of the rural areas, parent mortality is also a contributing factor to poor learner performance. Although the Department does have programmes in place to deal with orphans and vulnerable children (OVC) much more still needs to be done to alleviate the situation.

i. Trends in Learner Mortality

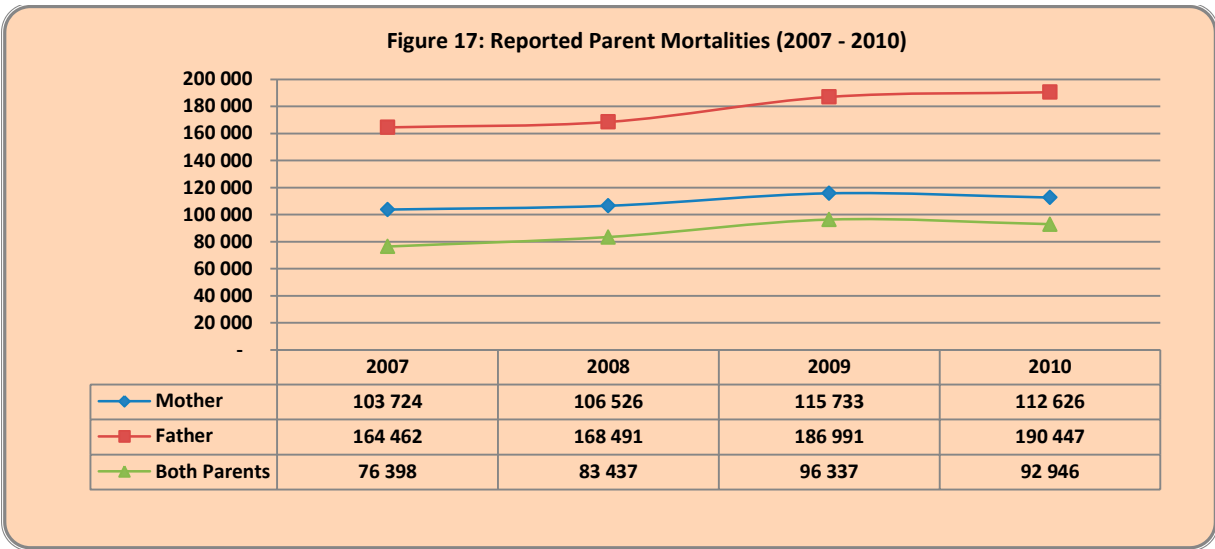
Table 3 indicates Learner mortality increased from 2 026 in 2009 to 2 538 in 2010. Mthatha District had the highest recorded cases with 444 followed by Lusikisiki reporting 207 cases while Grahamstown and Graaff-Reinet had the least number of cases with 20 and 13 cases respectively.

Illness is the major contributor to learner mortality with 1 730 cases reported as a result of illness. This is followed by accidents where it was reported that 575 learners died because of accidents. The urban districts of Mthatha, Port Elizabeth, Butterworth, East London and King William's Town have the highest number of reported deaths due to violence. Deaths due to suicide are of particular interest to the Department as they may be considered indicative of the effectiveness or non-effectiveness of the Life Skills Programme. Reported cases of suicide declined from the 146 in 2007 to 106 reported in 2010.

Table 3: Learner and Parent Mortality Rates and Learner Pregnancies

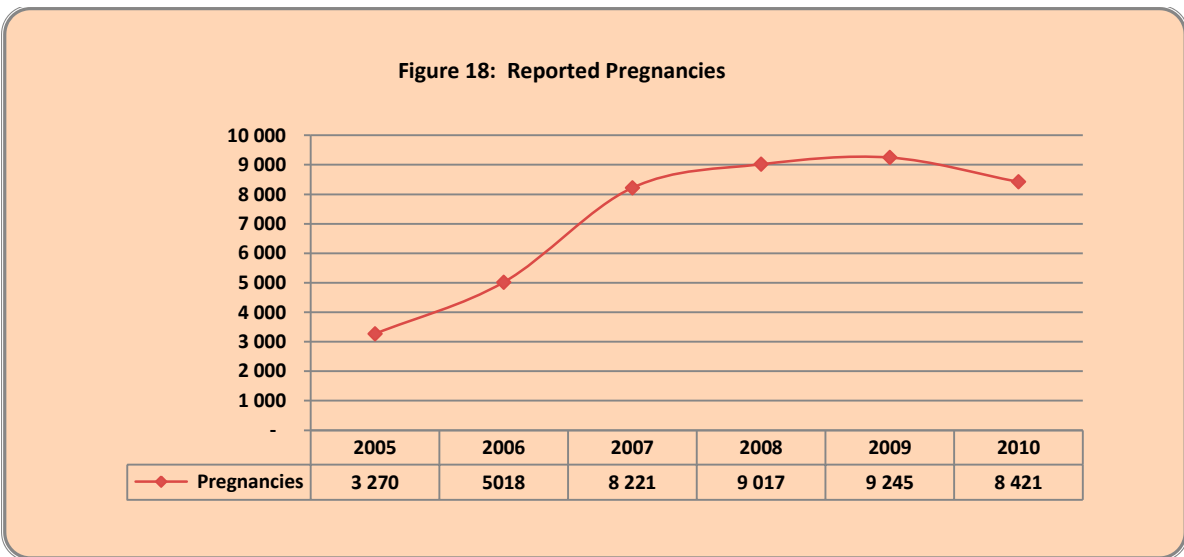
District	Reported Cases		
	Learner Mortality	Parent Mortality ³	Learner Pregnancy
Cluster A			
Libode	140	39 071	918
Lusikisiki	207	45 551	554
Maluti	78	18 884	305
Mbizana	131	31 145	427
Mt Fletcher	40	11 244	250
Mt Frere	88	20 672	286
Qumbu	93	11 373	211
<i>Cluster A Total</i>	777	177 940	2 951
Cluster B			
Butterworth	128	17 347	542
Cofimvaba	68	12 246	407
Lady Frere	122	6 636	268
Dutywa	156	17 240	502
Mthatha	444	30 461	783
Queenstown	56	10 860	247
Sterkspruit	92	14 292	394
Ngcobo	114	12 388	387
<i>Cluster B Total</i>	1 180	121 470	3 530
Cluster C			
East London	142	16 124	308
Fort Beaufort	40	7 074	168
Graaff-Reinet	13	4 010	94
Grahamstown	20	4 771	90
King William's Town	108	18 982	442
Port Elizabeth	189	28 398	482
Cradock	24	4 336	102
Uitenhage	45	12 914	254
<i>Cluster C Total</i>	581	96 609	1 940
Provincial Total	2 493	378 672	8 421

³ This refers to the number of learners where either one or both parents are deceased.



ii. Trends in Parent Mortality

44% of the Province's orphans are found in the Lusikisiki, Libode, Mbizana and Mthatha Districts. In 2010 the Province recorded a total of 396 019 orphans. Of these 92 946 lost both their parents, 190 447 lost fathers and 112 626 lost their mothers. The impact of HIV and AIDS and other social elements are largely responsible for this trend. The Department needs to continue strengthening its Social Support Services which include the School Nutrition Programme (SNP) and general support to Orphans and Vulnerable Children (OVC).



iii. Trends in Learner Pregnancy

A 9,8% reduction in learner pregnancy has been recorded for 2010. There were 824 fewer cases reported in 2010. This may be an indication that the Department's Life Skills Programmes are having a positive effect on the lifestyles of the learners in the Province. Libode and Mthatha Districts had the highest reported cases with 918 and 782 respectively.

2.1.5.5 Educators in the Province

Table 4: Number of State Paid Educators per District (as at 07 February 2011)

District	Nature of Contract			Total
	Permanent	Temporary	Substitute	
Cluster A				
Libode	4 764	229	1	4 994
Lusikisiki	4 357	110	1	4 468
Maluti	2 176	55	1	2 232
Mbizana	2 999	231	1	3 231
Mt Fletcher	1 612	52	0	1 664
Mt Frere	2 323	167	1	2 491
Qumbu	2 315	86	0	2 401
Cluster Total	20 546	930	5	21 481
Cluster B				
Butterworth	3 432	61	0	3 493
Cofimvaba	2 392	81	0	2 473
Lady Frere	1 418	27	0	1 445
Dutywa	3 249	140	2	3 391
Mthatha	4 392	114	1	4 507
Queenstown	1 936	31	0	1 967
Sterkspruit	1 859	16	0	1 875
Ngcobo	2 224	67	0	2 291
Cluster Total	20 902	537	3	21 442
Cluster C				
East London	4 230	25	2	4 257
Fort Beaufort	1 587	4	0	1 591
Graaff-Reinet	781	13	0	794
Grahamstown	910	8	1	919
King William's Town	3 767	32	2	3 801
Port Elizabeth	5 344	37	2	5 383
Cradock	803	24	0	827
Uitenhage	2 466	40	3	2 509
Cluster Total	19 888	183	10	20 081
PROVINCIAL TOTAL	61 336	1 650	18	63 004

Table 5: Educator Post Levels (as at 7 February 2011)

District	Educator Post Levels						Total
	PL4	PL3	PL2	PL1	Therapist	Other ⁴	
Cluster A							
Libode	343	152	554	3 945	0	0	4 994
Lusikisiki	291	144	509	3 523	0	1	4 468
Maluti	209	52	234	1 734	0	3	2 232
Mbizana	195	110	354	2 572	0	0	3 231
Mt Fletcher	166	42	157	1 299	0	0	1 664
Mt Frere	209	54	271	1 957	0	0	2 491
Qumbu	200	64	264	1 874	0	0	2 401
Cluster Total	1 613	618	2 342	16 904	0	4	21 481
Cluster B							
Butterworth	329	82	375	2 707	0	0	3 493
Cofimvaba	245	41	257	1 930	0	0	2 473
Lady Frere	158	24	121	1 141	0	1	1 445
Dutywa	288	78	349	2 676	0	0	3 391
Mthatha	305	117	522	3 562	0	1	4 507
Queenstown	171	53	192	1 551	0	0	1 967
Sterkspruit	144	53	202	1 476	0	0	1 875
Ngcobo	216	55	237	1 782	0	1	2 291
Cluster Total	1 856	503	2 255	16 825	0	3	21 442
Cluster C							
East London	283	110	453	3 402	9	0	4 257
Fort Beaufort	229	24	121	1 217	0	0	1 591
Graaff-Reinet	91	23	78	602	0	0	794
Grahamstown	99	27	93	700	0	0	919
KWT	405	68	340	2 988	0	0	3 801
Port Elizabeth	248	201	633	4 275	23	3	5 383
Cradock	81	18	81	647	0	0	827
Uitenhage	161	78	275	1 994	1	0	2 509
Cluster Total	1 597	549	2 074	15 825	33	3	20 081
PROVINCIAL TOTAL	5 066	1 670	6 671	49 554	33	10	63 004

PL 1: Teacher

PL 2: Head of Department: School

PL 3: Deputy Principal/Subject Education Specialist

PL 4: Principal/Educational Development Officer/Deputy Chief Education Specialist

⁴ This includes DCES, SES and Lecturers in Schools

Table 6: ECDE Statistics at a Glance

This table presents the basic statistics of ECDE at a glance

Institutions Statistics	Actual Numbers as at 4 May 2010 (Based on the 2009 Survey)	Actual Numbers as at 30 November 2010 (Based on the 2010 Survey)
Number of Schools in the Province (including Public Ordinary, Special Schools and Independent Schools)	5 778	5 818
Number of Public Schools (ordinary and Special Schools)	5 655	5 653
Number Special Schools	41	41
Number of Independent schools	164	165
Number of primary schools	2 278	2 276
Number of secondary schools	841	841
Number of combined schools	2 495	2 495
Number of ABET centres	295	293
Number of ECD centres	891	891
Number of schools with Grade R classes	4 413	4 565
Number of full-service schools in the province ⁵	4	4

According to available statistics, the average age of educators in the Province is 44,8 years. This effectively means that they only have another 20 years of service left. The average age of the 129 appointees into Post Level 1 posts in the year under review is 35,2 years. The youngest appointee was 23 years old while the eldest was 51.

In the year under review 432 educators passed away and a total of 849 retired whilst there were only 133 new appointees across all post levels.

⁵ Full-service schools are schools that cater for learners who experience barriers to learning and are in need of low or medium support

Table 7: Learner Statistics

Learner Statistics	Actual Numbers as at 4 May 2010 (Based on the 2009 Survey)	Actual Numbers as at 30 November 2010 (Based on the 2010 Survey)
Number of learners in the Province (inclusive of Public Ordinary schools, Independent Schools and Special Schools, and Grade R)	2 080 978	2 078 738
Enrolment at Grade R	161 859	174 723
Number of learners in Public Ordinary Schools (Programme 2)	2 034 902	2 020 094
Number of learners in Public Primary Schools (Sub-Programme 2.1)	586 344	581 285
Number of learners in Public Secondary Schools (Sub-Programme 2.2)	414 223	410 559
Number of learners in Public Combined Schools	1 028 132 ⁶	1 028 250
Number of learners in independent schools	43 079	49 257
Number of learners in special schools	8 973	9 249
Number of learners in ABET centres	35 691	36 973
Number of Learners in FET Colleges	11 428	13 796
Number of learners in Public Ordinary Schools with special needs (Please note this is not the number of learners in Special Schools)	17 614	20 962

⁶ The figure published in the 2010/11 APP was a typing error.

Table 8: Educator Statistics

Educators	Actual Numbers as at 4 May 2010 (Based on the 2009 Survey)	Actual Numbers as at 30 November 2010 (Based on the 2010 Survey)
Number of educators in Primary Schools	19 484	19 526
Number of educators in Secondary Schools	16 414	16 541
Number of educators in Combined Schools	33 335	33 395
Total number of educators	69 233	69 462
Educator to Learner Ratio	Actual Numbers as at 4 May 2010 (Based on the 2009 Survey)	Actual Numbers as at 30 November 2010 (Based on the 2010 Survey)
Primary	1:30	1:30
Secondary	1:25	1:25
Combined	1:31	1:31
Average learner educator ratio	1:29	1:29

2.1.6 Overview of the Organisational Environment for 2010/11

2.1.6.1 Organisational Environment for South Africa's education system

According to the Bill of Rights the State has an obligation to provide basic education to all South Africans. The State is expected to make basic education available and accessible to all, including adults.

According to the South African Schools Act (SASA) of 1996, schooling is compulsory for children between the ages of 7 and 15. This basically covers Grades 1 – 9. However, basic education spans 13 years, from Grade R (or reception year) to Grade 12 (or Matric).

The South African National Qualifications Framework (NQF) recognises three broad bands of education, viz. General Education and Training (GET – from Grade R to Grade 9), Further Education and Training (FET – from Grade 10 to Grade 12) and Higher Education and Training. The table below explains the levels of education in South Africa.

Table 9: Levels of Education in South Africa

LEVELS OF EDUCATION IN SOUTH AFRICA			
BAND	SCHOOL GRADE	NQF LEVEL	QUALIFICATIONS
HET		8	Doctorate Degree
		7	Masters Degree
			Honours Degree
			Postgraduate Diploma
		6	General first degree
			Professional first degree postgraduate
			Bachelors degree
		5	First diploma
			Higher certificate
Certificate			
FET	12	4	Diploma
	11	3	Certificate
	10	2	Certificate
GET	9	1	ABET Level 4 is equivalent to Grade 9.
	8		
	7		
	6		
	5		
	4		
	3		
	2		
	1		
	R		

In May 2009 the President announced that the Ministry of Education would be split into two ministries – viz. the Ministry of Basic Education and the Ministry of Higher Education and Training. The former is responsible for Adult Basic Education and Training (ABET) and primary and secondary education. The latter is responsible for tertiary education which includes vocational training and academic training including higher certificates, diplomas and degrees from bachelor to doctorate.

Government provides a national framework for school policy, but administrative responsibility lies with each province. Power is further devolved to grassroots level via elected School Governing Bodies (SGBs) which have a significant say in the running of their schools.

Independent schools and higher education institutions have a fair amount of autonomy but are expected to comply with certain policy non-negotiables, e.g. no learner may be excluded on grounds of his/her race or religion, for example.

Although Government is working towards rectifying the imbalances in education, the Apartheid legacy still remains. The greatest challenge is encountered in the poorer provinces which are generally more rural in nature, like the Eastern Cape whilst schools in the more affluent provinces, such as Gauteng and the Western Cape, are better resourced.

One of the programmes which is aimed at targeting the poorest of the poor is the National School Nutrition Programme (NSNP). The programme not only undertakes to feed learners enrolled in schools in poorer areas but has also established almost 2 100 school gardens in conjunction with the Department of Agriculture, Local Government Structures and a number of Non-Governmental Organisations (NGOs).

2.1.6.2 Organisational Environment of the Eastern Cape Department of Education (ECDE) system

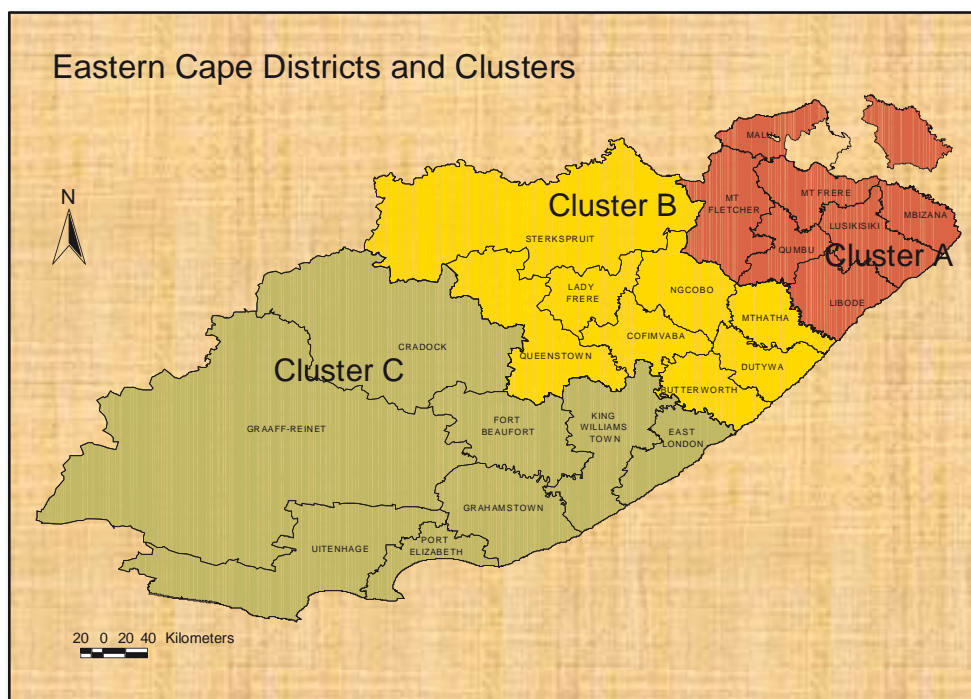
The Eastern Cape Province is, according to the report measuring poverty in South Africa published by Statistics SA, the poorest province in the country. It is located on the south-eastern seaboard of the country and covers an area of 170 600 km². This is 14% of the country's landmass. The administrative capital, Bhisho, is located 65km from East London, one of the two ports in the province. The other is Port Elizabeth. The province is relatively centrally situated and is linked to the major market centres of South Africa by a modern network of air, roads and railways. The Head Office of the ECDE is situated in Zwelitsha, some 10km from Bhisho.

The ECDE is organised into 23 Districts and they are grouped into three Clusters:

Cluster A: Libode, Lusikisiki, Maluti, Mbizana, Mt Fletcher, Mt Frere and Qumbu;

Cluster B: Butterworth, Cofimvaba, Dutywa, Lady Frere, Mthatha, Ngcobo and Sterkspruit;

Cluster C: Cradock, East London, Fort Beaufort, Graaff-Reinet, Grahamstown, Queenstown, Uitenhage and Port Elizabeth.



The 2010/11 financial year was challenging for the ECDE in that, for the better part of the year, a number of significant senior management posts were not filled and this has created a degree of instability and uncertainty in the Department.

Worth noting is the fact that due to financial constraints the Department placed a moratorium on the filling of office-based and non-teaching support staff posts in schools during the year under review.

The near collapse of service delivery in critical areas such as the NSNP, Learner Transport services, supply of Learner and Teacher Support Materials, especially stationery to Section 20 schools, the allocation and appointment of teachers to all schools and poor infrastructure development prompted Cabinet to declare a Section 100(1)(b) intervention in order for the National Department of Basic Education (DBE) to take over the management of the ECDE. This includes the signing of a Memorandum of Understanding to clarify roles, responsibilities and powers relative to the two departments during the intervention.

2.1.7 Key Policy Developments

The main policy changes during the year under review were the following:

- The budget for the Further and Education and Training Colleges (FETC) which falls under the Department of Higher Education has been changed to a conditional grant during the year under review.
- National Norms and Standards for Funding FET Colleges
- The School Nutrition Programme was expanded to feed Quintile 1 Secondary School learners who were not fed before.
- Funds for School Nutrition Programme and meal servers were transferred to schools during the last quarter of the financial year.

2.1.8 Collection of Departmental Revenue

Table 10: Departmental Revenue

	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	% deviation from target
Sales of goods and services other than capital assets	31 883	32 728	36 088	41 790	39 656	- 5,10%
Fines, penalties and forfeits	20	27	17	35	32	- 8,57%
Interest, dividends and rent	637	3 132	482	300	249	- 17,0 %
Transactions in financial assets and liabilities	12 442	22 669	10 849	11 956	11 198	- 6,34%
TOTAL DEPARTMENTAL RECEIPTS	44 982	58 556	47 436	54 081	51 135	- 5,45%

2.1.9 Departmental Expenditure

There is an over expenditure in Programme 2 and Programme 7. The bulk of the over expenditure is due to underfunding of OSA and ICS; irregular salary increases; unfunded mandates; displaced officials and double parked educators. The over expenditure has been reduced from the projected R1,975 billion due to the implementation of the projects of the DTAP which include placing displaced officials, terminating temporary educators' contracts and also the implementation of the strike deduction for 2 months, February and March 2011. The under expenditure in Programme 5 is due to unspent funds that were meant for the Council employed officials at FET Colleges.

There is an under expenditure in Goods and Services in all programmes with the bulk being in Programme 2. In addition to all the reasons that have affected low spending in goods and services, including delays in procurement and internal disruptions, Provincial Treasury introduced a moratorium on all spending except in conditional grants with effect from February 2011 so as to reduce over expenditure in the Department. Only conditional grant related payments were processed. The most critical areas that have been affected are Section 20 schools, LTSM and maintenance in schools.

2.1.10 Transfer Payments

Table 11: Transfer Payments

PROGRAMME	INSTITUTION/BENEFICIARY	PURPOSE	AMOUNT TRANSFERRED	NEED TO COMPLY WITH SECTION 38(1J)
Programme 1	Individuals	Transfers to schools Leave Discounting and Leave Gratuities	117 4 788	Yes No
Programme 2	Individuals Individuals	Transfers to schools Leave Discounting and Leave Gratuities	1 077 755 78 034	Yes No
Programme 3	All Independent Schools	Transfers to schools	51 143	Yes
Programme 4	All Special Schools Individuals	Transfers to Special Schools Leave Discounting and Leave Gratuities	58 782 485	Yes No
Programme 5	All FET Colleges Individuals	Transfers to Colleges Leave Discounting and Leave Gratuities	230 960 21	Yes No
Programme 6	Individuals	Leave Discounting and Leave Gratuities	0	No
Programme 7	All ECD Centres	Transfers to schools Leave Discounting and Leave Gratuities	5 222 2	Yes No
Programme 8	SETA Examination Centres Individuals	Transfer to Department Agency Transfers to Examination Centres Leave Discounting and Leave Gratuities	8 404 19 993 0	Yes Yes No
TOTAL TRANSFER PAYMENTS			1 535 706	

2.1.11 Conditional Grants and Earmarked Funds

The Eastern Cape Department of Education (ECDE) received the following Conditional Grants:

- National School Nutrition Programme (NSNP)
- Recapitalisation of Technical High Schools
- Infrastructure Grant Programme (IGP)
- HIV/AIDS Grant
- FET Colleges

2.1.11.1 National School Nutrition Programme

The National School Nutrition Programme (NSNP), previously known as Primary School Nutrition Programme, was transferred from the Department of Health to the Department of Education on 1 April 2004. The NSNP is one of the 1994 RDP projects that was introduced to promote health amongst school-going children. The three focus areas of the NSNP are:

- To provide meals to learners;
- The establishment of food production initiatives; and
- The educating of learners and the community at large about good nutrition.

The programme is expected to target public schools in quintiles 1, 2 and 3 (grades R to 12 in the first two quintiles and Grades R to 7 in quintile 3). This delivery was expected to cover all school days.

The total number of learners targeted was 1 480 907 and the actual number of learners covered by the programme was 1 531 550. The deviation was as a result of an unfunded mandate which included quintiles 4 & 5 learners who were also fed in the 2010/11 financial year.

A business plan which entails all activities and financial expectations of the programme was approved in January 2010 and the total grant amount received was R702 936 000. The total expenditure during the year under review amounted to R696 723 000 which is more than 98% of the allocation. The reason for the under expenditure is that there are funds that were locked on commitments and were not claimed by the service providers. A request for the roll-over of these funds was made.

2.1.11.2 Recapitalisation of Technical High Schools

The purpose of the recapitalisation of technical high schools is to improve the conditions in 31 selected schools, and to modernise them to meet the teaching requirements of learners in the technical fields and as well as to increase the number of suitably qualified and technically skilled graduates from these schools. An amount of R9 549 million was allocated for year 1 for the 31 schools to meet these objectives.

The recapitalisation of the 31 technical schools involved the following:

- Building new workshops and extending workshops in 11 and 3 schools respectively, over 3 years to support the technical subjects offerings. Four such schools were targeted for 2010/11

- Refurbishing existing workshops in 17 schools over 3 years to comply with safety laws and regulations and to meet minimum industry standards. However, 9 schools were targeted and completed for 2010/11
- Buying and installing new equipment, tools and machinery consistent with the subjects offered in the 31 schools. However 10 schools, were targeted and given equipment for 2 of the 4 subjects
- Training and up-skilling teachers at the 31 technical schools to acquire new trends, practical skills and developments in their technical subjects.

Of the R9 549 million allocated R6 030 million was spent. This amount, however, excludes the commitments. Thus, 63% of the allocation was spent and a further amount of R2, 495 million was committed, taking the total expenditure to R8 525 million. This expenditure can be broken down into the following deliverables:

- Building of new workshops: R1 090 811.71 of the allocated R2 005 290 was spent representing a 54,4% expenditure
- Refurbishment of existing workshops: R630 593.00 was spent, representing 60% of the R1 05 million allocated
- Purchasing of equipment: of the R5 920 380 allocated, an amount of R5 853 285.10 was spent, which represents 98,8% of the budget for this activity
- Teacher training: involved an expenditure of R572 940 which is 100% of the allocated funds for this deliverable.

Objectives achieved against targets.

Target Output 1: Building of 4 new and re-designing of 2 existing workshops

This target was not achieved. Implementing Agents, namely COEGA, were appointed to develop the building plans. However, the estimated cost of the whole process led to the delay in the finalisation and approval of the plans. The use of the Department of Public Works (DPW) has been secured and this will expedite the process.

Target Output 2: Refurbishing existing workshops

Delays in the assessment of the 9 workshops and the development and approval of the specifications for building and refurbishment of workshops resulted in only 5 of the targeted 9 workshops being refurbished.

Target Output 3: Purchasing new equipment, tools and machinery

Only 10 of the targeted 31 schools received new equipment due to the amount allocated being inadequate to equip all 31 schools. Hence, the initial target had to be reviewed.

Target Output 4: Teacher Training

Training was completed in only two of the targeted four subjects. Thus, only 95 of the targeted 151 teachers were trained.

In response to the challenges experienced in the year under review, the Directorate Curriculum FET Programmes strengthened certain provisions of the Conditional Grant framework to assist districts to efficiently implement the grant. The revisions are intended to enhance the efficiency of the procurement processes at provincial level during the 2011/12 financial year. Furthermore, the planning processes for the 2011/12 financial year have been improved to ensure that realistic targets are set and administrative processes are put in place before implementation takes place.

In addition, the Directorate FET Curriculum is managing this project through an established Provincial Steering Committee comprising representatives from the following Chief Directorates: District Coordination, Curriculum Management, Institutional Management and Governance.

The Directorate Curriculum FET Programmes is also in the process of intensifying its monitoring and support efforts by establishing a technical assistant team that will provide ongoing support and guidance to districts and intervene in cases of severe under-performance at all levels.

In terms of section 2.2 of the Division of Revenue Act (DoRA), as amended, the duties of the Receiving Officer include submitting monthly reports and quarterly reports to the relevant provincial treasury and to the transferring national officer on amounts received, funds withheld, and the actual expenditure of the Province. Compliance to this obligation was met by the Province.

2.1.11.3 Infrastructure Grant To Provinces (IGP)

The Department was allocated an IGP (Infrastructure Grant Programme – now renamed as Education Infrastructure Grant) budget of R430 million for the 2010/11 financial year. However, the Provincial Treasury placed a moratorium on the utilisation of these funds for any new projects, and expenditure was thus initially limited to payments on projects continuing from the 2009/10 financial year. The Treasury ultimately lifted this moratorium towards the end of November 2010. Also in November 2010 Treasury approved a roll-over of R74 million from the previous year's IGP allocation, making a total of R579 million available but only towards the end of the financial year. However, plans were then put in place at this late stage to commit all the funds and to spend as great a portion thereof as possible.

At the end of the year the Department had committed all the funding to 350 projects that would be continuing into 2011/12, and which would require the balance of the funding originally made available to complete – i.e. an amount of R430,5 million. An application for the roll-over of this amount has therefore been submitted to Treasury.

2.1.11.4 HIV/AIDS Conditional Grant

This grant has been in existence since the 2000/01 financial year. In the year under review an amount of R32,189 million was allocated. A roll-over of R2,592 million was approved resulting in a final allocation of R34,781 million.

The grant is used to integrate HIV/AIDS into the school curriculum and to provide care and support to learners and educators infected and affected by HIV/AIDS.

In the year under review, the following was achieved:

- As a result of Life skills interventions spearheaded by the programme, the number of learner pregnancies was reduced from 9 245 in 2009 by 824 to 8 421 in 2010. Although this falls short of the target it can still be considered a remarkable achievement as, with the shortened academic year due to the World Cup 2010, not all the planned interventions could be implemented. Weekend camps for learners were introduced to try to compensate for the shorter academic year.
- Cases of deaths due to suicide declined from the 146 cases reported in 2007 to 106 reported in 2010. This can be attributed to the effectiveness of the Life skills interventions of the programme.

Of the allocated budget, 81% was spent in the 2010/11 financial year and the programme has applied for a roll-over for the amount of R6,391 million.

The biggest single expenditure was R9,03 million on care and support for Orphans and Vulnerable Children. An amount of R6,71 million was spent on co-curricular activities with a specific focus on peer education. R4,9 million was spent on advocacy programmes and R1.72 million was spent on the publication of Learner and Teacher Support Materials.

The programme has complied fully with the provisions of the Division of Revenue Acts of 2010, including monthly and quarterly reports as required. All transferred funds were utilised in terms of the approved business plan.

2.1.11.5 FET Colleges

The conditional grant to the Further Education and Training Colleges (FETCs) is in accordance with the Further Education and Training Act no. 16 of 2006. Programmes in the FETCs involve the implementation of policies related to the efficiency of the FETCs in ensuring that teaching and learning takes place and to develop the Colleges so that they are in a position to address the Provincial and National priorities. These programmes are aligned with the government programmes with the objective of stimulating the local, provincial and national economy and development in preparing young people of the Province with a view to enhancing work opportunities for them.

An amount of R555,208 million was allocated to the programme. Of this amount R277,604 million was allocated to Compensation of Employees and the following transfers were made to the Colleges during the year under review:

Table 12: Transfers to FETCs

College	Amount transferred (in millions)
Buffalo City FETC	R 35,636
Eastern Cape Midlands FETC	R 52,512
Ikhala FETC	R 18,558
Ingwe FETC	R 27,233
King Hintsa FETC	R 20,228
King Sabata Dalindyebo FETC	R 19,681
Lovedale FETC	R 18,448
Port Elizabeth FETC	R 38,664
TOTAL	R 230,960

2.1.12 Capital Investment, Maintenance and Asset Management Plan

In terms of the Division of Revenue Act (DoRA) and the Government Immovable Asset Management Act (GIAMA), the Department is required to develop annually a User Asset Management Plan (U-AMP), which incorporates the annual Infrastructure Plan. These two documents thus comprise the capital investment and asset management plans of the Department. This section reports qualitatively on the performance of the Department in terms of these plans, and discusses some of the achievements and challenges.

Capital Investment

Introduction

The Eastern Cape Department of Education has an infrastructure stock which comprises 5 577 active schools, together with various other educational facilities such as colleges, ECD centres, etc. These schools, many of which are old mud structure buildings, provide teaching spaces for just over 1,83 million learners in the Province (2,02 million including Grade R).

Over the past fourteen years, the Department has made significant inroads into eradicating backlogs and improving physical conditions at schools throughout the Province. There are, however, still substantial backlogs to be overcome. It is estimated that the cost of removing the classroom shortage, replacing mud structures, and providing water, sanitation, fencing and telephones to schools will amount to close on R25bn at today's costs. In addition, more than R3,60bn is required to address renovations, replacement, etc to bring existing schools up to an acceptable standard. The challenge for the ten year period to 2014 is to deal with these backlogs in the shortest possible time

so that more funds can be allocated to maintenance, thereby ensuring that facilities are conducive to quality teaching and learning. Furthermore, the re-alignment of schools to conform to the national model of first stream Grade R – Grade 7 and a second stream Grade 8 – Grade 12 needs to be accommodated. This situation is further complicated by the migration of learners within and out of the province. A further challenge is the rationalization of small schools where effective education is not sustainable. This process has commenced, but is sensitive as it has many implications.

The National Department of Basic Education has recognized the urgent need to replace mud structure schools that are collapsing, and has undertaken to assist with some 400 such schools in the forthcoming year. This is over and above the Department's own delivery programme. The Department has thus done site assessments at 493 schools. The majority of these schools will form part of the ASIDI programme, and the rest included in DoE programme funded through the IGP and Equitable Share. The fact that these assessments have already been done will facilitate implementation in 2011/12.

Infrastructure Delivery 2010/11

The infrastructure delivery programme of the Department got off to a very difficult start at the outset of the financial year. It is well documented that the Department exhausted its annual budget for 2009/10 in November 2009, and thus payments to service providers were halted until well into the 2010/11 financial year. This resulted in many contractors leaving site, and thus significant delays to the building programme. Furthermore, the Provincial Treasury placed a moratorium on the utilization of the IGP (Infrastructure Grant to Provinces – R430m). This, coupled to an internal budget cut of R410m prevented the commencement of any new projects until the moratorium was lifted in November 2010. These factors gave rise to significant under-expenditure on infrastructure projects as reported below.

The budget allocation for the financial year 2010/11 was ultimately R979,3 m after the IGP was restored and a roll-over of R77m approved. However, expenditure thereof amounted to only R299m (30,5%), resulting in under-expenditure of R434m. Actual delivery against the Annual Performance Plan is recorded elsewhere herein.

Organisational Issues 2010/11

The infrastructure unit has unfortunately been characterized by staff disruptions. The instability in SMS level severely affected the Directorate's functionality. In addition, despite fewer than half the posts in the unit being filled, no new appointments were made during the past year. The importance of personnel consistency, together with developing and retaining the scarce skills required for infrastructure planning and delivery management cannot be over-emphasised.

Additionally, the Education Information management System (EFMS) commissioned by the Department is still not fully functional at its optimal capacity, but further development work on the system did not take place as planned due to procurement delays.

Asset Management

The condition of the Department's capital stock is summarized in the table below.

Table 13: Condition of classrooms: Public Ordinary Schools (April 2007)

Condition of Classrooms	Number of Schools	%
Very Weak	982	18%
Weak	1560	28%
In Need of Repair	2055	37%
Good Condition	632	11%
New Building	266	5%
Being Upgraded	81	1%
TOTAL	5577	100%

The condition of the existing infrastructure must, however, also be seen in the context of the status of infrastructure provision. In terms of the Department's norms and standards, there are significant backlogs – not only specialist facilities like laboratories, but also basic infrastructure such as classrooms and toilets. These are summarised in the table below (note that these backlog estimates are based on 2009 rates).

Table 14: Backlog Estimates

Facility	Backlog Cost
Total facility backlog cost	R21,235m
Total Upgrade Backlog Cost	R1,431m
Total Repair Backlog Cost	R2,171m
TOTAL	R 24,838m

The backlog calculation above is on the basis of the Department's previous norms. Once these backlogs have been analysed in terms of the new national norms & standards, they are expected to increase significantly.

A strategy has been developed for updating the condition assessments of all schools at least every 5 years (international best practice), and is due to be implemented shortly.

Maintenance

With the data currently in the EFMS, a calculation of the current cost of the maintenance backlog at Departmental facilities is in the order of R2,17bn.

The annual maintenance budget for 2010/11 was only R175m. However, from this must be deducted the maintenance funds allocated directly to Section 20 and Section 21 schools, as this formed part of

this allocation. Section 20 and 21 received R47m thus an amount of R128m was available for general maintenance.

The issue of maintaining the Department's immovable assets is a looming crisis. The value of the Department's assets is currently estimated at R40 – R50bn. According to international norms, between 2% and 4% of the asset value should be budgeted annually for maintaining the asset. This would imply that the Department should be spending at least R1bn per annum on maintenance. Maintenance budgets over the past number of years have fallen far short of this amount, meaning that the maintenance backlog continues to grow at an alarming rate.

The Department's maintenance allocation is R127m for the 2011/12 financial year, and the Department is also in the process of finalising a comprehensive maintenance plan. However, it is clear that the budget for maintenance will have to increase substantially in forthcoming years if the Department is to maintain the value of its assets.

Budgetary provision for addressing emergencies and disasters remains a challenge. The Department commissioned the following work at the end of the financial year, but funds needed to be sourced from the capital budget:

- Repair of roofs to 115 schools which had been blown off or damaged during the recent tornadoes and earlier storm damage.
- Provision of 400 emergency classrooms to some 85 schools urgently requiring accommodation as a result of collapsed structures or insufficient learning space.

In conclusion, the Department made a concerted effort to improve its expenditure performance over the last part of 2010/11, as well as its preparations for 2011/12 – although these have not all had the desired effect. The Department is now well placed to expect vastly improved performance in the 2011/12 financial year and the future. The Department has also committed itself to the national Infrastructure Delivery Improvement Programme and a number of initiatives are under way in terms of its infrastructure turnaround plan.

Programme 1

Programme Purpose

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

Strategic Goals Applicable to this Programme

- **Strategic Goal 5:** Improved institutional efficiency through enhanced management systems and integrated service delivery at all organisational levels (National, Provincial, District, Circuit and School).
- **Strategic Goal 6:** Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of Education).
- **Strategic Goal 7:** Cohesive and sustainable communities built through co-operation with all stakeholders in Education

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 5: Improved institutional efficiency through enhanced management systems and integrated service delivery at all organisational levels (National, Provincial, District, Circuit and School).				
1. To improve school functionality by providing an electronic administration system to 75% of schools by 2014.	Percentage of schools on SA SAMS	42%	31%	The variation was due to a delay in the delivery of laptops to schools for SA-SAMS as the training of schools requires that each participating school must have a computer for implementation.
2. To promote and sustain effective and efficient financial management and good corporate governance by 2014/15.	Unqualified reports audit	Qualified audit report	Disclaimer	

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
3. To ensure efficient, effective and economical utilization of financial resources and reporting through prudent financial accountability and value for money.	Percentage of the budget spent	100%	97.4%	
Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of Education).				
4. To provide a safe and healthy work environment where employees are able to perform optimally.	Percentage reduction in cost of ill health including injuries on duty ⁷	4%	9,1%	It is difficult to understand the target for this item as it has not been reported on before. However, the actual figure indicated is a percentage based on overall total number of employees who participated in programmes designed to create a safe and healthy work environment.
5. To improve efficiency in resource deployment through ensuring a 80:20 split on personnel and non-personnel expenditure by 2014/15.	Reduction of the personnel to non-personnel expenditure ratio to 80:20	84:16	87:13	.
6. To increase the subject advisor to teacher ratio to 1:25 by 2014/15.	Subject advisor to teacher ratio	1:148	1:173	Due to financial constraints in the 2010/11 financial year, the Department did not recruit new subject advisors. Natural attrition also played a role in reducing the number of subject advisors in the system.

⁷ In the 2008/09 financial year the Department lost R161 896 000 due to ill health (including injuries on duty). The intention for the Department is to reduce this cost by 2% per annum.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
7. To attract and retain educators in rural areas.	Percentage of qualifying educators receiving rural incentives	8	-	This programme is only targeted to be rolled out in the 2011/12 financial year.
Strategic Goal 7: Cohesive and sustainable communities built through co-operation with all stakeholders in Education				
8. To increase the percentage of women in senior management positions and increase the employment of people with disabilities to 2% by 2014/15 to meet the national employment equity targets.	Percentage of women in senior management positions	33%	27%	No suitable candidates were found for the three senior management posts that were filled.
	Percentage of people with disabilities employed by the Department	0,24%	0,18%	The Department again experienced difficulty in the recruitment of people with disabilities in order to meet the target of 2% as most do not disclose their status when applying for employment due to fear of victimization.
9. To increase the percentage of the value of procurement from HDI-owned businesses to 60% by 2014/15	Increased value of procurement from HDI-owned businesses	40%	40%	-

⁸ The roll-out programme is scheduled to be started in the 2011/12 financial year.

Performance at Operational Level

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
National Performance Measures			
PM 101 Number of public schools targeted to be trained in the use of SA SAMS for the relevant quarter in the planned financial year	2 500	1 382	Because of the financial situation in the Department, there was a need for a revision of all targets set and as a result not all targeted schools were trained.
PM 102 Number of public schools targeted to be provided with e-mail connectivity for the planned financial year	1 807	1 691	Target not achieved due to inadequate budget because of cost cutting measures.
PM 103 Percentage of education current expenditure going towards non-personnel items	12.2%	11,3%	There is under expenditure in all programmes with the bulk being in programme 2. In addition to all the reasons that have affected low spending in goods and services, including delays in procurement , internal disruptions, Provincial Treasury introduced a moratorium on all spending except in conditional grants with effect from February 2011 so as to reduce over-expenditure in the Department. Only conditional grant related payments were processed. The most critical areas that have been affected are S20 schools; LTSM and maintenance in schools.

Performance Measures		Performance Against Targets		Reasons for variation
Provincial Performance Measures		Target	Actual	
PPM 104 Number of schools to be evaluated through the Whole School Evaluation in the planned financial year	12	11		The twelfth school, Nowawe Senior Secondary School in the East London District could not be externally evaluated because at the scheduled dates there was a strike at the Departmental Head Office and the visit could not be re-scheduled to the second or third quarter of the 2010/11 financial year. High schools participate in trial examinations and other critical learner attainment improvement activities during the second quarter of the financial year and examinations start in the third quarter. This school is in the WSE sample for the first quarter of the 2011/12 financial year.
PPM 105 Number of schools to be surveyed to monitor compliance with service standards in the planned financial year	300	254		The variation in the attainment of the target was due to the moratorium on expenditure during the fourth quarter of 2010/11. Despite having had a recovery plan, it could not be implemented because of the moratorium against expenditure.
PPM 106 Number of districts to be surveyed to monitor compliance with service standards in the planned financial year	15	14		The variation in the attainment of the target was due to the moratorium on expenditure during the fourth quarter of 2010/11. Despite having had a recovery plan which it could not implement because of the moratorium against expenditure.
PPM 107 Number of schools to be evaluated through the Comprehensive Systemic Evaluation Programme in the planned financial year	1 385	530		The under-achievement was due to the Service Provider that had rendered services before contesting the contract amount. The matter was only resolved at the end of September 2010.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 108 Number of new learners entering the first grade of GET Band being tracked through LURITS in the planned financial year	208 684	59 515	The implementation of LURITS depends on bulk printing of learner survey forms and this would have been at a substantial cost. Due to reprioritisation of programmes in the Department, the focus on LURITS moved to electronic submission rather than the manual process.
PPM 109 Number of new learners entering the first grade FET Band being tracked through LURITS in the planned financial year	150 372	42 132	The implementation of LURITS depends on bulk printing of learner survey forms and this would have been at a substantial cost. Due to reprioritisation of programmes in the Department, the focus on LURITS moved to electronic submission rather than the manual process.
PPM 110 Number of schools to submit data electronically to the SA-SAMS warehouse in the planned financial year	2 000	1 767	Because of the financial situation in the Department, there was a need for revision of all targets set and as a result not all targeted schools were trained.
PPM 111 Number of policies (acts, ordinances and regulations) to be reviewed in the planned financial year	4	2	Although all 4 policies have been developed, only 2 have been finally signed-off and adopted.
PPM 112 Percentage of public ordinary schools to receive their indicative number of posts (Post Provisioning Documents) by 30 September 2010 for the following academic year.	100%	100%	All schools received their post establishments in March 2011. The delays in the 2010 post provisioning consultation processes were as a result of a non-conducive labour climate, on the one hand, and as a result of financial constraints in the Department, on the other hand.
PPM 113 Number of Districts to be provided with effective PERSAL structure in the planned financial year to improve institutional efficiency	23	0	The target could not be attained due to the non-finalisation of the organisational structure review. The provisioning of effective PERSAL user structure would be part of the review of the organisational structure.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 114 Number of Districts to be provided with an effective HR-ReMS structure installed in the planned financial year to improve institutional efficiency	24	0	The target could not be achieved due to: <ul style="list-style-type: none"> the Service Level Agreement with SITA only signed on 7 June 2010. SITA only got HR ReMS to become fully functional on the 9th of March 2011, in respect of 95% of the employees in the 16 stations.
PPM 115 Number of posts filled in the planned financial year to populate the organizational structure	4 626	0	A moratorium on the advertisement and filling of posts on the organisational structure was in place.
PPM 116 Number of new subject advisors to be appointed in the planned financial year	56	0	A moratorium on the advertisement and filling of posts on the organisational structure was in place.
PPM 117 Number of quarterly bulletins to be issued for vacancies in schools in the planned financial year	6	1	<ul style="list-style-type: none"> One (1) bulletin was withdrawn due to FEDSAS court case. Late declaration of 2011 post provisioning. Non-identification of educators additional to approved post establishments of schools. Non-identification of substantive vacant educator posts.
PPM 118 Percentage of grievances resolved to maintain and sustain labour peace	100%	52%	The variation is due to external circumstances and depends on the willingness of the grievant to settle his/her grievance in accordance with the response by the Department.
PPM 119 Percentage of misconduct cases resolved to maintain and sustain labour peace	100%	66%	The variation is due to the shortage of experienced and trained employer representatives and presiding officers. Submission for training of same has been approved and is being processed towards implementation.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 120 Percentage of collective agreements implemented to maintain and sustain labour peace	100%	98%	The variation is due to financial constraints and/or substantive challenges with implementation, e.g. collective agreement no. 2 of 2003 could not be implemented due to challenges with Labour Unions during and after post provisioning consultations since 2004.
PPM 121 Percentage of employees with valid Performance/ Work Place Agreements	100%	80%	<ul style="list-style-type: none"> • Due to non or late submission of valid PAs and Work Plan Agreements by Department employees. • Delay in the signing of PAs and Work Plans by supervisors.
PPM 122 Number of women newly appointed in senior management positions in the planned financial year to meet the employment equity targets of the Department	4	0	No suitable candidates were found for the three senior management posts that were filled.
PPM 123 Number of people with disability to be appointed during the planned financial year to meet the employment equity targets of the Department	10	0	The Department again experienced difficulty in the recruitment of people with disabilities in order to meet the target of 2% as most applicants do not disclose their status when applying for employment due to the fear of victimization.
PPM 124 Percentage of employees who access preventative and promotive health care programmes aimed at all communicable and chronic diseases including HIV and AIDS	10%	8.3%	<ul style="list-style-type: none"> • The programme as it is currently cannot reach all its intended beneficiaries due to lack of human resources. Only 6 employees are responsible for providing this service to 80 376 employees of the Department.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 125 Percentage of employees to receive treatment care and support through Employee Health and Wellness Programme ⁹	0.84%	0.8%	Non-existence of appropriately qualified employees to assist with assessment and referral leads to the needing employees not being identified, misdiagnosed and suffering in silence.
PPM 126 Number of worksites assessed for potential hazards	256	234	<ul style="list-style-type: none"> Lack of personnel to conduct assessments as the Department does not have in its employ SHERQ officers except one Head Office based coordinator. The willing SHERQ volunteers' attempts to dispense with this particular obligation are thwarted by lack of transport.
PPM 127 Number of Districts installed with functional PABX to control expenditure on telephones in the planned financial year (At Head Office and 22 Districts)	23	13	The cancellation of the bid at Head Office, the national industrial strike and labour unrest at Head Office resulted in the performance targets not being met.
PPM 128 To establish a functional supplier database for the Department at Head office in the planned financial year to improve institutional efficiency	1	0	Provincial Treasury implemented a database with effect from 01 December 2010 to all Departments.
PPM 129 Percentage of Service Level Agreements (SLA) to be signed by the designated official of the Department within 14 days after awarding tender	90%	50%	Service level agreements are not signed within the stipulated time-frames due to consultation processes that took place between Legal Services, the Department and the Service Providers.
PPM 130 Percentage of procurement by means of bids to be completed within 3 months of commencement (after closing date of the advert)	90%	45%	The evaluation of bids was not done within a specified time-frame, hence Committees were changed midway through the financial year.
PPM 131 Percentage of all other procurement (quotations) completed within 10 days of commencement	100%	100%	-

⁹ According to the HIV and AIDS Related Knowledge, Attitudes, Behaviour and Perception (KABP) and HIV Prevalence Survey: 2006, the HIV prevalence in the Department is at 14% which represent approximately 12 000 employees. All targets for treatment care and support are informed by this baseline.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 132 Percentage of invoices submitted to the Department and paid within 30 calendar days in line with the PFMA	100%	66.3%	The industrial strike, labour unrest and selective runs provided by Treasury caused the variation.
PPM 133 Percentage of claims to be reconciled and payment processed within 10 working days of submission of subsidized and leased (GG) vehicles	100%	77.5%	Processing of claims manually due to lack of internet facility at this point and time and the impact of the industrial action resulted in the target not being met.
PPM 134 Percentage of qualifying officials (subject to credit worthiness) to be provided with vehicle in the planned financial year	100%	100%	-
PPM 135 Percentage of additional assets captured/recorded in the planned financial year	100%	95%	Some documents of certain districts were not submitted
PPM 136 Percentage of disposals & losses to be taken off the asset register in the planned financial year	100%	60%	Districts did not manage the process properly and Head Office could thus not ascertain the disposals and losses supposed to be written off
PPM 137 Percentage of Donations received to be declared and included in asset register in the planned financial year	100%	60%	Districts receiving donations do not all declare. The donations are however tracked through the media and thus managed by Head Office
PPM 138 Percentage of transfer of assets to be updated in the asset register in the planned financial year	100%	90%	Districts and Directorates neglects to forward a record of transfers of assets to Asset Manager
PPM 139 Percentage of Asset Register reconciled with AFS in the planned financial year	100%	95%	Incorrect capturing of SCOA Codes on asset related matters by end users
PPM 140 Percentage of orders accurately processed within 48 Hours in the planned financial year	60%	95%	Controls were put in place to rectify the situation.
PPM 141 Number of tenders (excluding infrastructure) awarded timeously in the planned financial year	14	3	The evaluation of bids was not done within a specified time-frame, hence Committees were changed midway through the financial year.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 142 Reduction in the number of litigation matters in the planned financial year	20	28	The majority of labour matters which were brought before the High Court were successfully opposed, relying on the decision of the Gcaba case. The consequence thereof was that labour matters had to follow labour dispute mechanisms before being referred to the Labour Court. This resulted in a tremendous reduction of new cases.
PPM 143 Number of quarterly engagements (meetings) with stakeholders at provincial level to galvanize support for implementation of Departmental policies and programmes	4	2	Due to a 10% budget cut the target was not met. The scheduled ECEAC meetings did not take place during the fourth quarter due to the fact that the new MEC and the HoD had yet to be briefed about the functioning of the Council.
PPM 144 Number of internal quarterly publications published in the planned financial year to improve the image of the Department	4	2	Budget cuts resulted in reprioritisation of the budget allocated for the production of publications.
PPM 145 Number of Districts to be provided with an effective LOGIS installed in planned financial year to improve institutional efficiency	7	3	Budgetary constraints and industrial action led to the planned target not being met.
PPM 146 Percentage of public ordinary schools to receive their indicative budget (Funding Norms and Standards Budget) by 30 September 2010 for the following academic year	100%	100%	-

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 147 Percentage of employees leaving the Department receiving their leave gratuities and pro-rata bonuses (where applicable) within 30 calendar days of termination of service	100%	5%	HR terminates services of qualifying employees and submits advices for payment to Payment Services who in turn have to ensure that payments are made within 30 days of service termination – 1 259 employees who left service qualified for leave gratuities and pro-rata bonuses.
PPM 148 Number of Districts to be provided with an effective EFMS structure in the planned financial year to improve institutional efficiency	16	0	The target could not be achieved due to the withdrawal of internet access within the Department.
PPM 149 Percentage of administrative and professional staff with access to ICT equipment (networked desktop computer)	6 600 ¹⁰	2 881 (63%)	The target could not be achieved due to inadequate budget because of cost cutting measures.
PPM 150 Area of office space to be provided (in square meters) in the planned financial year	500	0	The target was hugely over-stated. Variance is due to lack of budget.
PPM 151 Number of Schools to be evaluated to assess the adequacy and effectiveness of internal controls, risk management and governance processes are functioning economically, effectively and efficiently in the planned financial year	30	5	The target was over-stated. The current low Internal Audit staff capacity made it extremely difficult to execute the Annual Internal Audit Plan.
PPM 152 Number of District Offices to be evaluated to assess the adequacy and effectiveness of internal controls, risk management and governance processes are functioning economically, effectively and efficiently in the planned financial year.	5	6	The Accounting Officer requested Internal Audit to conduct an audit at Lady Frere District Office and it was additional as it was not in the planned Districts for 2010.11 financial year.

¹⁰ The target should have been 4 801 which represents 100% of employees eligible for ICT equipment.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 153 Number of areas of audit at Head Office to be evaluated to assess the adequacy and effectiveness of internal controls, risk management and governance processes are functioning economically, effectively and efficiently in the planned financial year.	42	4	The target was over-stated. The current low Internal Audit staff capacity made it extremely difficult to execute the Annual Internal Audit Plan.
PPM 154 Percentage of new fraud cases (cases reported between April 2010 and March 2011) concluded in the planned financial year.	100%	10%	The target was significantly over-stated due to a limited budget and staff constraints. Investigation processes also generally take a very long time to complete, especially when it comes to the disciplinary processes.
PPM 155 Number of fraud case backlog concluded in the planned financial year.	32	14	The target was significantly over-stated due to a limited budget and staff constraints. Investigation processes also generally take a very long time to complete, especially when it comes to the disciplinary processes.

Sub-programme 1.2: Corporate Services

Sub-programme purpose

To provide management services which are not education specific for the education system.

Sub-programme priorities for 2010/11

To implement the Internal Audit Coverage Plan approved by the Audit Committee. The execution of the Internal Audit Activity Plan in the ECDE is underpinned by the principles of independence, objectivity, integrity and accountability to examine and evaluate the efficiency and effectiveness of the Internal Control systems.

Provide reasonable assurance that the system of internal control, risk management and governance processes of the Department of Education are reliable, efficient and effective. An effective system of internal control therefore aims to provide reasonable assurance with respect to safeguarding of state assets, compliance to established laws, policy regulations and procedures, reliability and integrity of financial and operational information and the efficiency in the organization which must be evaluated by conducting substantive audit reviews on a test basis.

To attain, retain and develop Internal Audit staff on professional programmes in order to meet the organization challenges of the 21st century. Internal Audit Services planned to embark on the continuous development programme in line with the Internal Audit Improvement Programme to acquire, develop and retain human resources.

Co-ordinate effectively the mandate of the Audit Committee to add value towards the accomplishment of organizational objectives. The function of the Audit Committee is primarily to assist the Head of Department in discharging his/her duties relating to the safeguarding of assets, effective management of liabilities and working capital, the operation of adequate systems and processes of internal control, and the preparation of financial reports and annual statements.

Strengthened performance of Audit Committee

The Audit Committee had strategic interactive sessions with the Accounting Officer and the Executive Authority (MEC).

The presence of the Auditor General's Office and the National Treasury Office of the Accountant General in the Audit Committee meetings has strengthened the performance of the Audit Committee and accountability of the Department.

The Audit Committee has, in the Annual Report of the Department of Education, expressed its opinion about the effectiveness of internal controls, and the quality of the quarterly financial reports submitted in terms of the PFMA and DoRA.

Challenges and Responses	
<p>Challenge 1: Non-implementation of corrective actions Inability of the Management of the Department of Education Management to implement corrective measures to reduce or to mitigate audit findings and recommendations/risks..</p>	<p>Response to Challenge 1 Conduct follow-up audits, plead for implementation and report non-compliance.</p>
<p>Challenge 2: Lack of internal controls</p> <ul style="list-style-type: none"> ● It has been observed from the general reviews that have been conducted during the year under review that there are weak controls and lack of monitoring and support of District Offices by the Head Office through Cluster Chief Directors, leading to opportunities for gross mismanagement of funds not detected as early as possible. ● In many instances the control measures set by the Department suffer from misinterpretation of and non-compliance to policies and procedures or lack thereof. 	<p>Response to Challenge 2 Effective implementation of internal audit and recommendations by Labour Relations and relevant line managers can yield sound internal controls and minimise risks.</p>
<p>Challenge 3: Poor Resourcing The current low internal Audit Staff capacity and insufficient budget makes it extremely difficult to engage the Internal Audit Activity in either the internal or the external quality assurance reviews.</p>	<p>Response to Challenge 3 The approval of the proposed minimum structure of Internal Audit Services remains critical and the provision of adequate financial resources as well as technical support would help a great deal to enhance the performance of its strategic role in the organization without which the Department would find itself not achieving the set objectives. Management should fast-track the appointment of a service provider to increase the capacity of Internal Audit and enhance its performance.</p>
<p>Challenge 4: Poor Attendance at Audit Committee Meetings The Audit Committee requested the attendance of all Chief Directors at the Audit Committee Meetings. The request could not be acceded to satisfactorily and thereby compromised the level of accountability of management performance.</p>	<p>Response to Challenge 4 Management should prioritise the attendance of Audit Committee Meetings.</p>

Sub-programme 1.6: Education Management Information Systems (EMIS)

Sub-programme achievements

a) **Implementation of South African Schools Administration and Management System (SA-SAMS)**

The directorate continued the implementation of SA-SAMS in schools. In total the system is made up of 14 modules and 1 655 schools have received training during the year 2010/11, in different modules varying from basic to advanced modules and these schools are now in a position to frequently submit information as required. A SA-SAMS data warehouse has also been established and is in full implementation mode thereby making it possible to draw real time reports on the status quo of the schools. 1 767 Schools have submitted databases electronically to the SA-SAMS warehouse and LURITS.

b) **Implementation of Learner Unit Record Information and Tracking System (LURITS)**

The Department is also in the process of implementing a Learner Unit Record Information and Tracking System and 1 767 schools are interacting with LURITS with the result that learner data can be linked to the actual warm bodies in the schools thereby minimizing the risk of inflation of learner numbers. Each learner in the system is given a unique number making it easy for tracking purposes. It is also possible to locate the exact workplace of educators.

c) **Improvement of data integrity**

The data quality control at school and District level has greatly improved as indicated by the correlation of 100% between the internal tables and control tables in snap surveys and annual surveys for ordinary schools, special schools and ECD.

Reasons for Major Variations

The Department of Education under-spent significantly on its infrastructure programme in the 2010/11 financial year. There are a number of reasons for this which have been well documented over the past year. The major reason, though, remains the withholding of the IGP by Treasury (R430m) until mid-November 2010. The roll-over of R77m from 2009/10 was also only confirmed in November 2010, which was too late to apply these funds effectively.

Challenges and Responses

<p><u>Challenge 1: Attendance</u> Although targeted schools confirm attendance to SA-SAMS training sessions beforehand it still happens that some schools do not attend. This creates delays in the implementation, as the schools need to be trained at a later stage.</p>	<p><u>Response to Challenge 1</u> Improving interaction with district offices to identify and resolve the possible reasons, which include lack of administration support staff to schools.</p>
<p><u>Challenge 2: Virus infection of computers at schools</u> The spread of viruses in school computers is having a destabilizing effect on the effective implementation of SASAMS at school level.</p>	<p><u>Response to Challenge 2</u> Distribution of anti-virus software and updated virus definition files. Fully functional steering committee for implementation of a corporate anti-virus strategy.</p>
<p><u>Challenge 3: Insufficient Resources</u> The financial situation of the Department could allow timeous procurement of computers, software, filling of vacant posts and also provision of support staff to schools which are all necessities for successful implementation.</p>	<p><u>Response to Challenge 3</u> The programme needs to become one of the top priorities of the Department.</p>

Programme 2

Programme Purpose

The purpose of the Public Ordinary Schools Education programme is 'to provide public ordinary education from Grades 1 to 12 in accordance with the South African Schools Act'. All publicly funded goods and services specific to the provisioning of Grade 1 to Grade 12 education in public ordinary schools are covered under the programme. These include goods and services purchased directly for schools by the Department, goods and services purchased by the Department for Section 20 schools under the Norms and Standards for Schools Funding (NSSF), and transfer payments made to Section 21 schools under the NSSF. The programme also covers the professional services to Districts, schools and their educators provided by curriculum planners and subject advisers as well as training and professional development for educators.

Strategic Goals Applicable to this Programme

- Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status.
- Strategic Goal 2: Equity in opportunity and educational achievement for all learners regardless of race, gender, disability, geographical location and socio-economic status.
- Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence.
- Strategic Goal 5: Improved institutional efficiency through enhanced management systems and integrated service delivery at all organisational levels (National, Provincial, District, Circuit and School).
- Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of Education).
- Strategic Goal 7: Cohesive and sustainable communities built through co-operation with all stakeholders in Education

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status.				
10. Increase learner attendance for learners of compulsory school going age to 100% by 2014/15.	Percentage of children of compulsory school going age attending school (ages 7 to 15 years) (excluding Grade R) ¹¹	96%	90,7%	The variance is caused by socio-economic realities such as migration of learners to other provinces and the high drop-out rate.
11. Improve access to secondary schools to 95% by 2014/15.	Percentage of population aged between 16 to 18 attending educational institutions ¹²	75%	73,7%	The variance is caused by the increase in the dropout rate at this level.

¹¹ The figures used to calculate these percentages are based on the 2009 Mid-year Population estimates from Statistics South Africa.

¹² The figures used to calculate these percentages are based on the 2009 Mid-year Population estimates from Statistics South Africa.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 2: Equity in opportunity and educational achievement for all learners regardless of race, gender, disability, geographical location and socio-economic status.				
12. To increase the percentage of learners benefiting from either the fee exemption policy or the no fee school policy to 94% by 2014/15.	Percentage of learners benefiting from either the no fee school policy or fee exemption policy	82.7%	93%	Due to high number of quintile contestations submitted by deserving schools, more learners benefitted on top of what was targeted. Therefore more poorer communities have benefitted from the no fee school policy.
13. To improve learner performance ratio across all school quintiles.	The performance ratio of the least advantaged (Quintile 1) learners at Grade 12 to those in advantaged schools (Quintile 5)	Q1 = 47% Q5 = 80%	Q1 = 49.2% Q5 = 77.1%	<p>The deviation in the performance between Grade 12 learners in Quintile 1 and Quintile 5 schools may be the result of numerous factors, including the following:</p> <ul style="list-style-type: none"> • A difference in the socio-economic conditions of learners, including poverty levels in rural communities; • Shortages of teachers, especially in critical subjects such as Mathematics, Physical Science, Accounting, as well as teacher qualifications; • The language abilities of learners, especially isiXhosa Home Language speakers who have received tuition through English as the Language of Learning and Teaching (LOLT); • Poor quality of teaching; • Under- and unqualified teachers; • Poor School Management;

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
				<ul style="list-style-type: none"> Lack of adequate infrastructure / teaching & learning facilities, including learner accommodation (classrooms), libraries/media centres, laboratories, etc.; Lack of learner transport and the distances that many learners travel, both to-and-from schools.
Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence.				
14. To ensure that schools use Mother Tongue Based-Bilingual Education (MTBBE) as a strategy to implement incremental bilingualism in line with the Language in Education Policy (LIEP) (1997).	Percentage of schools teaching in mother tongue at foundation phase ¹³	92%	90%	The variance is as a result of societal challenges, for example, stereotyping, socio-economic realities and parental choice. The majority of the primary schools in the Province use MTBBE as the Language of Learning and Teaching (LOLT) in Grades 1 – 3.
	Percentage of schools teaching in mother tongue and in the first additional language at intermediate phase.	20%	20%	-

¹³ A large number of schools have an early exit LoLT model that negatively impacts on the academic achievement of learners as mother tongue is dropped too early while learners still need it for cognitive and conceptual development. Schools need to be informed about this internationally accepted principle called Mother Tongue Based-Bilingual Education as best for learners in their first 6 to 8 years of schooling. Currently only Afrikaans and English learners have the benefit of mother tongue education.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
15. To increase the percentage of learners obtaining acceptable achievement in literacy and numeracy in Grade 3, 6 and 9 to 60% by 2014/15.	Percentage of learners in Grade 3 attaining acceptable achievement in numeracy	41%	35%	This is based on the <i>Report on the Annual National Assessments (ANA) of 2011</i> published by DBE on 28 June 2011. A national instrument was used to determine competence levels and learners are not performing to expected levels.
	Percentage of learners in Grade 3 attaining acceptable achievement in literacy	38%	39%	This is based on the <i>Report on the Annual National Assessments of 2011</i> published by DBE on 28 June 2011. Learners have exceeded the projected expectations .
	Percentage of learners in Grade 6 attaining acceptable achievement in numeracy	33%	29%	This is based on the <i>Report on the Annual National Assessments (ANA) of 2011</i> published by DBE on 28 June 2011. A national instrument was used to determine competence levels and learners are not performing to expected levels.
	Percentage of learners in Grade 6 attaining acceptable achievement in literacy	38%	29%	This is based on the <i>Report on the Annual National Assessments (ANA) of 2011</i> published by DBE on 28 June 2011. A national instrument was used to determine competence levels and learners are not performing to expected levels.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
	Percentage of learners in Grade 9 attaining acceptable achievement in numeracy	42%		The Annual National Assessments (ANA) were originally scheduled by the DBE for November 2010 but were moved to Feb 2011. Performance of learners has not been up to the expected levels. The DBE has not yet released these national pilot results.
	Percentage of learners in Grade 9 attaining acceptable achievement in literacy	45%		The Annual National Assessments (ANA) were originally scheduled by the DBE for November 2010 but were moved to Feb 2011. Performance of learners has not been up to the expected levels. The DBE has not yet released these national pilot results.
16. To increase the percentage of Grade 12 learners obtaining a university degree entrance qualification to 38% by 2014/15.	Percentage of Grade 12 learners obtaining a university degree entrance qualification	18%	15,9%	The target for 2010 has not been reached. However, this is still an improvement on the 2009 results which was 13,9%. The achievement of this target was compromised as a result of systemic challenges such as inadequate resources in the organisation as well as inadequate learner preparation.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
17. To increase the percentage of learners who have mastered the set of nationally defined competencies at Grade 12.	Pass rate in Grade 12	60%	58,3%	The Province has not yet attained the National target because of systemic challenges and inadequate learner preparation. However, this is a marked improvement (7, 3% increase) on the 2009 results which was 51%.
	Pass rate in Grade 12 Mathematics	43%	37,3%	This target was not met due to the following reasons: <ul style="list-style-type: none"> • A Shortage of competent Mathematics teachers; • A lack of or inadequate resources to support teaching & learning of Mathematics; • The absence of a Subject Planner for Mathematics at the Provincial Head Office; • A Shortage of Mathematics Subject Advisors at District level to support teachers.
	Pass rate in Grade 12 Physical Science	40%	43,3%	The target had been marginally surpassed, indicating a slight improvement in the Grade 12 pass rate for Physical Science in 2010.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
18. To reduce repetition and drop-out rate through providing adequate monitoring and support to schools.	Repetition Rate in Grade 1	5%	8%	A high learner to teacher ratio resulting in not enough individual attention being given to learners experiencing barriers to learning, thus causing them to repeat.
	Repetition Rate in Grade 4	5%	7%	Learners lacking basic academic skills which can be traced back to the Language of Learning and Teaching.
	Repetition Rate in Grade 7	2.5%	5%	Learners lacking basic academic skills which can be traced back to the Language of Learning and Teaching.
	Repetition Rate in Grade 10	13%	27%	The main reason given for repetition is lack of facilities – insufficient furniture and textbooks.
	Drop-out rate at end of Grade 1	16%	15%	Infrequent attendance of school and lack of parental support are the most cited reasons for dropping out at Grade 1 level.
	Drop-out rate at end of Grade 7	5%	7%	Poverty, parental neglect and poor home environment were the most common factors for drop-out stated in the study.
	Drop-out rate at end of Grade 9	5%	12%	Learners drop out because of the increased distance they have to travel. A further reason cited is an unsafe learning environment due to abuse of drugs and alcohol.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 5: Improved institutional efficiency through enhanced management systems and integrated service delivery at all organisational levels (National, Provincial, District, Circuit and School).				
19. To strengthen capacity of all SGBs to govern schools in order to create self-managing and self-renewing schools by 2014/2015	Percentage of schools with unqualified audit reports	57%	52%	The changes in membership of SGBs has a negative impact on continuity of best practices in some schools. The quality of audits conducted by some external service providers was not of an acceptable standard. Hence an amendment of legislation is needed.
20. Increase the percentage of educators assessed through IQMS to 100% by 2010/11.	Percentage of educators assessed through IQMS	100%	99,5%	The deviation is caused by educators who spend less than 12 months in the post or are sick, those who are displaced and those who are full time shop stewards.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of Education).				
21. To eradicate all inappropriate structures (including mud structures and <i>planksole</i>) by 2014/15.	Number of inappropriate structures (including mud structures and <i>planksole</i>) replaced by appropriate infrastructures ¹⁴	97	35	The budget of R410 million was only released by Treasury in October 2010, hence the inability to achieve the target.
22. To increase the percentage of schools with libraries/media centres to 52% by 2014/15.	Percentage of schools with resourced libraries/media centres	32%	30%	This target was not met due to budget cuts that were effected by the Department during the course of the 2010/11 Financial Year. Hence, not all targeted schools were resourced.
Strategic Goal 7: Cohesive and sustainable communities built through co-operation with all stakeholders in Education				
23. To reduce the percentage of schools reporting incidences of violence and drugs/substance abuse in public schools to 15% by 2014/15.	Percentage of schools reporting incidences of violence	31%	20%	Absence of officials fully responsible for the programme at District level impacts on the levels of implementation.

¹⁴ According to the 2008 Learner and School Quantitative Survey Report 1 483 schools in the province had one or more inappropriate constructed classrooms. Libode, Lusikisiki and Dutya had the highest number.

Performance at Operational Level

Performance Measures		Performance Against Targets		Reasons for variation
National Performance Measures		Target	Actual	
PM 201	Number of learners expected to be enrolled in public ordinary schools in the planning year (excluding Grade R enrolment)	2 086 216	2 020 094	The variance is caused by movement of learners to other provinces as well as an improvement in reporting by schools resulting in the decrease in inflated enrolment.
PM 202	Number of educators expected to be employed in the planned financial year	68 545	62 434	<ul style="list-style-type: none"> The target was based on the 2010 post establishment which would expire at the end of the 2010 school year. A new post establishment was issued for the 2011 school year as per the applicable legislation. The 2011 post establishment had a lesser number of posts than the 2010 post establishment.
PM 203	Number of non-teaching staff expected to be employed in the planned financial year.	6 391	6 081	Due to the moratorium on the appointment of non-school based educator staff as a result of the financial constraints in the Department, the target could not be realised.
PM 204	Number of primary schools targeted to reduce class size (that is, those that are expected to be provided with additional educators)	188	163	188 Posts were allocated for class reduction in primary schools prioritising quintile one schools. Due to the large classes and high educator-learner ratios in some of the primary schools they had to be allocated more than one post each thereby resulting in the reduction in the number of schools receiving the posts but the number of posts distributed remained 188.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PM 205 Number of secondary schools targeted to reduce class size (that is, those that are expected to be provided with additional educators)	232	232	-
PM 206 Number of learners in schools targeted to benefit from National School Nutrition Programme (NSNP) in the planned financial year	1 480 907	1 486 502	Actual learners fed included quintiles 4 & 5 primary schools who were not included in the conditional grant framework and business plan.
PM 207 Number of learners expected to benefit from the learner transport scheme in the planned year for the relevant quarters	128 958	87 132	An average of 112 748 learners were transported during the first three quarters as verification process was being conducted. After the program was suspended, 10 496 learners in farm communities only were exempted for transportation in the fourth quarter due to financial constraints. Thus, an average of 87 132 learners were transported across all four quarters.
PM 208 Number of learners expected to benefit from the “No Fee School Policy” in the planned year.	1 657 427	1 657 888	Due to a high number of quintile contestations submitted by deserving schools, more learners benefitted on top of what was targeted.
PM 209 Number of schools targeted to be supplied with water in the 2010/11 financial year	833	177	The budget of R410 million was only released by Treasury in October 2010, hence the inability to achieve the target.
PM 210 Number of schools targeted to be electrified in the planned financial year	171	100	The budget of R410 million was only released by Treasury in October 2010, hence the inability to achieve the target.
PM 211 Number of schools targeted to be supplied with sanitation facilities in the planned financial year	833	177	The budget of R410 million was only released by Treasury in October 2010, hence the inability to achieve the target.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PM 212 Number of classrooms planned to be built in the new financial year. This measure excludes specialist rooms	722	273	The budget of R410 million was only released by Treasury in October 2010, hence the inability to achieve the target.
PM 213 Number of specialist rooms to be built in public ordinary schools (all rooms except classrooms – including: laboratories, stock rooms, sick bay, kitchen, etc)	36	107	The target was understated.
PM 214 Number of learners with special needs expected to be enrolled in public ordinary schools in the planned financial year	2 861	20 962	The target was understated.
PM 215 Number of full service schools expected to be established in the planned financial year	18	4	Only 2 full service schools were upgraded in the 2010/11 financial year. The remaining 2 have been included in the priority list for this financial year. The remaining 14 schools will be considered incrementally in the following years.
PM 216 Number of schools to be visited by circuit managers per quarter in the planned financial year	5 690	4 255	Target was not met due to challenges with one of the social partners in some Districts, as well as a high vacancy rate in the EDO posts. A limit on the number of kilometres travelled is also a problem for those EDOs with widely scattered schools.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
<p>Provincial Performance Measures</p> <p>PPM 217 Number of technical high schools and agricultural high schools resourced with the minimum resource package in the planned financial year.</p>	45	16	<p>The target was overstated. There was no intention to service all the schools in the year under review, but to do so over a period of 3 years. 31 schools were identified as part of the Technical High School Recapitalisation Project. The resourcing of these schools is to be phased in over the period of three years.</p> <ul style="list-style-type: none"> • In the 2010/11 financial year 10 schools received basic packs of equipment, tools and machinery for 2 of the 4 subjects namely Engineering Graphics & Design (EGD) and Electrical Technology. • Other aspects of the recapitalisation completed included training of teachers in content knowledge and the use of the material provided for all 31 schools and refurbishment of workshops in 5 of the 17 schools. • In respect of Agriculture, 6 additional schools, outside the Technical High Schools Recapitalisation Programme were also resourced including a school with a newly established Agricultural stream.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
<p>PPM 218 Number of teachers to obtain the requisite qualifications to teach the NCS in the planned financial year</p>	770	660	<p>110 Teachers did not qualify. Preliminary investigations with the Universities revealed that the causes of this failure rate may be attributed to:</p> <ul style="list-style-type: none"> • Student deaths and/or illnesses, etc. • Inability of students to cope with National Curriculum Statement (NCS) prescripts and content. Early Childhood Development (ECD) practitioners have Grade 12 and Level 4 ECD qualification, but have never previously been trained as teachers. • Poor understanding of English by students, especially since it is the language of learning and teaching (LOLT). • Lack of seriousness on the part of some students. • The failure of students in one or two modules at level 3.
<p>PPM 219 Number of schools targeted to mathematics and physical science software in the planned financial year</p>	700	700	-
<p>PPM 220 Number of schools to be provided with libraries/media centres resources in the planned financial year</p>	700	350	Only 54% of the planned target could be met due to the drastic budget cuts from R5m to R3m during the 2010/11 Financial Year.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 221 Number of schools complying with school based assessment policy prescripts in the planned financial year	3 543	3 492	<p>There has been a marginal deviation from the planned target for the following reasons:</p> <ul style="list-style-type: none"> Budget re-prioritization, national strike action and labour unrest had a negative impact on planned activities. As a result, not all schools earmarked for monitoring & support could be visited.
PPM 222 Number of curriculum advisors monitored and supported in the planned financial year	670	1 422	<ul style="list-style-type: none"> More subject advisors were monitored and supported by the Directorate Curriculum ECD & GET Programmes as a result of a mandate to administer common tests in June and November 2010, as well as the shift in the date for the administration of Annual National Assessment to February 2011. The Learner Attainment Improvement Strategy (LAIS) highlighted the need for FET Subject Advisors and Teachers to be trained in content gap areas in order to impact positively on learner attainment and several additional workshops were convened.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 223 Number of District curriculum units monitored and supported in the planned financial year	137	282	<ul style="list-style-type: none"> The target was exceeded as the development of question papers for Grades 3, 6 and 9 was done with the co-operation of the District Curriculum Units, resulting in additional monitoring and support visits to District Curriculum Units. Monitoring the use of supplied resources also increased the number of monitoring and support visits to District Curriculum Units. FET Subject Planners, in addition to planned on-site visits, monitored and supported District Curriculum Units during Centralized District School-Based Assessment Moderation and participated in school readiness visits for each term
PPM 224 Number of learners participating in MTSE and other co-curriculum programmes	23 730	16 987	This target was not met due to the fact that teachers were reluctant to enter their learners for the Olympiads and competitions. It is likely they feared that their learners may not have performed well, mainly due to their own lack of capacity to adequately prepare their learners for the competitions.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 225 Number of female learners participating in MTSE and other co-curriculum programmes	11 865	9 343	<p>This target was not met due to:</p> <ul style="list-style-type: none"> The unilateral change of dates by partner organizations, which were crucial to some of the learner development programmes, e.g. Sci-Fest Africa. Teachers had been reluctant to enter their learners into the Olympiads and competitions. Many probably feared that their learners might not have performed well and this will therefore reflect on their schools.
PPM 226 Number of teachers participating in teacher motivational programmes in the planned financial year	9 500	12 407	The target was exceeded as National Teaching Awards (NTA) Advocacy Road Shows were successfully held in Cluster A (Mthatha), Cluster B (Queenstown) and Cluster C (Grahamstown). This raised awareness amongst the 23 Districts as well as schools about the National Teaching Awards (NTA).
PPM 227 Quarterly updates of webpage on curriculum website in the planned financial year	43	43	-
PPM 228 Percentage of disciplinary cases against learners referred to Head Office and District Offices to be resolved with 21 days in line with the South African Schools Act (SASA)	60%	60%	-

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 229 Number of learners to benefit from Fee Exemption policy in the planned financial year	6 377	3 544	<ul style="list-style-type: none"> The target was overstated as no baseline was available. The variance is due to the fact that not all schools responded before the end of the year under review. Due to delays in the submission of information, which caused delays in the verification process, the compensation of the schools was affected by the cut-off date for payments.
PPM 230 Percentage of public schools that will offer a minimum of 6 sporting codes in the planned financial year	5 668 (100%)	4 619 (81,5%)	Non-functionality of certain sporting code structures at local level, e.g. baseball, cricket and tennis.
PPM 231 Number of schools that will participate in cultural activities (debates, film development and public speaking) in the planned financial year	2 800	409	Budget constraints and cost cutting measures prevented maximum participation.
PPM 232 Number of public schools that will participate in cultural activities (choral music, Indigenous ngoma, dance and movement, Instrumental music)	5 470	4 700	Participation is limited in small schools with one or two educators or where there is no educator with knowledge of either of the extra-curricular activities.
PPM 233 Number of Schools with trained school safety committees in the planned financial year	600	1 210	The target was under-stated and co-operation with co-ordinators caused an increase in the actual target.
PPM 234 Number of peace clubs to be established in schools in the planned financial year	1 200	1 328	Increased interests from educators through working with Representative Councils of Learners (RCLs). As a result of the Recovery Plans which were in place to form the peace clubs between January and March 2011, 1 328 peace clubs have been formed in 18 Districts.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 235 Number of schools to conduct drug testing training in the planned financial year	1 200	1 200	-
PPM 236 Number of underperforming schools with properly developed School Improvement Plans in the planned financial year	494	494	-
PPM 237 Number of School Governing Bodies (SGB) to be exposed to empowerment programmes in the planned financial year	1 500	4 629	Target was understated. 22 Districts instead of 7 Districts that could not be targeted in 2009/10 also conducted training. 13 888 SGB members have been exposed to training.
PPM 238 Number of RCLs members who have been trained on their roles and responsibilities in the planned financial year	2 975	5 726	Target was understated. 15 out of 23 Districts have conducted massive induction for all newly elected RCL members and training on roles and responsibilities instead of inviting 3 members per school.
PPM 239 Number of educators to be assessed through IQMS in the planned financial year	61 946	61 652	The deviation is caused by educators who are in a post for less than 12 months or are sick, those who are displaced and those who are full time shop stewards.
PPM 240 Number of Districts with properly developed District Improvement Plans in the planned financial year	23	23	-
PPM 241 Number of Section 21 schools to receive LTSM on or before the first day of the school academic year in the planned financial year ¹⁵	1 500	3 002	Target was understated. 90% of S21 schools received their money to buy LTSM.

¹⁵ This PPM should talk to Section 20 schools as the Department is not responsible for procuring LTSM for Section 21 Schools.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 242 Number of schools to receive material resources under QIDS-UP programme in the planned financial year.	150	100	40 schools received school furniture and 60 received water tanks and garden tools. The variance of 50 was due to budget cuts.
PPM 243 Number of schools to receive learning and teaching support materials under QIDS-UP Programme in the planned financial year.	300	220	The variance of 80 was because of delay in delivery by the service providers.
PPM 244 Number of schools to receive library books under QIDS-UP Programme in the planned financial year.	300	200	Adjustment of 50 was made due to budget cuts. A further 50 schools did not receive library books due to delays by service providers.
PPM 245 Number of schools trained in the utilisation of resources delivered under QIDS-UP Programme in the planned financial year.	300	200	Training of 100 multi-grade educators could not take place due to delays in appointing a single source service provider.
PPM 246 Number of schools visited to monitor and support implementation of QIDS-UP Programme in the planned financial year.	92	10	10 Schools were sampled and the remaining 82 schools were clustered in order to assess impact and obtain feedback.
PPM 247 Number of Section 14 Agreements to be signed in the planned financial year to increase admission of learners in rural areas (farm and small village schools)	218	158	Target was not met due to resistance by property owners.
PPM 248 Number of circulars to be developed in the planned financial year to address gaps in the South African Schools Act.	8	11	Target exceeded as the need for regulation arose.
PPM 249 Number of educators to be trained according to their PGP in the planned financial year	34 927	37 451	The variation is due to the understatement of the target.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 250 Number of educators to graduate from learnership programme for the planned financial year	107	77	<ul style="list-style-type: none"> Higher Education Institutions delay in providing learners with Learner Support Material. Lack of accommodation for learners contributes towards the failure rate.
PPM 251 Number of bursary holders targeted to successfully finish their qualification in the planned financial year	2 500	2 342	Districts do not reach bursary quotas.
PPM 252 Number of backlog cases on displaced educators (Cases before 1 st of April 2010) resolved in the planned financial year.	360	253	<ul style="list-style-type: none"> 487 Cases of displaced educators were dealt with in the year under review. Of these, 253 have been resolved. 142 FET College lecturers are not professionally qualified and the Colleges are reluctant to accept them back. The matter has been referred to Legal Services for guidance. ELRC facilitation is due to end 31 May 2011 and the close up report is awaited.
PPM 253 Percentage of new cases of displaced educators (Cases reported in the 2010/11 financial year) resolved in the planned financial year	80%	0%	No new cases were reported during the year under review.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 254 Number of principals of underperforming schools (schools that achieved less than 50% pass rate in Grade 12 in the 2009 academic year) trained in the identified areas of growth	494	753	<ul style="list-style-type: none"> Academic Year and Financial Year do not coincide and regression of 53 schools in 2010 Grade 12 results pushed up the number during the last quarter since intervention could not be delayed. Built into the training programme was the incorporation of 176 schools obtaining between 80 and 100% pass rate for mentoring purposes. Besides the enthusiasm of principals not belonging in this category wanting to be a part of the programme. 28 District Champion EDOs raised the achievement levels.
PPM 255 Number of principals whose schools achieved more than 50% but less than 70% in 2009 Grade 12 examination attached to principals of high performing schools	196	229	In mentoring, some Districts incorporated the worst performing schools falling between 0 – 20%, in addition to the 196 falling between 50-70%.
PPM 256 Number of primary school principals feeding into secondary schools receiving less than 50% pass rate in 2009 trained in one or more of the following areas: instructional leadership, systems and procedures, policy compliance and mentorship in the planned financial year.	2 500	1 895	<p>The actual deviation recorded becomes 605 which is due to:-</p> <ul style="list-style-type: none"> severe disruption of schooling that took place in the 2nd Quarter resulting in many projects and programmes being rescheduled for the 4th Quarter; and the 4th Quarter is always crowded with the school readiness programme.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 257 Number of EDOs trained in one or more of the following areas: instructional leadership, systems and procedures, policy compliance and mentorship.	281	350	Firstly, EDOs are responsible for both FET underperforming and GET feeder school programmes. Secondly, the involvement of 28 district champion EDOs raised the achievement level.
PPM 258 Number of learners to benefit from hostel accommodation in the planned financial year	6 030	7 090	The variation is attributed to the re-vamping of hostels in the eastern region of the Province which led to an increased intake in the first quarter of the new academic year.
PPM 259 Number of hostels refurbished in the planned financial year to provide access to learners in rural settings	5	5	-
PPM 260 Number of furniture units purchased and distributed to schools in the planned financial year.	41 809	54 767	Target was understated. The variation was due to an increased budget allocation.
PPM 261 Number of schools benefitted from refurbished furniture in the planned financial year.	300	0	No budget was allocated for refurbishment of furniture in the year under review.
PPM 262 Number of new classrooms to be completed in the planned financial year	976	249	The budget of R410 million was only released by Treasury in October 2010, hence the inability to achieve the target.

Programme 3

Programme Purpose

The programme aims to support independent schools in accordance with the South African Schools Act. It provides for registration and management of education in independent schools.

Strategic Goals Applicable to this Programme

- Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence.
- Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of education)

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence.				
24. To increase and sustain improvement in learner achievement from 60% to 100% at grade 12 by 2014/15.	Percentage of learners attaining acceptable outcomes in Grade 12	75%	66%	Variation of 9% in terms of targeted learner attainment is due to limited or lack of support in curriculum issues. Whilst some Districts fully support schools in this sector, particularly with curriculum issues and subject specifics, there are still challenges.
Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of education)				
25. To control establishment of schools through implementing stringent norms and standards.	Number of independent schools legally operating	179	165	Only 165 schools complied with the requirements for registration and were subsequently registered in the year under review. Two new schools also registered in the year under review.

Performance at Operational Level

Performance Measures		Performance Against Targets		Reasons for variation
		Target	Actual	
National Performance Measures				
PM 301	Number of learners in independent schools expected to be subsidised in the planned financial year	36 298	27 350 ¹⁶	Due to non-compliance by 17 school (non-submission of documents as required by law) only 27 350 learners could be subsidized in the year under review.
Provincial Performance Measures				
PPM 302	Number of independent schools to be visited on a quarterly basis for monitoring purposes	108	108	-
PPM 303	Number of independent school to be evaluated in line with the South African Schools Act in the planned financial year	10	18	Umalusi (quality assuring council) identifies the schools to be evaluated.

¹⁶ This had a negative impact as 8 948 learners from the 17 schools which did not comply could not be subsidized.

Programme 4

Programme Purpose

The purpose of this programme is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Inclusive education

Strategic Goals Applicable to this Programme

- Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status.

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status.				
26. To achieve universal access for disabled children and youths (aged 6 –18 years) to basic education	Percentage of disabled children aged 6 – 18 enrolled in educational	10 ¹⁷ %	61%	The target was understated. A large percentage of disabled children are placed in mainstream schools.

¹⁷ According to Statistics South Africa, 2007, there are 49 460 disabled children between the ages of 6 -19 covering all groups of disability. The 10% target for 2010/11 translates to approximately 5 000 children.

Performance at Operational Level

Performance Measures		Performance Against Targets		Reasons for variation
		Target	Actual	
National Performance Measures				
PM 401	Number of learners expected to be enrolled in special schools in the planned financial year	11 472	9 249	Some parents are reluctant to release their children for placement in Special Schools that are outside their Districts. Furthermore, only 13 Districts have Special Schools.
PM 402	Number of educators expected to be employed in public Special Schools in the planned financial year	971	843	Court challenge of a closed bulletin advertising educator promotion posts, a process that prolonged until August 2010, and Subsequent financial austerity measures to curb a projected over-expenditure on CoE.
PM 403	Number of non-educator specialists expected to be employed in public Special Schools in the planned financial year	1 108	0	Non-advertisement of posts due to a moratorium on filling posts.
Provincial Performance Measures				
PPM 404	Number of DBSTs members to be trained in screening and inclusive learning programmes to support learners with barriers to learning in the planned financial year	97	181	The additional 84 DBST members were trained by Districts.
PPM 405	Number of educators to be trained in screening, basic sign language, augmentative and alternative communication strategies	147	244	The additional 97 educators were trained in screening by Districts.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 406 Number of school to be rationalized in the planned financial year	4	0	The rationalisation process, in particular the public hearings, was halted by one of the social partners.
PPM 407 Number of learners to be provided with transport in the planned financial year	2 000	0	The target was not met due to the fact that the Bid Award Committee advised the option of going to tender on behalf of the schools.
PPM 408 Number of learners to be provided with assistive devices in the planned financial year	1 590	73	The delay was caused by the late adjudication of National Tender EDO 374.
PPM 409 Number of school attaining the full service school status in the planned financial year	4	1	There was a delay in the implementation of infrastructure projects. However, the upgrading in the second school will be finalised in 2011/12 while the remaining two schools will be considered in 2011/12.
PPM 410 Number of schools attaining Resource Centre Status in the planned financial year	4	2	There was a delay in the implementation of infrastructure projects. However, one special school will be finalised in 2011/12 while the last one will be considered in the same financial year.

Programme 5

Programme Purpose

Programme 5 aims to provide Further Education and Training (FET) at public FET Colleges in accordance with the Further Education Training Act no. 16 Of 2006. Programmes offered in the FET Colleges involve the implementation of policies related to the efficiency of FET Colleges in ensuring that teaching and learning takes place. The policies support and develop FET Colleges so that they can address the Provincial and National priorities. Programmes offered in the FET Colleges are aligned with the government programmes with the objective of stimulating local, provincial and the country's economy, also preparing the youth of this Province for the world of work.

Strategic Goals Applicable to this Programme

- Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence
- Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of education

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence				
27. To increase the throughput rate in FET Colleges to 70% by 2014/15.	Throughput rate for NC(V) programmes	62%	57%	The lecturers who selected to remain with the Department created a gap as they were trained in the new curriculum and the new appointees are still undergoing training on the NC(V) new curriculum, hence the deviation.
28. To increase the percentage of learners placed in learnership through FET Colleges to enhance experiential learning.	Percentage of FET learners placed in learnership programmes	20%	15%	Rural Colleges find it extremely difficult to attract learnership programmes as they are not in close proximity to industries or companies.
Strategic Goal 6: Economic, effective, efficient and equitable resourcing within the education system to meet the key educational outcomes and impact (i.e. access to and equity and quality of education)				
29. Provide access for youth in FET Colleges through provisioning of adequate infrastructure in line with the niches of colleges	Learner classroom ratio	1:45	1:45	-
	Number of colleges with properly equipped workshops for engineering programmes	5	8	Target was exceeded due to the finalization of recapitalization programme.
	Number of colleges with well resourced library/media centre	5	4	The library/media centre at King Sabata Dalindyebo FET College in Mthatha has not yet been completed.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
30. To provide all FET Colleges with the required teaching corps by 2014/15	Percentage of filled funded posts in all FET colleges combined	70%	93%	There was no moratorium on appointments for FET Colleges and thus the target was exceeded.

Performance at Operational Level

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
National Performance Measures			
PM 501 number of students expected to be enrolled in NC(V) courses in FET Colleges in the planned financial year	29 000	14 400	Due to the stoppage of the Recapitalisation Programme, infrastructure development at Colleges was a challenge. No additional classrooms were built to accommodate the new intake.
PM 502 Number of FET College students expected to complete full courses in the planned financial year	15 000	4 500	The deviation is due to the overstatement of the target which was based on the hope of getting additional funding for classrooms from the National Treasury.
PM 503 Number of FET College students expected to complete their learnership programmes successfully in the planned financial year	2 900	2 790	Rural FET Colleges find it very difficult to attract learnership programmes, hence the deviation.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
Provincial Performance Measures			
PPM 504 Number of female students targeted to be enrolled in FET colleges	11 400	5 400	The target was overstated. The traditional thinking that Vocational education is the preserve of males is the main cause for the deviation.
PPM 505 Number of disabled students targeted to be enrolled in FET colleges	10	6	The majority of these students prefer to register with special schools, as the school environment is more conducive for them hence the deviation.
PPM 506 Number of FET learners to be placed in learnerships in the planned financial year	1 900	80	The target was highly overstated and even unrealistic. Rural FET Colleges find it very difficult to attract learnership programmes, hence the deviation.
PPM 507 Number of educators to be trained to effectively deliver the NC(V) learning programme in the planned financial year	625	465	The target could not be met due to non-availability of service providers for the pre-trade training for engineering lecturers.
PPM 508 Number of new FET classrooms to be completed in the planned financial year	25	25	-
PPM 509 Number of libraries/resource centres to be completed in the planned financial year	4	4	-
PPM 510 Number of colleges to receive adequate LTSM according to Umalusi specifications in all learning areas in the planned financial year.	8	8	-
PPM 511 Number of colleges to receive minimum set of the required equipment for engineering subjects with a practical component in accordance with Umalusi specifications	8	8	-

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 512 Number of partnerships to be signed with other organisation outside the public sector in the 2010/11 financial year	4	4	-
PPM 513 Number of College Council and senior managers to be trained in the planned financial year	24	32	The target was exceeded due to the availability of additional funds which could be attributed to savings (estimates falling below the actual expenditure).

Programme 6

Programme Purpose

To ensure that adults without basic education, skills and learnerships have access to ABET Centres. The skills and learnerships are provided through SETA and the Department of Labour (DoL) and are relevant to the labour market.

Strategic Goals Applicable to this Programme

- Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status
- Strategic Goal 5: Improved Institutional efficiency through enhance management systems and integrated service delivery at all organisational levels (National, Provincial, Circuit and schools)

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status				
31. To promote and encourage adults in communities to enroll in ABET programmes for self reliance and employability which will culminate in poverty alleviation.	Adult Literacy rate ¹⁸	14,1%	14.1%	-

¹⁸ There were 1,2m illiterate adults in Province according to the 2001 Census. The PGDP target was to half this number by 2014. The Department has since achieved 298 852 towards this target. Due to lack of data the Department is not able to ascertain the exact status of adult illiteracy in the Province. However, according to the 2007 Community Survey it is estimated that about 15,6% of adults are illiterate.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
32. To increase the number of adult learners in order to provide skills relevant to the economy and the labour market.	Percentage of ABET Centres in the province benefiting from skills programme.	18%	15%	We introduced a number of skills in the various Districts but are unable to reach our target because of the budget cuts.
	Percentage of adult learners placed in Learnerships	30%	22,5%	The initial target to train 115 learners could not be met due to financial constraints.
Strategic Goal 5: Improved Institutional efficiency through enhance management systems and integrated service delivery at all organisational levels (National, Provincial, Circuit and schools)				
33. To promote and sustain effective and efficient financial management and good administration of all ABET Centres.	Percentage of ABET Centres receiving unqualified Audit Reports	15%	0%	The target was not achieved due to Financial Management Training of all Centre Governing Bodies only taking place during the course of the 2011/12 financial year.

Performance at Operational Level

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
National Performance Measures			
PM 601 Number of learners expected to be enrolled in public ABET Centres in the planned financial year	45 793	36 911	The target was overstated. Recruitment was not effective due to the fact that there was no proper advocacy.
PM 602 Number of educators expected to be employed in ABET Centres in the planned financial year	3 312	2 976	Number of Educators exceeded the target due to a number of new centres being opened.
PM 603 Number of ABET learners expected to graduate in ABET/NQF level 1 in the planned financial year	9 632	694	Learners who register at the beginning of the year either drop-out due to a variety of reasons or they registered too early. We have recommended that the time of registration for exams be shifted from February to July/August/ The initial number of learners who registered are not necessarily the number who end up writing exams.
Provincial Performance Measures			
PPM 604 Number of ABET Centres to benefit from skills programmes in the planned financial year	53	46	The number of Centres was consciously reduced from 53 to 46 – two centres in every District.
PPM 605 Number of female ABET learners to enrol in the planned financial year	27 476	27 015	Due to family commitments females are not always available for schooling, particularly in rural areas.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 606 Number of ABET learners to be placed in learnership and skills programmes in the planned financial year	47	47	-
PPM 607 Number of ABET Centres to be evaluated by the Provincial Office in the planned financial year	60	38	The target was not met due to the national strike which affected most of the activities of the Department.
PPM 608 Number of Provincial meetings to be held with ABET stakeholders in the planned financial year	4	1	Top slicing of budget occurred twice during the financial year and available funds were withdrawn.

Programme 7

Programme Purpose

The purpose of the programme is to increase admission in ECD as well as to increase participation and success rates in GET especially of learners in rural areas including LSEN and the female learner.

Strategic Goals Applicable to this Programme

- Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status
- Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence.

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 1: Access to basic education for all learners regardless of race, gender, disability, geographical location and socio-economic status				
34. To ensure universal access to Grade R by 2014/15.	Grade R enrolment as a percentage of the average enrolment in Grades 1-3 ¹⁹ .	85%	93,6%	Target exceeded due to increased awareness of the importance of Grade R in the academic career of children appear to be bearing fruits

¹⁹ A comparison of Grade R enrolment with the population cohort of 5-year olds would be ideal to determine access to Grade R. However, since the current statistics from Statistics South Africa are based on 2008 estimates, the number of children enrolled in our Grade R classes exceeds the estimated number of children aged 5. The Department therefore opted to use 'Grade R enrolment as a percentage of the average enrolment in Grades 1-3' as the measure to assess access to Grade R.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 4: Improved quality of teaching and learning at all educational institutions to develop them into thriving centres of excellence.				
35. To ensure all Grade R Practitioners are properly qualified by 2014/15	Percentage of ECD practitioners with at least NQF level 4 qualification (entry requirement)	38%	38%	-
36. To decrease the learner educator ration to 30:1 by 2014/15.	Learner educator ratio in Grade R	33:1	40:1	Norms and Standards for Grade R funding have not been implemented yet. The delay in the construction of Grade R facilities has also affected reaching the set target.

Performance at Operational Level

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
National Performance Measures			
PM 701 Number of 5 year olds expected to be attending education institution in the planned financial year	149 249	100 115	The current statistics regarding the Population cohort of 4-year olds from Statistics South Africa are based on 2008 estimates.
PM 702 Number of Grade R learners expected to be enrolled in public schools (both ordinary and special) in the planned financial year	159 375	174 961	The number of children enrolled in Grade R exceeds the estimated number of children aged 5 due to the admission of underage learners.
PM 703 Number of public schools (ordinary and special) expected to offer Grade R in the planned financial year	4 710	4 555	Delays in the construction of Grade R facilities adversely affected the implementation of the programme.
Provincial Performance Measures			
PPM 704 Number of ECD Practitioners to be trained in the planned financial year	600	750	750 Pre Grade R practitioners completed their NQF Level 4 training successfully. Grade R practitioners could not be trained on accredited NQF Level 4 and 5 qualifications due to the cancellation of the training bid.
PPM 705 Number of Grade R practitioners to receive a stipend in the planned financial year	5 207	5 180	Appointment processes of Grade R practitioners have changed and this caused a delay in the approval of the new intake for January 2011.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 706 Number of Grade R classes to receive LTSM packages in the planned financial year	2 900	87	Grade R LTSM could not be procured due to the recall of funds to supplement Compensation of Employees. The 87 appearing was for accruals paid in Quarter 1 of the financial year.
PPM 707 Number of Grade R classes to receive outdoor equipment packages in the 2010/11 financial year	500	0	Outdoor equipment could not be procured due to recall of funds to supplement Compensation of Employees.
PPM 708 Number of Grade R classes to receive furniture packages in the 2010/11 financial year	1 000	0	Furniture could not be procured due to recall of funds to supplement compensation of Employees.
PPM 709 Percentage of ECD Centres with legitimate SGBs in the planned financial year	75%	75%	-
PPM 710 Number of Provincial ECD Forum meetings held to strengthen co-ordination and partnership with stakeholders	4	3	Meetings could not be held in Quarters 1 and 2 due to unavailability of forum members.

Programme 8

Programme Purpose

The purpose of Programme 8 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance. The objectives are as follows: to provide the education institutions as a whole with training and support; to provide employee Human Resource Development in accordance with the Skills Development Act; to provide for projects specified by the Department of Education that are applicable to more than one programme and funded with conditional grants; to provide for special departmentally managed intervention projects in the education system as a whole; and to provide for departmentally managed examination services.

Strategic Goals Applicable to this Programme

- Strategic Goal 3: The empowerment of all learners to become responsible citizens through equipping them with skills, knowledge and values to contribute positively to the development of both the individual and society
- Strategic Goal 5: Improved institutional efficiency through enhanced management systems and integrated service delivery at all organisational levels (National, Provincial, District, Circuit and School).
- Strategic Goal 7: Cohesive and sustainable communities built through co-operation with all stakeholders in Education

Strategic Objectives, Indicators and Actual Performance

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 3: The empowerment of all learners to become responsible citizens through equipping them with skills, knowledge and values to contribute positively to the development of both the individual and society				
37. To increase the number of schools with functional HIV and AIDS life-skills and Peer Education Programmes.	Percentage of schools with functional peer education programmes	13%	12%	The programme has not been adequately advocated to principals, therefore the Out of School Youth (Peer Group Trainer) did not receive support.
	Percentage of learners reached through peer education programme	3%	1,3%	The programme has not been adequately advocated to principals; therefore the Out of School Youth (Peer Group Trainer) did not receive support.
	Percentage reduction in Learner Pregnancy	10%	9,8%	Some of the interventions to mitigate learner pregnancy rates could not be fully implemented because of a shorter academic year.

Strategic objective	Performance Indicator	Performance Against Targets		Reasons for variation
		Target	Actual	
Strategic Goal 5: Improved institutional efficiency through enhanced management systems and integrated service delivery at all organisational levels (National, Provincial, District, Circuit and School).				
38. To ensure that all schools comply with progression and promotion requirements of learners by 2014/15	Percentage of schools in the GET Band that comply with progression and promotion requirements.	90%	98%	The target had been significantly exceeded for the following reasons: <ul style="list-style-type: none"> • The focused and intensive quality assurance of the progression and promotion schedules submitted by all schools. • The levels of accountability for principals and circuit managers were raised.
	Percentage of FET schools that comply with progression and promotion requirements.	100%	99,53%	The target has been marginally underachieved. However, there had been focused and intensive quality assurance of the progression and promotion schedules by all schools. Also, the levels of accountability for principals and circuit managers were raised. Notwithstanding this improvement, there are still a small number of schools that do not adequately quality assure learner results, and simply maliciously comply with this mandate.
Strategic Goal 7: Cohesive and sustainable communities built through co-operation with all stakeholders in Education				
39. To increase the number of school communities reached through HIV and AIDS advocacy and education campaigns.	Percentage of school communities reached through HIV and AIDS campaigns.	9%	7%	Some of the interventions could not be fully implemented because of a shorter academic year.

Performance at Operational Level

Performance Measures	Performance Against Targets		Reasons for Variation
	Target	Actual	
National Performance Measures			
PM 801 Number of candidates for the Grade 12 senior certificate examinations (matric exams)	76 743	78 890	<p>This target had been exceeded for the 2010/11 Financial Year. The reason for this increase can be attributed to the fact that:</p> <ul style="list-style-type: none"> • More candidates registered for 2010 May/June examinations. • There had also been an increase in number of repeater candidates in the system since the advent of the National Senior Certificate (NSC) in 2008.
PM 802 Number of candidates for the ABET NQF Level 4 examinations	10 390	11 688	<ul style="list-style-type: none"> • The registration of candidates for the ABET Level 4 examinations had increased by 1, 298 over and above the targeted number of registrations. This may be attributed to the fact that candidates might have been encouraged by the anticipated sense of urgency and advocacy in the sector as a result of the takeover of the sector by the Department of Higher Education and Training.
Provincial Performance Measures			
PPM 803 Number of schools with functional peer education programmes in the planned financial year.	800	694	The Peer Education programme has not been adequately advocated to principals of participating schools.
PPM 804 Number of learners to be reached through peer education programme in the planned financial year	21 000	28 443	The Peer Education programme has not been adequately advocated to principals of participating schools.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 805 Number of reported teenage pregnancies in the planned financial year	7 500	8 421	Although the number of pregnancies has been reduced from 9 245 in 2009 to 8 421 in the year under review, the target was not reached due to the shortened academic year in 2010.
PPM 806 Number of teachers to be trained in integration of HIV and AIDS content into and across the curriculum in the planned financial year	2 000	1 086	Training sessions were cancelled in July-August 2010 because of the public service strike.
PPM 807 Number of schools to receive appropriate HIV and AIDS and Life Skills LTSM during the planned financial year	2 000	2 857	More schools than the target have received appropriate LTSM
PPM 808 Number of schools with the OVC Care and Support Programmes in the planned financial year.	600	470	The twinning process has been difficult because of the vast distances between schools in districts such as Mbizana
PPM 809 Number of orphans and vulnerable children receiving care and support in the planned financial year.	30 000	122 101	More learners are benefiting from the care and support package because of the twinning of schools.
PPM 810 Number of functional care and support structures to support OVC in schools in the planned financial year.	600	120	The public service strike led to the cancellation of many activities as schools were not available.
PPM 811 Number of teachers trained in care and support in the planned financial year.	1 200	0	Training of Master Trainers could not take place because of scarcity of appropriately qualified service providers in the province.
PPM 812 Number of schools conducting health screening for learners in the planned financial year.	200	121	Large-scale Health Screening in schools only takes place through campaigns as there are presently no full-time school health nurses in most circuits.
PPM 813 Number of schools reached through the Safe Circumcision Campaign in the planned financial year.	350	104	Some of the interventions could not be fully implemented because of a shorter academic year.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 814 Number of schools implementing the Child Friendly School Programme in the planned financial year.	169	67	Some of the interventions could not be fully implemented because of a shorter academic year.
PPM 815 Number of schools in GET Band that will comply with progression and promotion requirements in the planned financial year	1 568	1 532	<ul style="list-style-type: none"> • There has been a marginal under-achievement in respect of the projected target. However, there had been a focused and intensive quality assurance of the progression and promotion schedules submitted by all schools. • Also, the levels of accountability for principals and circuit managers were raised. • Despite the improvement in the quality assurance of promotion and progression schedules by schools, there are still a small number of schools where this message had not been internalised, and the relevant Circuit Managers continue to closely monitor and support such schools.
PPM 816 Number of FET schools that will comply with progression and promotion requirements in the planned financial year	636	631	<ul style="list-style-type: none"> • Although there had been a marginal under-achievement in this target, there had been a focused and intensive quality assurance of the progression and promotion schedules submitted by all schools. • The levels of accountability for principals and circuit managers had been raised. • However, there are still a small number of schools that are poor at quality assuring learner results, and submit promotion and progression schedules to be comply maliciously. Such schools continue to be closely monitored by circuit managers.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 817 Number of schools in GET Band that will comply with progression and promotion requirements in the planned financial year	1 568	1 532	<ul style="list-style-type: none"> Although there had been a marginal under-achievement in this target, there had been a focused and intensive quality assurance of the progression and promotion schedules submitted by all schools. The levels of accountability for principals and circuit managers had been raised. However, there are still a small number of schools that are poor at quality assuring learner results, and submit their promotion and progression schedules to comply maliciously. The relevant Circuit Managers continue to closely monitoring and support such schools.
PPM 818 Number of FET schools that will comply with progression and promotion requirements in the planned financial year	636	631	<ul style="list-style-type: none"> Although there had been a marginal under-achievement in this target, there had been a focused and intensive quality assurance of the progression and promotion schedules submitted by all schools. The levels of accountability for principals and circuit managers had been raised. However, there are still a small number of schools that are poor at quality assuring learner results, and submit to comply maliciously. In this regard, the relevant Circuit Managers continue to closely monitor and support such schools.

Performance Measures	Performance Against Targets		Reasons for variation
	Target	Actual	
PPM 819 Number of learners to be registered in designated GET band areas in the planned financial year.	281 723	528 799	<ul style="list-style-type: none"> The target for this Provincial Performance Measure had been exceeded by a significant amount. The reasons for this can be explained as follows: <ul style="list-style-type: none"> There had been an intensive data collection process undertaken for Grades 3, 6 and 9, and the data was subsequently collated. The advocacy campaigns promoting awareness, as well as educating schools about the value and importance of providing learner information seemed to be well understood by all schools. A higher number of schools responded positively to the call to submit learner registration data to the Department than had been anticipated due to the advocacy campaign.
PPM 820 Number of learners to be registered in designated FET band areas in the planned financial year.	262 619	252 817	<ul style="list-style-type: none"> There had been an over-estimation of the projected number of candidates to be registered in the designated FET Band for the planned financial year. <ul style="list-style-type: none"> The verification of data in the FET Band by Circuit Managers and sample visits to schools by the Examinations Directorate appeared to have been effective. Schools are gradually starting to avoid inflating learner numbers/enrolments, as school Management Teams are being held accountable for inflating learner numbers.

EASTERN CAPE PROVINCIAL DEPARTMENT OF EDUCATION

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. During the current year three ordinary meetings and one special meetings were held by the outgoing Audit Committee. Two special meetings were held after the year end to review the draft annual report and the annual financial statements by the current Audit Committee.

Current Audit Committee

Name	Role	Appointment date	Scheduled Meetings		Special Meetings	
			Held	Attended	Held	Attended
Ms P Mzizi	Chairperson	23 May 2011	0	0	2	2
Mr N Mhlongo	Deputy Chairperson	23 May 2011	0	0	2	2
Mr P Mnisi	Member	23 May 2011	0	0	2	2
Mr Z Mkabile	Member	23 May 2011	0	0	2	2
Mr N Nicholls	Member	23 May 2011	0	0	2	2
Dr C Maurice	Member	23 May 2011	0	0	2	2
Ms N Z Qunta	Member	23 May 2011	0	0	2	1
Ms L Mothae	Member	23 May 2011	0	0	2	1
Mr H Marsberg	Member	23 May 2011	0	0	2	2

Outgoing Audit Committee

Name	Role	Engagement period	Scheduled Meetings		Special Meetings	
			Held	Attended	Held	Attended
Mr L M Dudumashe	Chairperson	01 April 2008 – 31 March 2011	3	3	1	1
Dr C Maurice	Member	01 April 2008 – 31 March 2011	3	2	1	0
Mr N Nicholls	Member	01 April 2008 – 31 March 2011	3	3	1	1
Ms N Z Qunta	Member	01 April 2008 – 31 March 2011	3	3	1	1
Ms N Lila	Member	01 April 2008 – 31 March 2011	3	3	1	1

Audit Committee Responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein except where it is indicated in the table below. The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulations 3.1 except where it is indicated in the table below.

<u>References to</u>	<u>Remarks</u>	<u>Reasons for Non Compliance</u>
<u>Treasury Regulations</u>		
S3.1.10 (c)	The Audit Committee did not review the risk areas of the institutions operations.	The risk management function for the institution was not in place but there

<u>References to Treasury Regulations</u>	<u>Remarks</u>	<u>Reasons for Non Compliance</u>
		was an approved risk management and fraud prevention policy and response plan.
S3.1.10 (f)	The Audit Committee did not review the institution's compliance with legal and regulatory provisions.	The compliance function for the institution was not in place.
S3.1.15	The Audit Committee did not communicate its concerns to the executive authority. The Committee's concerns included the following: - dysfunctional risk management processes, inadequate resources for internal audit, skills level within the finance unit and failure to implement audit recommendations.	The Audit Committee held the meetings with the Executive Authority but no minutes were taken. There were no formal reports to the Executive Authority.
S3.1.13 (c)	The Audit Committee did not evaluate the financial statements for the year ended 31 March 2010.	Due to inadequate human resources within the finance unit (in terms of skills and the quantities of resources), the financial statements were still incomplete on the day of the meeting.

The effectiveness of internal control

The system of internal control was not entirely effective for the year under review. Several deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General South Africa in the report of the previous financial year. In most of the instances, the matters reported previously have not been fully and satisfactorily addressed. The material areas that are affected are mainly the supply chain management, human resource administration, financial administration, asset management and reporting.

The root causes for these weaknesses are lack of appropriate capacity and expertise at correct levels, non-compliance with management policies, lack of appropriate policies, documentation could not be made available for audit purposes and failure to fill critical posts in finance and supply chain with appropriately skilled individuals.

Quarterly Reports Submitted in Terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the timely submission of quarterly reports but due to the problems already highlighted above, the quality of the reports still need some improvements.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Accounting Officer. Due to the control weaknesses referred to in the preceding paragraphs, material and a significant amount of errors were detected and as a result the audit committee had two sittings to review the financial statements. Not all the supporting documentation was presented to the audit committee;

- also evaluated the annual financial statement for possible changes in accounting policies and practices;
- reviewed the Auditor-General's audit report; and
- reviewed the significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Audit Committee did not review of the information on predetermined objectives to be included in the annual report due to the fact that the information as contained in the annual report was incomplete to enable a proper review.

Risk Management

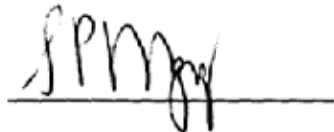
The risk management function was not in place during the year under review however there was an approved risk management strategy and fraud prevention policy and response plan.

Internal audit

Though there was an approved three year rolling plan and annual plan, only two audits were completed during the year as opposed to the thirteen planned audits which translates to 15% coverage. The Department did not source an appropriate internal audit service provider during the year and accordingly the internal audit unit was under- resourced. The Audit Committee is not satisfied that the internal audit function is operating effectively and addressing the risks pertinent to the department in its audit. The Audit Committee also notes that the deficiencies in risk management impact on the adequate implementation of the risk based audit approach.

Auditor-General South Africa

The Audit Committee has not met with the Auditor-General South Africa to ensure that there are no unresolved issues as yet.



Ms P Mzizi CA(SA)

Chairperson of the Audit Committee

31 July 2011

Report of the Accounting Officer for the year ended 31st March 2011

I am required to submit the Annual Financial Statements within two months of the end of the financial year. This has not been possible for the reasons set out herein-below. This inability has been reported to the Member of the Executive Council, Portfolio Committee, Provincial Treasury, and the Auditor General.

The main reasons for the delay in the preparation of the financial statements were related to the late finalisation in the appointment of an Audit Committee, the verification of accruals, validating data in a number of areas, and capacity constraints. The Chief Financial Officer had also for a considerable period of time been under tremendous workload pressures due to various other demands.

I have considered it prudent and in the best interests of good administration that every effort be put into ensuring that the quality of the financial statements is improved and enhanced taking into account the historical factors affecting the administration and management of the financial affairs of the department. I therefore had to make a difficult choice between mere compliance and ensuring quality financial statements.

A number of initiatives were taken to realise significant improvements in the audit process for the financial year under review. These were mainly guided by the experiences of previous audits and an analysis of previous Auditor General reports. Therefore greater emphasis was placed on various process issues raised by the Auditor General in previous audits.

It was also important to reconstitute the Audit Committee to ensure that it has the requisite capacity to deal with complexity of the challenges facing the department. I have therefore increased the number of members and have sought to ensure that the membership of the committee is fully multi-disciplinary.

Although training for School Governing Bodies continued during the year under review, most school governing bodies continue to lack adequate capacity to perform their functions effectively. This contributed significantly to some of the problems facing schools and consequently the department. It has thus become necessary to urgently review the system and levels of funding for school governing bodies with a view to strengthening them and enabling them to play a more effective role in the Quality Learning and Teaching Campaign.

1. General review of the state of financial affairs

- 1.1 The department has a history of over-expenditure and negative audit opinions of the Auditor General. A multiplicity of factors contributed and continues to contribute to the current state of the financial affairs of the department. These factors include the incidence of educators additional to the post establishment of schools, weak internal controls, lack of proper planning and implementation and the lack of managerial responsibility and accountability. A culture of deferring implementation of decisions of the Executive Council and oversight committees with impunity, are serious and warrant decisive action. Over a period of time, the department has been under severe financial strain complicated by the absence of sustainable interventions to address identified challenges.
- 1.2 During the year under review, section 21 schools in particular did not fully adhere to policy in a number of areas including the full utilisation of funding for LTSM resulting in the department being unable to ensure that every learner has a textbook and did not plan properly to ensure that schools had educators for all areas. This has resulted in additional expenditure incurred to provide for critical areas of schools.

- 1.3 The poor or lack of management of educators additional to post establishments of schools continued to pose a major threat to the stability of the compensation of employees' budget of the department and continued to be a major cost pressure. The attitude of certain unions to undermine Collective Agreement 2 of 2003 despite being a party thereto, continued to be a problem.
- 1.4 The current state of affairs of the department must also be viewed within the context of the lack of effective financial planning and management across the department including effective implementation of financial and information management systems.
- 1.5 The Department projected to overspend its budget due to compensation of employees early in the year under review. This led to the development and implementation of financial turnaround plan which focused on the identification of inefficiencies around compensation of employees in the system. The areas identified for review and implementation during the year were as follows:
- Placement of displaced educators and officials - The department managed to place 191 out of 213 as at the end of March 2011.
 - Placement of 142 FET college lecturers – despite various efforts to address this matter, no progress was made on the placement of college lecturers during the year under review.
 - ECD standalone centres – an audit of the standalone ECD centres was finalised, indicating the number of pre-grade R and grade R learners, the number of qualified educators in each centre.
 - Implementation of 'no work, no pay' in respect of the public service strike – deductions were effected against all employees based on union affiliation during the months of February and March 2011. The last deduction set for April 2011, was stopped through a court order which was brought by 87 PSA members against the department. The order required the department to stop the deductions for April and refund these employees for the period that they actually worked during the strike and then resume the last deduction after such refund. It was decided to stop deductions in respect of all employees in line with the court ruling and this process is in progress.
 - Reversal of irregular salary increases paid during 2009/10 – this reversal was set to be made after the deductions for 'no work, no pay' had been finalised and has not started as yet.
 - Termination of contracts of temporary educators as at the end of December 2010 – the contracts of all temporary educators were terminated at the end of December 2010 and the department was challenged by FEDSAS resulting in a court ruling that all temporary educators be re-instated with effect from the 11 March 2011. This order was mainly effected in the 2011/12 financial year.
 - The department also made virements from payments for capital (infrastructure) to compensation of employees amounting to R419 million during adjustment estimates in order to minimise the projected over expenditure during the year under review.
- 1.6 On top of these measures, Provincial Treasury stopped payments for the department of Education except for conditional grants as from February 2011. This was due, mainly to the fact that the Department was already overspending on its budget. The result of this was delays in the payments to service providers. The implementation of all these interventions during the year, resulted in an overall positive variance for the department. Whilst the department was overspending on compensation of employees, there was reported under expenditure on capital assets especially on infrastructure.
- 1.7 Lastly there was a lot of instability in the department during the year under review at Head office which caused disruptions in the departmental processes such as ordering and the impact of these were delays in implementation of programmes planned for the year. This escalated to the chasing of

the three senior managers namely, Head of Department and the two Deputy Director Generals including the Chief Financial Officer. A court interdict was brought against the perpetrators.

2. Policy decisions and strategic issues facing the department

The main policy changes during the year under review were the following:

- The budget for the Further Education and Training (FET) which falls under the national Department of Higher Education has been changed to a conditional grant during the year under review.
- The School Nutrition Programme was expanded to feed quintile 3 secondary school learners who were not fed before.
- Funds for School Nutrition Programme and meal servers were transferred to schools during the last quarter of the financial year. This is a change from a goods and services allocation to a transfer payment(s) to non-profit institutions.

3. Major projects undertaken or completed during the year

Of the infrastructure projects undertaken during the year under review, 51 projects were completed. These are in the main projects which were put on hold in the previous financial year owing to over-expenditure or storm damaged schools.

The implementation of the Provincial Learner Attainment Improvement Strategy which included a Grade12 Learner Support Programme, resulted in the improvement of the 2010 Grade12 results.

Leadership and management and teacher development programmes were instituted during the last quarter of the financial year.

4. Significant events that have taken place during the year

The department had three Heads of Department appointed during the year under review. There was also a new Member of the Executive Council appointed in November 2010 during the year under review.

The three Court orders brought against the department had significant impact on the department in different ways as follows:

- The re-instatement of temporary educators also culminated in all temporary educators who are protected by two Collective Agreements in 2008 and a number of foreign nationals who were appointed on a temporary basis and who have been in employment for periods ranging from 2-25 years and who were erroneously terminated, being re-instated. This will increase the personnel cost in the 2011/12 financial year, resulting in over expenditure in compensation of employees.
- The order stopping the final deduction on no work no pay affected the cash flow for the first month of the financial year; and
- The court order interdicting certain or any employee from chasing any employee from his or her workplace has resulted in some stability generally in the department.

The department has since been placed under section 100(1)(b) of the Constitution of the Republic of South Africa since the beginning of the year. The manner of implementation of the intervention had an adverse impact on the functioning of the department and the audit process.

5. Spending trends

The spending trends of the department over the last two years are as follows:

Expenditure	2010/11 (R'000)	%	2009/10 (R'000)	%
Actual expenditure	22 578 404	97,4	21 166 128	103,1
Budgeted Expenditure	23 183 440	100,0	20 529 488	100,0
Under/(over) expenditure	605 036	2,6	(636 640)	(3,1)

The department of Education overspent its vote by an amount of R636 640 million in the previous year and under spent by R605 036 million during the year under review.

The principal reason for under expenditure is attributable to Payments for Capital assets which under spent especially the conditional grant. The under expenditure is due to the delays in the roll-out of infrastructure projects as a result of a loan which was being negotiated with National Treasury. The loan application did not materialise thus resulting in the delays. The under expenditure on goods and services was partly due to delays in payments. The Provincial Treasury stopped the processing of payments in the Department of Education as a result of projected over expenditure as from February 2011. This resulted in under expenditure on goods and services (non-conditional grant related) during the year under review.

The over expenditure under compensation is mainly due to Programme 2 at R621 942 million (before virement) and the main reason for this is:

- the implementation of collective agreement 1 of 2007.
- having to carry the cost of Improvement of Conditions of Service (ICS) over the amount provided in the adjustment estimate, the excess cost over budgeted amount (in the adjustment estimate) following the implementation of Occupational Services Dispensation (OSD).
- Increased number and cost of temporary educators due to double parked educators.
- Irregular expenditure as a result of over expenditure in programme 2 amounted to R523,6 million.
- Non implementations of the full 'no work, no pay' deductions during the year under review. Only two instalments were effected from employees.

The implementation of Treasury Circular 7 of 2009 and the stoppage of payments as from Provincial Treasury had an effect of limiting the expenditure of the Department even in Programmes that still had funds due to the over expenditure under Programme Two and the application for a loan for infrastructure that was made. The consequences of this were:

- Delays in the implementation and completion of infrastructure projects during 2010/11.
- Reduced expenditure on goods and services items.
- Inability to pay suppliers within a reasonable time.
- Increased accruals at the end of the financial year.

The following adjustments to the original budget were approved by Legislature during the year under review:

Original budget	R 22 679 787 million
<u>Add additional allocation</u>	<u>R 503 653 million</u>
Adjusted budget	<u>R 23 183 440 million</u>

The additional allocation of **R503, 653 million** is made up of the following:

- R74,828 million roll-over in respect of Provincial Infrastructure Grant
- R 2,592 million roll-over in respect of HIV/AIDS conditional grant
- R426,233 million in respect of condition of service

The steps taken during the last financial year to address poor financial performance in order to address and prevent recurrence of under-expenditure continued to strengthen accountability and make a difference during the year under review, were as follows:

- Districts continued to be involved in the In-Year Monitoring processes during the year under review and this has resulted in significant improvements in both knowledge and accountability. This process was extended in some districts to circuit offices where circuit FINCOMS were established in order to ensure that schools also begin to account for their expenditure.
- The projects identified for the Audit Intervention Plan have a significant impact on the financial management performance in some areas but this needs further strengthening especially around Human Resources and Finance through monitoring and reporting on a regular basis.
- The department projected over expenditure on compensation of employees and was placed under scrutiny by the Executive Council through weekly meetings with a sub-committee of Cabinet made up of three Members of the Executive Council for Finance, Health and Education. This process went a long way to ensure that over expenditure on compensation of employees was minimised during 2010/11.

6. Virements

Virements within the discretion of the Accounting Officer in terms of Section 43(1) of the Public Finance Management Act approved by the Accounting Officer mainly to offset excesses reported under certain programmes, were not approved by the Provincial Treasury.

7. Services rendered by the department

7.1 List of services rendered

- Education administration, which includes financial management, supply chain management, education management and conditional grant funding management.
- Public ordinary school education, mainly being the public primary and secondary school education including in-school sport, culture and heritage.
- Provision of Further Education and Training with special reference to FET Colleges.
- Provision of Adult Basic Education and Training.
- Provision of funding to independent and special schools. There is an urgent need to review the current funding model and levels in respect of these categories of schools to address the precarious situation of learners in these schools. It is important to consider whether the independent schools serving the poor should not be converted into public ordinary schools to ensure full provision of education services.
- Provision of Early Childhood Development including Pre-Grade R.
- Provision of Human Resource Development across the system and External Examinations.

7.2 Tariff policy

○ Interest policy	As per current gazetted rates
○ Examination Fees	R40.00 per lost certificate
○ Remarking	R80.00 per subject
○ Boarding & Lodging	R550.00 hostel fee per learner per quarter
○ Boarding & Lodging	R245.00 hostel fee per month (Hostel staff)
○ Commission	2.5% of pay-over value to insurance companies
○ Garnishee	5% of the value deducted
○ Tenders	R50.00 per tender document
○ Telephone	Recovery of personal calls over the limit for cellular phone holders

The revenue policy of the department needs to be reviewed so as to ensure that all districts and hostels are treated the same.

7.3 Free Services

Learners in 'no fee' schools namely schools in quintiles 1, 2 & 3 are not required to pay school fees as the Department of Education carries the full cost of all the requirements for teaching and learning in those schools.

8. Inventories

No stock-taking was conducted in respect of inventories as a result no disclosure will be made as required. This is due to the disestablishment of the two stores in the department namely Zwelitsha Head Office and Port Elizabeth district. Other districts do not have any stores, due to space constraints.

9. Capacity constraints

- 9.1 The post of Chief Director: Finance, Director: Accounting Services remained vacant during the year under review.
- 9.2 The post of the Chief Director: Supply Chain Management was filled in August 2010 during the year under review.
- 9.3 A number of senior managers were suspended during the year under review resulting in capacity constraints. There were altogether ten senior managers under suspension during the year under review.
- 9.4 The Department still operated without a fully capacitated Internal Audit division for part of the financial year. The review of the organogramme for this unit has not been finalised.
- 9.5 A moratorium was placed on the filling of all vacant Public Service and office based educator posts during the year under review due to budget constraints.
- 9.6 The organogramme review has not been finalised by the department and this will be addressed and finalised in the next financial year.
- 9.7 The availability of systems such as LOGIS, BAS and PERSAL varies from district to district with some districts having no systems whilst others have weak and/or unreliable systems. Other forms of capacity constraints include lack of experience and skills since some of the districts are not able to attract experienced and skilled people including the under-utilisation of the systems. These are being addressed by the department through its Human Resource Strategy.
- 9.8 The department continued with the moratorium on filing of vacant posts in respect of both administration and office based educator posts.

10. Utilisation of donor funds

There were no donor funds received. Donations received were in the form of goods or services or amounts given to schools to execute minor projects.

11. Trading entities and public entities

The Department has no trading entities and public entities operating under its auspices.

12. Organisations to whom transfer payments have been made

The Department makes transfer payments to Section 21 schools, Section 20 schools (No fee schools), Independent schools, Special schools, FET Colleges, ECD Sites and to designated Examinations Centres. Refer to Annexure 1G for the details of the transfers. These transfers are effected in terms of the South African Schools Act, the Norms and Standards for School Funding and the FET Act. Schools and FET Colleges are required to submit audited annual financial statements every year by the end of June. In addition to this, the Department has developed a framework for reporting in those audited financial statements in order to guide the process further in line with the Public Finance Management Act.

A policy decision was taken to transfer funds in respect of School Nutrition to schools during the last quarter of 2010/11.

13. Public private partnerships (PPP)

The department had no Public Private Partnerships during the year under review.

14. Corporate governance arrangements

Internal audit has functioned for part of the financial year without the necessary capacity.

The directorate Risk Management also functioned without the necessary capacity during the year under review.

The term of office for the members of the Audit Committee came to an end as at the end of the financial year, March 2011. The Audit Committee met on a quarterly basis during the year under review.

The department has recorded improvements in respect of compliance by schools in reporting there are still challenges around governance especially with the section 21 schools resulting in slow/non-compliance.

The department appointed the services of the Special Investigation Unit during the year under review in order to follow up on all outstanding reports on corruption within the department.

The department has established an integrated employee wellness section whose function is to integrate the historically separate elements of safety, health & environment (SHE), employee assistance programme (EAP) & the management of the impact of HIV and AIDS in the workplace.

All administration offices have been fitted with fire extinguishers and first aid boxes at Head Office. The Head Office is also fitted with surveillance camera at strategic areas in the building. All offices have been declared gun and smoke free zones.

The effectiveness of these governance structures is being felt in the organisation as a whole.

15. Discontinued activities/activities to be discontinued

The department has discontinued the running of the scholar transport as at the end of March 2011. As from the 1st April 2011 this function has been shifted to the Department of Transport.

The department is still busy with the processes in preparation for handing over the running of all youth care centres to the Department of Social Development and Special Programmes in line with the new Child Justice Act and the institutions affected are JJ Serfontein (presently known as Gali Thembani) and the newly built Bhisho Youth Centre.

16. New/proposed activities

The department has no new or proposed activities during the year under review.

17. Asset management

The EFMS system has documented all Education facilities in the Province in terms of GIAMA requirements and there has been an effort to update this system during the year under review. As at the end of the financial year this was about 90% updated and will continue until all projects are updated. This will not only assist in better planning and management of infrastructure but will ensure that there is an updated immovable asset register.

Movable assets have been captured using a database for all districts and Head Office during the year under review. Though the asset management units are in place in line with the Head Office and district organogramme these are still inadequate for sustainable performance in the whole organisation. This is to be addressed through the organogramme review process. Stock taking boards (teams) are in place in all schools.

18. Events after the reporting date

There are no material events after the reporting date.

19. Information on Pre-determined objectives

The Department had challenges with the quality and timeliness of monthly submissions to Provincial Treasury, the In Year Monitoring Report, quarterly reporting and compliance with certificate for financial management performance.

20. SCOPA resolutions

The following recommendations were made by SCOPA:

SCOPA RESOLUTIONS	PROGRESS MADE
(a) Provincial Treasury should consider providing funds for a forensic investigation to be conducted on the financial affairs of the Department, taking into account the magnitude of financial mismanagement reported by the Auditor General and failure by management to account fully for the funds used and to produce supporting documentation to support the expenditure.	Funds specifically for a forensic audit were not made available. However the investigations of the SIU continue.
(b) Disciplinary action must be taken against all the officers of the Department who have failed to comply with the provisions of the PFMA as contained in sections 38, 39, 40, 41 and 45 which led to the above findings.	Although disciplinary action has been initiated in respect of certain senior managers, this is inadequate relative to the nature and scope of financial misconduct.
(c) Treasury must step up assistance on financial management to improve the department's performance.	Provincial Treasury is assisting the department through the Cabinet Budget Sub-Committee process and although there were delays both the Provincial Treasury and the OTP are providing dedicated technical support to the Department.

21. Prior modifications to Audit Reports

A project manager was appointed during the year under review to drive the Audit Intervention Plan. The existing plan was reviewed and signed off. This was presented to the Audit Committee who made inputs and this revised plan was implemented during the year.

22. Exemptions received from the National Treasury

No exemptions were received from the National Treasury during the year under review in terms of either the Treasury Regulations or the PFMA.

23. Other

None

24. Approval

The Annual Financial Statements as set out on pages 166 to 234 have been approved by the Accounting Officer.



Name: Advocate Modidima Manny

Title: Head: Education

Date: 29th July 2011

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

Introduction

1. I was engaged to audit the accompanying financial statements of the Eastern Cape Department of Education, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 192 to 199.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury (the reporting framework), 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, 2010 (Act No. 1 of 2010, as amended) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004, (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on my audit. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Compensation of employees

4. Compensation of employees expenditure of R18,86 billion (2010: R17,11 billion) is disclosed in note 4 to the financial statements. The department did not provide documentation in support of salary payments, allowances and employer contributions of R2,62 billion (2010: R1,57 billion) included in this disclosure. Furthermore, not all employees selected for testing could be physically verified and the possibility of fictitious employees and the associated fruitless and wasteful expenditure could not be refuted. The department's employee records are incomplete and did not permit the application of alternative procedures. As a result I was unable to obtain sufficient appropriate audit evidence to confirm the occurrence and accuracy of compensation of employees expenditure in note 4 to the financial statements.

Employee benefits

5. The department could not provide sufficient appropriate audit evidence supporting capped leave commitments to the value of R2,95 billion (2010: R2,86 billion) included in disclosure note 22 to the financial statements. The department's records and systems did not permit the application of alternative audit procedures regarding capped leave. Consequently, I did not obtain all the information I considered necessary to satisfy myself as to the completeness, valuation and rights to and obligations for these capped leave commitments.

6. The calculation used to determine the leave entitlement balance of R160,56 million (2010: R162,59 million) disclosed in disclosure note 22 to the financial statements, is based on the available leave days multiplied by the employees' basic salary. I could not determine the correctness of the available leave days due to incomplete personnel records and non-submission of personnel files. Due to the significant deficiencies identified with respect to the management of personnel records, I was unable to perform alternative procedures. Consequently, I did not obtain all the information I considered necessary to satisfy myself as to the valuation, completeness, and rights and obligations of this leave entitlement.

Goods and services

7. The department could not provide documentation to support payments amounting to R859,72 million (2010: R325,87 million) included in goods and services expenditure of R1,77 billion (2010: R1,91 billion) disclosed in note 5 to the financial statements. The department's records and system of internal control did not permit the application of alternative procedures. Therefore, I did not obtain all the information and explanations I considered necessary to satisfy myself as to the occurrence, completeness and accuracy of expenditure for goods and services.

Related party transactions

8. No supporting documentation was obtained for related-party transactions identified during the audit amounting to R107,74 million. It could not be determined whether these transactions were at arms length or if they should be disclosed as related-party transactions not at arms length in note 26 to the financial statements. The department did not include these transactions in this disclosure note and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance as to the completeness and accuracy of related-party transactions of R27,93 million disclosed in disclosure note 26 to the financial statements.

Transfers and subsidies

9. Sufficient audit evidence was not provided to support transfer payments made to schools. The department's records did not permit the application of alternative audit procedures. Consequently, the accuracy and occurrence of transfer payments made to schools included in non-profit institutions transfers amounting to R1,44 billion, as disclosed in note 7 to the financial statements, could not be determined.

Expenditure for capital assets

10. Sufficient appropriate audit evidence could not be obtained to confirm the capital expenditure disclosed in note 6 to the financial statements for buildings and other fixed structures, amounting to R380,43 million. Alternative audit procedures could not be performed due to an inadequate system to account for infrastructure assets. Consequently, the occurrence and accuracy of this capital expenditure could not be confirmed.
11. In addition, capital work-in-progress has not been disclosed in an additions to immovable tangible assets disclosure note to the financial statements as required by the reporting framework. Alternative audit procedures could not be performed due to an inadequate system to account for capital work-in-progress. Consequently, the extent of capital work-in-progress not disclosed could not be determined.

Conditional grants

12. The department could not provide sufficient appropriate audit evidence supporting the amount of R1,29 billion (2010: R830,83 million) disclosed as expenditure in disclosure note 31 to the financial statements and included in the total expenditure in the statement of financial performance. The department's records did not permit the application of alternative audit procedures. Due to this limitation, I could not determine whether conditional grant funding was utilised for its intended purpose or alternatively for operational expenditure. It was also not possible to determine whether equitable share funding intended for operational expenditure was utilised for conditional grant purposes. As a result the completeness, occurrence and accuracy of the amount of conditional grant funding spent as per disclosure note 31 could not be confirmed. Furthermore, the classification between the annual appropriation and conditional grant funding, representing the net surplus of R605,04 million, disclosed in the statement of financial performance could not be determined.

Irregular expenditure

13. Payments amounting to R3,42 billion (2010: R664,77 million) relating to compensation of employees, goods and services, expenditure for capital assets and conditional grants made in contravention of the supply chain management (SCM) requirements and the Public Service Act of South Africa, 1994, as amended (PSA) are irregular. This amount was not included in irregular expenditure of R1,36 billion (2010: R830,06 million) disclosed in disclosure note 24 to the financial statements, and irregular expenditure is therefore understated by this amount. However, due to the inability to confirm the completeness and occurrence of compensation of employees and goods and services expenditure, expenditure for capital assets and conditional grants expenditure, it was not possible to determine the full extent of the understatement of irregular expenditure as disclosed in note 24 to the financial statements.

Commitments

14. The department did not have a contract management system in place for the identification and recognition of contracted commitments and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all commitments were properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness, existence and valuation of commitments of R1,88 billion (2010: R1,75 billion) as stated in disclosure note 20 to the financial statements.

Contingent Liabilities

15. Contingent liabilities of R260,91 million are disclosed in disclosure note 19.1 to the financial statements. Included in this amount are housing loan guarantees of R128,59 million and claims against the department of R132,33 million. The department could not provide sufficient appropriate audit evidence in support of the housing loan guarantees or the claims against the department. As a result, even after performing alternative audit procedures, sufficient audit evidence relating to the existence, rights and obligations, completeness, and valuation of contingent liabilities could not be obtained.

Receivables

16. Staff debt of R118,94 million is disclosed in note 12.2 to the financial statements. The department did not provide adequate documentation to confirm this balance and the department's system of internal control did not permit the application of alternative audit procedures. Consequently, it was not possible to confirm the existence, rights to, valuation and completeness of these receivables.

Impairment and other provisions

17. The staff debt provision amounting to R84,45 million, as disclosed in disclosure note 28 to the financial statements could not be confirmed due to inadequate supporting schedules provided by the department. The department's records and systems did not permit the application of alternative audit procedures. Consequently, it was not possible to confirm the completeness and valuation of this provision.

Movable tangible capital assets

18. Assets in the district fixed asset registers could not be traced to the consolidated fixed asset register. It was not possible to determine the total value of the understatement on the movable tangible capital assets by R108,21 million as disclosed in disclosure note 29 to the financial statements, as the cost of the assets not recorded could not be determined. The department's records did not permit the application of alternative audit procedures regarding the disclosure and recording of capital assets. Consequently, I did not obtain all the information necessary to satisfy myself as to the completeness, existence and valuation of, and rights to, movable tangible capital assets.
19. The department did not disclose minor assets as recorded in the fixed asset register as a disclosure note to the financial statements as required by the reporting framework. The extent of the misstatement could not be determined.

Accruals

20. The department did not maintain adequate records of outstanding payments for goods and services received but not yet paid. The completeness and valuation of and obligations for accruals disclosed in disclosure note 21 to the financial statements, amounting to R452,81 million (2010: R442,85 million) could not be determined. No satisfactory alternative audit procedures could be performed due to the department's lack of internal control and formalised system to account for accruals.

Fruitless and wasteful expenditure

21. Payments amounting to R75,46 million (2010: R31,35 million) in respect of compensation of employees, goods and services, conditional grants and capital expenditure relate to expenditure incurred which could have been avoided as due care was not taken by officials when authorising payments and applying the policies and procedures of the department. This amount therefore represents fruitless and wasteful expenditure, however it is not included in the fruitless and wasteful expenditure of R37,66 million (2010: R26,66 million) disclosed in disclosure note 25 to the financial statements. This disclosure is therefore understated by these payments amounts, however, due to the inability to confirm the completeness and occurrence of compensation of employees and goods and services expenditure, expenditure for capital assets and conditional grants expenditure, it was not possible to determine the full extent of the understatement of fruitless and wasteful expenditure as disclosed in note 25 to the financial statements.

Disclaimer of opinion

22. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Additional matters

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

Unaudited supplementary schedules

24. The supplementary annexures set out on pages 222 to 234 do not form part of the financial statements and are presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

National intervention

25. During the year under review, the department has been placed under administration following the National Executive decision to intervene in terms of section 100(1)(b) of the Constitution of the Republic of South Africa.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

26. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 66 to 133 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

27. I was unable to conduct the audit performance against predetermined objectives as the department did not submit the annual performance report for audit purposes, as required by section 40(3)(a) of the PFMA.

Compliance with laws and regulations

Strategic planning and performance management

28. The accounting officer did not ensure that the department's performance management system was effective, efficient and transparent. In addition, there were inadequate internal controls regarding performance management, which should describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) of the PFMA.

Budgets

29. The accounting officer did not submit all the required monthly reports to the relevant treasury and the executive authority on actual revenue and expenditure, and a projection of expected expenditure and revenue collection for the month and the remainder of the year as required by section 40(4)(b) and (c) of the PFMA.

Financial statements, performance and annual report

30. The accounting officer did not:

- submit the financial statements for auditing within two months after the end of the financial year as required by section 40(1)(c) of the PFMA,
- submit financial statements for auditing that were prepared in all material aspects in accordance with generally recognised accounting practice – the reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. A material misstatement identified with regards to irregular expenditure was subsequently corrected, however, the uncorrected material misstatements resulted in the financial statements receiving a disclaimer of audit opinion in contravention of section 40(3)(a) of the PFMA.

Internal audit

31. The accounting officer did not adhere to the requirements as set by the National Treasury Regulations (in terms of section 78 of the PFMA) (TR), regulation 3.2.1 in that:
- a risk management strategy, which includes a fraud prevention plan, was not used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks.
32. The internal audit function did not:
- assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of DoRA (TR 3.2.8),
 - evaluate and/or develop recommendations on the effectiveness and efficiency of controls on the information systems environment. (TR 3.2.11),
 - evaluate and develop recommendations for the enhancement or improvement of the processes through which the objectives of the institution are achieved. (TR 3.2.12).

Procurement and contract management

33. Sufficient appropriate audit evidence could not be obtained to confirm that:
- goods and services with a transaction value between R10 000 and R500 000 were procured by inviting at least three written price quotations from prospective suppliers as per the requirements of TR 16A8.1 and National Treasury Practice Note (PN) 8 of 2007-08,
 - all extensions or modifications to contracts were approved by a delegated official as per the requirements of TR 8.2.1 and 8.2.2.
34. Awards were made to bidders who did not submit bid documentation declaring whether the bidder, or any person connected with the bidder is employed by the state or if the bidder is a legal person, whether the bidder has a relationship with persons/a person involved in the evaluation and/or adjudication of the bids as per the requirements of TR 16A8.4 and PN 7 of 2009-10.
35. Contracts were extended or modified to the extent that competitive bidding processes were circumvented contrary to the requirements of a fair SCM system in TR 16A3.2.
36. Awards were made to suppliers:
- who did not declare their employment by the state or their connection with a person employed by the state or their relationship with persons involved in the evaluation and/or adjudication of the bids as per the requirements of PN 7 of 2009-10,
 - that are listed on the National Treasury's database as persons prohibited from doing business with the public sector in contravention of TR 16A9.1(c).
37. Instances were identified where senior managers did not disclose their business interest in a supplier to the department and a state institution to the executive authority as per the requirements of chapter 3(C1) of the Public Service Regulations, 2001, issued in Government Notice No. R 1 of 5 January 2001 (PSR).

38. SCM officials and other SCM role players who had a private or business interest in contracts awarded by the department participated in the process relating to that contract, contrary to the requirements of TR 15A8.4(a).
39. SCM officials and other SCM role players whose close family members/partners/associates had a private or business interest in contracts awarded by the department participated in the process relating to that contract contrary to the requirements of TR 15A8.4(b).
40. A complete list of prospective suppliers for the procurement of goods and services was not updated at least quarterly to include new suppliers that qualify for listing and prospective suppliers were not invited to apply for such listing at least once a year as per the requirements of FN 8 of 2007-08.

Human resource management and compensation

41. Sufficient appropriate audit evidence could not be obtained to confirm that
 - job descriptions were established for all posts in which appointments were made in the current year as per the requirements of PSR 1/III/ 1,
 - appointments were made in posts that were advertised as per the requirements of PSR 1/VI/C 3,
 - candidates were appointed who did have qualifications and/or experience for the position or that a deviation was approved as per the requirements of PSA 11(2) and PSR 1/VI/D.5-8,
 - appointments were approved as per the requirements of section 9 of the PSA and PSR 1/VI/D.7-8,
 - the accounting officer ensured that all leave taken by an employee was recorded accurately and in full as per the requirements of PSR 1/VI/F(b),
 - the accounting officer ensured that employees do not abuse sick leave as per the requirements of PSR 1/VI/F(c),
 - monthly compensation for overtime was limited to 30% of employees' monthly salary except in exceptional circumstances as per the requirements of PSR 1/VI/D.2(d),
 - persons in charge at pay points certified on the date of payment that all employees listed on the payroll report were entitled to the payment as per the requirements of TR 8.3.4,
 - employees were compensated for overtime work with advance written authorisation for the work as per the requirements of PSR 1/VI/D.2(c).
42. Funded vacant posts were not advertised within six months after becoming vacant and/or were not filled within 12 months after becoming vacant as per the requirements of PSR 1/VI/C.1A.2.
43. Appointments were made into posts which were not approved and funded as per requirements of PSR 1/III/ F(a) and F(d).

44. A process was not followed for all appointments to verify the claims in their applications for a post as per the requirements of PSR 1/III/D.8.
45. Each employee was not provided with a written contract of employment upon appointment, as per the requirements of PSR 1/III/B.1(g).
46. The executive authority did not
- engage in HR planning with a view to meeting the human resource needs as per the requirements of PSR 1/III/B.2(d),
 - assess the human resources necessary to perform the department's function, did not assess the existing human resources and did not plan within the available budgeted funds for the department's needs as per the requirements of PSR 1/III/D.1,
 - determine, based on the strategic plan, the department's organisational structure as per the requirements of PSR 1/III/B.2(a),
 - implement the post provisioning model as required by *Government Gazette 19827 of 8 December 1998*.

Expenditure management

47. Sufficient appropriate audit evidence could not be obtained to confirm that:
- all payments due to creditors were settled within 30 days from receipt of invoice as per the requirements of section 38(1)(f) of the PFMA and TR 9.2.3,
 - all expenditure was incurred with the approval of a delegated official as per the requirements of section 44 of the PFMA and TR's 9.2.1 and 9.2.2,
 - the accounting officer took effective and appropriate disciplinary steps against all officials who made or permitted irregular and fruitless and wasteful expenditure as required by section 38(h)(iii) of the PFMA and TR 9.1.3,
 - the accounting officer recovered all irregular and fruitless and wasteful expenditure from a liable official as required by TR 9.1.4.
48. The accounting officer did not take effective and appropriate steps to:
- prevent and detect all irregular and fruitless and wasteful expenditure as per the requirements of section 38(1)(c)(ii) of the PFMA and TR 9.1.1,
 - prevent all losses through criminal conduct as per the requirements of section 38(1)(c)(ii) of the PFMA.
49. The accounting officer did not, immediately upon the discovery of all irregular and fruitless and wasteful expenditure report it to the relevant treasury as per the requirements of section 38(1)(g) of the PFMA.

Transfers and conditional grants

50. Sufficient appropriate audit evidence could not be obtained to confirm that:

- the accounting officer, prior to transferring funds (other than grants in terms of the DoRA), obtained written assurance from the receiving entity that the entity implements effective, efficient and transparent financial management and internal control systems as required by section 38(1)(j) of the PFMA,
- the accounting officer maintained appropriate measures to ensure that the transfer to entities was applied for their intended purpose, as per the requirements of TR 8.4.1,
- allocations were utilised for the purposes stipulated in their respective schedules or gazetted DoRA framework, as per the requirements of section 15(1) of the DoRA.

Revenue management

51. The accounting officer did not take effective and appropriate steps to timely collect all money due to the department as per the requirements of TR 11.2.1.

Asset management

52. The accounting officer did not implement proper control systems for the safeguarding and maintenance of assets to prevent theft, losses, wastage and misuse as required by TR 10.1.

Financial misconduct

53. Sufficient appropriate audit evidence could not be obtained to confirm that the accounting officer did ensure that investigations were conducted into all allegations of financial misconduct made against officials within 30 days from the date of discovery of the allegation as required by TR 4.1.2.

HIV and Aids life skills education grant

54. The department did not achieve planned outputs in that master trainers and educators did not receive all training, and HIV- and Aids-related expenditure incurred was not in line with the conditions of DoRA and approved business plan as required by the DoRA framework.

National school nutrition programme (NSNP)

55. The department did not adhere to the conditions as required by the DoRA framework for the NSNP in that meals were served after 10:00, sustainable food production and nutrition education was not promoted at school level, 57 food handlers did not have valid contracts with the department, payments of less than the minimum of R600 were made to food handlers and payments made to food handlers were not always authorised by a designated official from the school.

Technical secondary schools re-capitalisation grant

56. The department did not prepare and submit quarterly reports regarding the grant to the national department as required by the DoRA framework.

Learner transport scheme (LTS)

57. The department awarded tenders to contractors transporting learners to and from schools, without adherence to the tender requirements and processes as required by the PFMA, section 38(1)(a)(iii), TR 15A6.3 and the National Land Transport Transition Act of South Africa, 2000 (Act No. 22 of 2000).

Allocation of funds to schools

58. The department did not comply with the applicable national norms and standards as incorrect quintile rankings were used when determining funds to be allocated to the schools in contravention with the requirements of *Government Gazette 29179 of 21 August 2006, Paragraph 1-8, 91 and 101.*

Education Infrastructure

59. The department did not ensure that newly upgraded or completed schools were used effectively and efficiently as they were either not utilised or underutilised, contrary to the requirements of section 38(1)(d) of the PFMA.

INTERNAL CONTROL

60. In accordance with the PAA and in terms of *General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion, the finding on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

61. The departmental environment is not conducive to accountability and service delivery through positive attitude, integrity, competence and ethical behaviour. There were a number of suspensions and investigations of senior management which indicates that management does not lead by example. As a result, an inappropriate tone at the top has been established, despite the development and communication of codes of ethics and conduct. Furthermore, in the year under review there were three accounting officers, which resulted in an unstable leadership environment, which enables a deliberate culture of insubordination, lack of responsibility and disrespect of leadership.
62. The lack of oversight and accountability of senior management has perpetuated the negative audit outcomes over the past five years. The audit rectification plan formulated and implemented during the financial year under review, in an attempt to turnaround unfavourable outcomes from the past five years, was not effective and did not have the desired result due to a lack of commitment, an unrealistic number of focus areas and lack of supervision and monitoring thereof.
63. The unavailability and access of senior management to all departmental staff, as well as staff not being aware of their responsibilities is conducive to an environment where fraudulent activities can occur. This is as a result of senior management not providing sufficient guidance, monitoring and supervision to all staff.
64. There is ineffective human resource management as a result of the intentional lack of direction by senior management, the organisational structure is outdated and there is a lack of monitoring thereof. Furthermore, there is a lack of proper post-provisioning at schools. This results in weak controls over appointments, suspensions and management of vacancies. Poor pay-point management and poor control over the appointment and termination of employees resulted in the department's inability to identify fictitious employees. There was no adequate performance management system in place and, as a result, there were no consequences for poor performance.
65. This impacted negatively on the department's core service delivery objective to improve the quality of basic education. Alleged fraudulent activities negatively impacted on the learner transport scheme and school nutrition grant, as well as officials with conflicts of interest conducting business with the department. This is as a result of poor planning,

and the intentional lack of direction by senior management. In addition, this aggravates the incorrect application of the number of temporary and substitute educators. Coupled with this, is the abuse of public funds and poor co-ordination of infrastructure relating to the building of classrooms. Transfers and subsidies to schools are abused and cannot be accurately accounted for, as a result of a lack of controls and monitoring by senior management.

66. The department does not have adequate processes in place to identify and record irregular and fruitless and wasteful expenditure, as there is a lack of monitoring by senior management.
67. The department is not able to enforce oversight responsibility over reporting of, and compliance with the information technology (IT) systems due to the inability to employ sufficiently skilled individuals to assume overall responsibility for the IT department. In addition, there is no formal IT governance framework and an IT risk assessment has not been performed for the year under review.

Financial and performance management

68. The department does not have proper record keeping and record management, resulting in documents supporting the amounts in the financial statements not being properly filed and easily retrievable. There were numerous delays by the department in providing the requested information for audit purposes and, in some cases, information was only provided in response to the communication of audit finding. Information was either not submitted or if submitted for audit purposes, such as payment batches and employee files, were also not always complete, which resulted in a scope limitation being placed on the audit.
69. The department's manual and automated controls are not designed and implemented to ensure that the transactions have occurred, are authorised, and are completely and accurately processed. Management does not adequately manage transactions upon recording which resulted in the findings under the Basis for disclaimer of opinion paragraphs, predetermined objectives, including non-alignment of strategic objectives with performance measures, and compliance with laws, rules and regulations. The systems do not adequately mitigate the risk of fraud in payroll, procurement and goods and services.
70. Monthly management information is not reliable and useful as a result of management not fulfilling their responsibilities and poor communication between directorates. The systems at the department are abused as there is no monitoring and review on a regular basis. This is as a result of there being a culture of non-performance by management in terms of performing their daily duties and a lack of accountability. In addition, not all senior officials have performance contracts in place. There is a deliberate culture of insubordination, lack of accountability and disrespect of leadership at the department which extends to the district level, which has become an acceptable standard.
71. The department relies on manual systems for the preparation of the asset register, commitments, accruals, receivables for departmental revenue and certain other disclosures that are required for the financial statements. The manual systems are not adequate to support the nature and size of the department as well as the preparation of the financial statements and performance reports, resulting in qualifications on these account balances in the audit report.

- 72. The department does not have adequate processes in place to identify all related parties. Furthermore, there is no policy regarding related parties and the recognition, recording and disclosure thereof.
- 73. The department does not have processes in place to ensure compliance with laws and regulations and the department has therefore failed to comply with all requirements of the PFMA, TRs, PSA and PSRs.
- 74. The department does not have IT security, departmental change management and user account management policies and procedures for Basic Accounting System (BAS), Personnel and Salaries Management System (PERSAL), Logistical Information System (LOGIS) and Education Facilities Management System (EFMS). In addition, there is no periodic review of user access to the IT systems to ensure that it is in line with job responsibilities and to prevent possible unauthorised changes/amendments to the IT systems. The risk of fraudulent activities is increased as a result of the lack of controls of IT systems.

Governance

- 75. The department did not implement the risk assessment strategy and fraud prevention plan in place for the financial year under review and there was an increase in the number of fraudulent activities taking place within the department which are under investigation.
- 76. The department's internal audit division was ineffective in performing its duties and responsibilities as the division is understaffed and technically unqualified. This is as a result of the department not providing them with an adequate budget for the performance of their responsibilities. In addition, the head of internal audit was suspended on 15 June 2010 and subsequently found guilty of fraud and dismissed on 10 July 2011. The integrity and ethical basis of the internal audit unit is therefore compromised and until corrective action is implemented by the newly appointed audit committee, the unit will not be effective nor in a position to support those charged with governance of the department.
- 77. The role of the audit committee is not respected and this hampers their ability to provide effective guidance to the department as information requested was not always provided by management and information that was provided was not always accurate and complete. In addition, during the financial year under review the department introduced subsistence and travel cost-cutting measures which resulted in a decreased number of meetings held and if held, the decreased duration thereof. This prevented effective engagements of the audit committee members, and effective engagements with the department officials, thus resulting in the inability to discharge their duties effectively. Furthermore, the audit committee did not adequately monitor the implementation of internal and external audit recommendations, resulting in prior year qualifications being reported again in the current financial year.

OTHER REPORTS

Investigations

- 78. The department has engaged an independent organisation to investigate a number of allegations relating to possible procurement fraud, financial misconduct, forgery, misappropriation of funds, conflict of interest, payroll fraud and maladministration. During the current year under review, 10 positive investigations were completed which resulted in the necessary disciplinary action taken by the department and as a result, five employees of the department were dismissed. Of the 10 completed investigations, seven criminal investigations have been instituted against the responsible officials and

at the end of the financial year, 70 cases were still in the investigation phase.

Performance audits

- 79. Performance audits were instituted during the year under review on Early Childhood Development and Adult Basic Education and Training. These audits are currently in the execution/reporting phase and the findings will be reported on in separate reports.
- 80. A performance audit is being conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The findings will be reported on in a separate report.
- 81. A performance audit of the infrastructure delivery process was completed during the year under review and the findings were reported in a separate management report issued on 4 November 2010.

Auditor-General

East London
29 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per programme										
APPROPRIATION STATEMENT	2010/11					2009/10				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. Administration										
Current payment	1 715 718	-	-	1 715 718	1 671 878	43 840	97,4%	1 552 840	1 511 185	
Transfers and subsidies	14 488	-	-	14 488	4 905	9 583	33,9%	11 675	10 976	
Payment for capital assets	34 956	-	-	34 956	8 525	26 431	24,4%	24 637	24 504	
2. Public Ordinary School Education										
Current payment	17 378 563	(79 805)	-	17 298 758	17 576 773	(278 015)	101,6%	15 569 614	16 373 708	
Transfers and subsidies	1 202 235	79 805	-	1 282 040	1 155 789	126 251	90,2%	971 985	920 934	
Payment for capital assets	600 500	-	-	600 500	312 568	287 932	52,1%	785 393	715 230	
Payment of Financial Assets	-	-	-	-	18 975	(18 975)	-	-	-	
3. Independent School Subsidies										
Current payment	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	54 220	-	-	54 220	51 143	3 077	94,3%	50 124	46 692	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
4. Special Schools										
Current payment	379 472	-	-	379 472	328 191	51 281	86,5%	296 744	294 567	
Transfers and subsidies	61 289	-	-	61 289	59 267	2 022	96,7%	68 185	67 262	
Payment for capital assets	73 623	-	-	73 623	39 722	33 901	54,0%	55 729	55 729	
5. Further Education and Training										
Current payment	318 819	-	-	318 819	239 075	79 744	75,0%	218 553	218 553	
Transfers and subsidies	233 144	-	-	233 144	230 981	2 163	99,1%	206 833	206 833	
Payment for capital assets	8 000	-	-	8 000	5 900	2 100	73,8%	24 852	24 852	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per programme										
APPROPRIATION STATEMENT	2010/11					2009/10				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
6. Adult Basic Education and Training										
Current payment	299 269	-	-	299 269	290 757	8 512	97,2%	187 307	213 418	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	9	9	
7. Adult Basic Education and Training										
Current payment	363 037	-	-	363 037	331 788	31 249	91,4%	242 758	229 763	
Transfers and subsidies	15 880	-	-	15 880	5 224	10 656	32,9%	5 850	3 276	
Payment for capital assets	149 575	-	-	149 575	21 677	127 898	14,5%	34 582	34 582	
8. Auxiliary and Associated Services										
Current payment	209 478	-	-	209 478	188 113	21 365	89,8%	185 656	183 091	
Transfers and subsidies	33 001	-	-	33 001	28 397	4 604	86,0%	21 596	15 842	
Payment for capital assets	36 681	-	-	36 681	7 281	29 400	19,8%	13 145	13 118	
Subtotal	23 181 948	-	-	23 181 948	22 576 929	605 019	97,4%	20 528 067	21 164 124	
Statutory Appropriation										
Current payment	1 492	-	-	1 492	1 475	17	98,9%	1 421	1 421	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Subtotal	1 492	-	-	1 492	1 475	17	98,9%	1 421	1 421	
TOTAL	23 183 440	-	-	23 183 440	22 578 404	605 036	97,4%	20 529 488	21 165 545	

EASTERN CAPE DEPARTMENT OF EDUCATION
 VOTE 6
 APPROPRIATION STATEMENT
 for the year ended 31 March 2011

	2010/11		2009/10	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts			-	
Direct Exchequer receipts			-	
Aid assistance			-	
Actual amounts per statement of financial performance (total revenue)	23 183 440		20 529 488	
ADD				
Aid assistance				
Direct Exchequer payments				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		22 578 404		21 165 545

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per Economic Classification									
	2010/11					2009/10			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	18 330 766	3 005	-	18 333 771	18 857 368	(523 597)	102,9%	16 254 593	17 110 845
Goods and services	2 333 590	(82 810)	-	2 250 780	1 769 206	481 574	78,6%	1 998 928	1 912 521
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	10 373	-	-	10 373	8 404	1 969	81,0%	8 011	8 011
Universities and technkons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 472 013	79 805	-	1 551 818	1 443 972	107 846	93,1%	1 227 357	1 162 924
Households	131 871	-	-	131 871	83 330	48 541	63,2%	100 880	100 880
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	803 962	-	-	803 962	360 432	443 530	44,8%	923 269	852 995
Machinery and equipment	98 071	-	-	98 071	35 205	62 866	35,9%	14 254	14 254
Software and other intangible assets	1 302	-	-	1 302	37	1 265	2,8%	775	775
Payment of financial assets									
	-	-	-	-	18 975	(18 975)	100,0%	-	919
Total	23 181 948	-	-	23 181 948	22 576 929	605 019	97,4%	20 528 067	21 164 124

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Statutory Appropriation										
2010/11						2009/10				
Direct changes against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Member of executive committee / parliamentary officers	1 492	-	-	1 492	1 475	17	98,9%	1 421	1 421	
Total	1 492	-	-	1 492	1 475	17	98,9%	1 421	1 421	

Statutory Appropriation per Economic Classification										
2010/11						2009/10				
Program 1 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments										
Compensation of employees	1 492	-	-	1 492	1 475	17	98,9%	1 421	1 421	
Goods and services	-	-	-	-	-	-	-	-	-	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Total	1 492	-	-	1 492	1 475	17	98,9%	1 421	1 421	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	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
1.1 Office of the MEC									
Current payment	6 777	4	-	6 781	6 781	-	100,0%	3 421	3 421
Transfers and subsidies	986	-	-	986	117	869	11,9%	840	288
Payment for capital assets	110	-	-	110	29	81	26,4%	60	60
1.2 Corporate Services									
Current payment	783 898	(4 770)	-	779 128	745 025	34 103	95,6%	710 349	691 244
Transfers and subsidies	3 612	-	-	3 612	1 713	1 899	47,4%	4 837	4 837
Payment for capital assets	8 960	-	-	8 960	4 578	4 382	51,1%	15 204	15 204
1.3 Education Management									
Current payment	891 816	4 766	-	896 582	896 582	-	100,0%	816 519	802 450
Transfers and subsidies	9 729	-	-	9 729	3 075	6 654	31,6%	5 851	5 851
Payment for capital assets	24 126	-	-	24 126	3 636	20 490	15,1%	8 707	8 707
1.4 Human Resources Development									
Current payment	7 300	-	-	7 300	4 877	2 423	66,8%	7 258	4 834
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.5 Education Management Information System									
Current payment	25 927	-	-	25 927	18 613	7 314	71,8%	15 293	9 236
Transfers and subsidies	161	-	-	161	-	161	-	147	-
Payment for capital assets	1 760	-	-	1 760	282	1 478	16,0%	666	533
Total	1 765 162	-	-	1 765 162	1 685 308	79 854	95,5%	1 589 152	1 546 665

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Economic classification	2010/11					2009/10			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1 423 752	-	-	1 423 752	1 416 229	7 523	99,5%	1 299 466	1 299 466
Goods and services	291 966	-	-	291 966	255 649	36 317	87,6%	253 374	211 719
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and techn kons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 046	-	-	1 046	117	929	11,2%	1 002	303
Households	13 442	-	-	13 442	4 788	8 654	35,6%	10 673	10 673
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	23 474	-	-	23 474	4 701	18 773	20,0%	14 424	14 291
Machinery and equipment	10 180	-	-	10 180	3 787	6 393	37,2%	10 213	10 213
Software and other intangible assets	1 302	-	-	1 302	37	1 265	2,8%	-	-
Total	1 765 162	-	-	1 765 162	1 685 308	79 854	95,5%	1 589 152	1 546 665

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Public Primary Schools									
Current payment	5 358 680	-	-	5 358 680	5 159 555	199 125	96,3%	4 395 631	4 808 114
Transfers and subsidies	310 274	-	-	310 274	238 530	71 744	76,9%	180 457	129 417
Payment for capital assets	136 181	-	-	136 181	181 785	(45 604)	133,5%	387 606	412 595
2.2 Public Secondary Schools									
Current payment	11 183 177	-	-	11 183 177	11 805 689	(622 512)	105,6%	10 579 364	10 978 356
Transfers and subsidies	792 455	-	-	792 455	737 948	54 507	93,1%	791 517	791 517
Payment for capital assets	18 693	-	-	18 693	70 206	(51 513)	375,6%	193 931	177 126
Payment of Financial Assets and liabilities	-	-	-	-	18 975	(18 975)	-	-	-
2.3 Professional Services									
Current payment	23 654	-	-	23 654	11 900	11 754	50,3%	25 192	25 192
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	4 061	-	-	4 061	789	3 272	19,4%	1 526	1 526
2.4 Human Resources Development									
Current payment	80 286	-	-	80 286	51 127	29 159	63,7%	46 143	46 143
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.5 Education Management Information System									
Current payment	49 339	-	-	49 339	30 238	19 101	61,3%	36 600	36 600
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	4	(4)	-	33	33
2.6 Conditional Grants									
Current payment	683 427	(79 805)	-	603 622	518 264	85 358	85,9%	486 684	479 303
Transfers and subsidies	99 506	79 805	-	179 311	179 311	-	100,0%	11	-
Payment for capital assets	441 565	-	-	441 565	59 784	381 781	13,5%	202 297	123 950
Total	19 181 298	-	-	19 181 298	19 064 105	117 193	99,4%	17 326 992	18 009 872

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification	2010/11					2009/10			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	15 570 967	-	-	15 570 967	16 192 909	(621 942)	104,0%	13 972 531	14 802 672
Goods and services	1 807 596	(79 805)	-	1 727 791	1 383 863	343 928	80,1%	1 597 082	1 570 117
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and techn kons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 087 678	79 805	-	1 167 483	1 077 755	89 728	92,3%	883 560	832 509
Households	1 14 557	-	-	1 14 557	78 034	36 523	68,1%	88 425	88 425
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	531 590	-	-	531 590	284 256	247 334	53,5%	781 317	711 153
Machinery and equipment	68 910	-	-	68 910	28 313	40 597	41,1%	3 302	3 302
Software and other intangible assets	-	-	-	-	-	-	-	775	775
Payment for financial assets									
Total	19 181 298	-	-	19 181 298	19 064 105	117 193	99,4%	17 326 992	18 009 872

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	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
3.1 Primary Phase									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	33 858	-	-	33 858	31 843	2 015	94,0%	21 507	21 216
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.2 Secondary Phase									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	20 362	-	-	20 362	19 300	1 062	94,8%	28 617	25 476
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	54 220	-	-	54 220	51 143	3 077	94,3%	50 124	46 692

Economic classification	2010/11						2009/10		
	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
Transfers and subsidies									
Non-profit institutions	54 220	-	-	54 220	51 143	3 077	94,3%	50 124	46 692
Total	54 220	-	-	54 220	51 143	3 077	94,3%	50 124	46 692

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Schools									
Current payment	363 846			363 846	322 696	41 150	88,7%	292 671	290 494
Transfers and subsidies	61 289			61 289	59 267	2 022	96,7%	68 185	67 262
Payment for capital assets	33 715	(1 349)		32 366	13 596	18 770	42,0%	55 729	55 729
4.2 Professional Services									
Current payment	12 044			12 044	4 629	7 415	38,4%	3 072	3 072
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	-	1 349		1 349	1 349	-	100,0%	-	-
4.3 Human Resources Development									
Current payment	1 439			1 439	312	1 127	21,7%	585	585
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	-			-	-	-	-	-	-
4.4 In-School Sport and Culture									
Current payment	2 143			2 143	554	1 589	25,9%	416	416
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	-			-	-	-	-	-	-
4.5 Conditional Grants									
Current payment	-			-	-	-	-	-	-
Transfers and subsidies	-			-	-	-	-	-	-
Payment for capital assets	39 908			39 908	24 777	15 131	62,1%	-	-
Total	514 384	-	-	514 384	427 180	87 204	83,0%	420 658	417 558

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	328 983	-	-	328 983	321 492	7 491	97,7%	290 524	290 524
Goods and services	50 489	-	-	50 489	6 699	43 790	13,3%	6 220	4 043
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and Subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and techn kons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	59 251	-	-	59 251	58 782	469	99,2%	67 183	66 260
Households	2 038	-	-	2 038	485	1 553	23,8%	1 002	1 002
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for Capital Assets									
Buildings and other fixed structures	69 953	-	-	69 953	38 373	31 580	54,9%	55 637	55 637
Machinery and equipment	3 670	-	-	3 670	1 349	2 321	36,8%	92	92
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	514 384	-	-	514 384	427 180	87 204	83,0%	420 658	417 558

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Public Institutions									
Current payment	-	-	-	-	39 575	(39 575)	-	218 111	218 111
Transfers and subsidies	-	-	-	-	21	(21)	-	202 534	202 534
Payment for capital assets	-	-	-	-	5 900	(5 900)	-	24 852	24 852
5.2 In- college sports & culture									
Current payment	-	-	-	-	-	-	-	442	442
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.3 Conditional Grant									
Current payment	318 819	-	-	318 819	199 500	119 319	62,6%	-	-
Transfers and subsidies	233 144	-	-	233 144	230 960	2 184	99,1%	4 299	4 299
Payment for capital assets	8 000	-	-	8 000	-	8 000	0,0%	-	-
Total	559 963	-	-	559 963	475 956	84 007	85,0%	450 238	450 238

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	310 835	-	-	310 835	232 382	78 453	74,8%	214 462	214 462
Goods and services	7 984	-	-	7 984	6 693	1 291	83,8%	4 091	4 091
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikon	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	231 310	-	-	231 310	230 960	350	99,8%	206 053	206 053
Households	1 834	-	-	1 834	21	1 813	1,1%	780	780
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	8 000	-	-	8 000	5 900	2 100	73,8%	24 852	24 852
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	559 963	-	-	559 963	475 956	84 007	85,0%	450 238	450 238

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Public Centres									
Current payment	297 687	-	-	297 687	290 757	6 930	97,7%	187 307	213 418
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	9	9
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.2 Human Resource Development									
Current payment	1 582	-	-	1 582	-	1 582	0,0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	299 269	-	-	299 269	290 757	8 512	97,2%	187 316	213 427

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	292 882	-	-	292 882	288 810	4 072	98,6%	183 475	209 586
Goods and services	6 387	-	-	6 387	1 947	4 440	30,5%	3 832	3 832
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	9	9
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	299 269	-	-	299 269	290 757	8 512	97,2%	187 316	213 427

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Grade R in Public Schools									
Current payment	306 646	15 742		322 388	322 388	-	100,0%	224 358	221 326
Transfers and subsidies	-			-	2	(2)		-	-
Payment for capital assets	115 231	(92)		115 139	16 598	98 541	14,4%	34 453	34 453
7.2 Grade R in Community Schools									
Current payment	3 588			3 588	1 342	2 246	37,4%	11 444	2 705
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	-	92		92	92	-	100,0%	129	129
7.3 Pre-Grade R									
Current payment	34 419	(15 742)		18 677	7 853	10 824	42,0%	6 156	5 083
Transfers and subsidies	15 880			15 880	5 222	10 658	32,9%	5 850	3 276
Payment for capital assets	6 758			6 758	-	6 758		-	-
7.4 Professional Services									
Current payment	17 004			17 004	-	17 004		-	-
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	-			-	-	-		-	-
7.5 Human Resources Development									
Current payment	1 380			1 380	205	1 175	14,9%	800	649
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	-			-	-	-		-	-
7.6 Conditional Grants									
Current payment	-			-	-	-		-	-
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	27 586			27 586	4 987	22 599	18,1%	-	-
Total	528 492	-	-	528 492	358 689	169 803	67,9%	283 190	267 621

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	317 610	3 005	-	320 615	320 615	-	100,0%	207 852	207 852
Goods and services	45 427	(3 005)	-	42 422	11 173	31 249	26,3%	34 906	21 911
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and Technikon	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	15 880	-	-	15 880	5 222	10 658	32,9%	5 850	3 276
Households	-	-	-	-	2	(2)	-	-	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	134 846	-	-	134 846	20 356	114 490	15,1%	34 077	34 077
Machinery and equipment	14 729	-	-	14 729	1 321	13 408	9,0%	505	505
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	528 492	-	-	528 492	358 689	169 803	67,9%	283 190	267 621

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Detail per sub-programme	2010/11					2009/10			
	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
8.1 Payment to SETA									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10 373	-	-	10 373	8 404	1 969	81,0%	8 011	8 011
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
8.2 Conditional Grants									
Current payment	34 229	-	-	34 229	28 102	6 127	82,1%	30 118	27 576
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	552	-	-	552	385	167	69,7%	50	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
8.3 Special Projects									
Current payment	2 789	-	-	2 789	1 619	1 170	58,0%	2 189	2 189
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
8.4 External Examinations									
Current payment	172 460	-	-	172 460	158 392	14 068	91,8%	153 349	153 326
Transfers and subsidies	22 628	-	-	22 628	19 993	2 635	88,4%	13 585	7 831
Payment for capital assets	36 129	-	-	36 129	6 896	29 233	19,1%	13 095	13 118
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	279 160	-	-	279 160	223 791	55 369	80,2%	220 397	212 051

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	85 737			85 737	84 931	806	99,1%	86 283	86 283
Goods and services	123 741			123 741	103 182	20 559	83,4%	99 423	96 808
Interest and rent on land	-			-	-	-	-	-	-
Financial transactions in assets and liabilities	-			-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-			-	-	-	-	-	-
Departmental agencies and accounts	10 373			10 373	8 404	1 969	81,0%	8 011	8 011
Universities and technikons	-			-	-	-	-	-	-
Foreign governments and international organisations	-			-	-	-	-	-	-
Public corporations and private enterprises	-			-	-	-	-	-	-
Non-profit institutions	22 628			22 628	19 993	2 635	88,4%	13 585	7 831
Households	-			-	-	-	-	-	-
Gifts and donations	-			-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	36 099			36 099	6 846	29 253	19,0%	12 962	12 985
Machinery and equipment	582			582	435	147	74,7%	133	133
Software and other intangible assets	-			-	-	-	-	-	-
Total	279 160	-	-	279 160	223 791	55 369	80,2%	220 397	212 051

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.
- 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3. Detail on financial transactions in assets and liabilities**
Detail of these transactions per programme can be viewed in the note to financial transactions in assets and liabilities to the Annual Financial Statements.
- 4. Explanations of material variances from Amounts Voted (after virement):**

4.1 Explanations per Programme

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
1. ADMINISTRATION	1 765 162	1 685 308	79 854	4.5%
Explanation of variance:				
<p>The bulk of the under expenditure is in Goods and Services, R36.3 million and Buildings at R18.7 million.</p> <p>The under expenditure in buildings is due to challenges in the infrastructure planning. The goods and services budget is due to the moratorium on the payments on equitable share related transactions as introduced by Treasury in February 2011. There is under expenditure in Compensation of Employees R7.5 million, Households R8.6 million and machinery and Equipment R6.3 million.</p>				
2. PUBLIC ORDINARY SCHOOL EDUCATION	19 181 298	19 064 105	117 193	0.6%
Explanation of variance:				
<p>There is over expenditure in Compensation of Employees of 621.9 million and; Under expenditure in goods and services of R423.7million; Transfers, R27.4 million; Households, R36.5 million; Buildings, R247.3 million and Machinery, R40.5 million.</p> <p>The over expenditure in compensation is due to a number of reasons including: underfunding in OSD, double parked educators, irregular salary increases.</p> <p>The under expenditure in all other areas is a combination of poor planning and monitoring, delays with the procurement processes and also the moratorium introduced by Treasury on all non-conditional grant related payments with effect from February 2011.</p>				
3. INDEPENDENT SCHOOL SUBSIDIES		54 220	51 143	3 077
Explanation of variance:				
<p>The under expenditure is in transfers to non-profit institutions as the programme only relates to transfers to Independent Schools. There were delays in transfers as 16 schools did not submit compliance certificates and annual financial statements.</p>				

4. PUBLIC SPECIAL SCHOOL EDUCATION	514 384	427 180	87 204	17.0%
<u>Explanation of variance:</u>				
<p>The bulk of the under expenditure is in Goods and Services R43.8 million and in Buildings at R31.6 million. The goods and services under-expenditure is due to delays in the procurement processes and has largely been affected by the moratorium on payments as introduced by Provincial Treasury in February 2011.</p> <p>There is under expenditure in Compensation of Employees at R7.4 million and R2.3 million due to funds received from the strike deduction and Machinery and Equipment.</p>				
5. FURTHER EDUCATION & TRAINING	559 963	475 956	84 007	15.0%
<u>Explanation of variance:</u>				
<p>The bulk of the under expenditure is in compensation of employees, R78.4 million. The costing as done by the National Department of Education was more than the warm-bodies for FET colleges as per the Departmental PERSAL system.</p>				
6. ADULT BASIC EDUCATION & TRAINING	299 269	290 757	8 512	2.8%
<u>Explanation of variance:</u>				
<p>The under expenditure is in compensation of employees, R4.07 million and goods and services, R4.4 million. The under expenditure in Compensation of Employees is mostly in respect of the refund from the strike deductions. The under expenditure in goods and services is due to poor planning and co-ordination which resulted in planned activities not done timeously. The moratorium on payments introduced by Treasury in February 2011 has also affected the spending in the programme.</p>				
7. EARLY CHILDHOOD DEVELOPMENT	528 492	358 689	169 803	32.1%
<u>Explanation of variance:</u>				
<p>The bulk of the under expenditure, R114.5 million is in buildings and is due to challenges with the infrastructure in the whole department as indicated under buildings in the economic classification section below. There is an under expenditure in goods and services, R31.2 million and transfers to non-profit institutions, R10.6 million and machinery and equipment, R13.4 million. The under expenditure in the sections indicated is due to delays in the procurements system which led to the training tender being delayed and the purchasing of Learner Teacher Support Material also being delayed.</p>				
8. AUXILIARY AND ASSOCIATED SERVICES	279 160	223 791	55 369	19.8%
<u>Explanation of variance:</u>				
<p>The under expenditure is mostly in Programme 8.4 External Examinations at R45.9 million. In terms of economic classification there is under expenditure in goods and services, R20.5 million and Buildings, R29.2 million. The examination centre at head office has been on hold since 2008/09 and there are delays in getting a new contractor on site. The under expenditure in goods and services is a combination of delays in procurement and the moratorium on payments as introduced by Treasury in February 2011. There is under expenditure of R6.3 million in the HIV/Aids conditional grant.</p>				

4.2 Explanation per Economic Classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
Current expenditure				
Compensation of employees	18 335 263	18 858 843	(523 580)	(2.9%)
Goods and services	2 250 780	1 769 206	481 574	21.4%
Transfers and subsidies				
Departmental agencies and accounts	10 373	8 404	1 969	19.0%
Non-profit institutions	1 551 818	1 443 972	107 846	6.9%
Households	131 871	83 330	48 541	36.8%
Payments for capital assets				
Buildings and other fixed structures	803 962	360 432	443 530	55.2%
Machinery and equipment	98 071	35 205	62 866	64.1%
Software and other intangible assets	1 302	37	1 265	97.2%
Payments for financial assets	-	18 975	(18 975)	0%

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	23 181 948	20 528 067
Statutory appropriation	2	1 492	1 421
Departmental revenue	3	-	-
TOTAL REVENUE		23 183 440	20 529 488
EXPENDITURE			
Current expenditure			
Compensation of employees	4	18 858 843	17 112 269
Goods and services	5	1 769 206	1 912 610
Total current expenditure		20 628 049	19 024 879
Transfers and subsidies			
Transfers and subsidies	7	1 535 706	1 271 815
Total transfers and subsidies		1 535 706	1 271 815
Expenditure for capital assets			
Tangible capital assets	8	395 637	867 157
Software and other intangible assets	8	37	775
Total expenditure for capital assets		395 674	867 932
Payments for financial assets	6	18 975	919
TOTAL EXPENDITURE		22 578 404	21 165 545
SURPLUS/(DEFICIT) FOR THE YEAR		605 036	(636 057)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		605 036	(636 057)
Annual appropriation		9 864	(636 057)
Conditional grants		595 172	-
Unconditional grants		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		605 036	(636 057)

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		938 185	932 326
Unauthorised expenditure	9	741 719	741 719
Fruitless and wasteful expenditure	10	15 942	15 942
Cash and cash equivalents		-	-
Other financial assets		-	-
Prepayments and advances	11	17 048	16 288
Receivables	12	163 476	158 377
Non-current assets		-	-
Investments		-	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		938 185	932 326
LIABILITIES			
Current liabilities		938 185	932 326
Voted funds to be surrendered to the Revenue Fund	13	49 833	78 516
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	3 936	3 955
Bank overdraft	15	839 309	800 787
Payables	16	45 107	49 068
Non-current liabilities		-	-
Payables		-	-
TOTAL LIABILITIES		938 185	932 326

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
CASH FLOW STATEMENT
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		22 687 604	20 576 924
Annual appropriated funds received	1.1	22 634 977	20 528 067
Statutory appropriated funds received	2	1 492	1 421
Departmental revenue received	3	51 135	47 436
Net (increase)/decrease in working capital		(9 820)	3 965
Surrendered to Revenue Fund		(137 902)	(112 752)
Surrendered to RDP Fund/Donor		-	-
Current payments		(20 628 049)	(19 024 879)
Payments for financial assets		(18 975)	(919)
Transfers and subsidies paid		(1 535 706)	(1 271 815)
Net cash flow available from operating activities	17	357 152	170 524
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(395 674)	(867 932)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(395 674)	(867 932)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	(443)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	(443)
Net increase/(decrease) in cash and cash equivalents		(38 522)	(697 851)
Cash and cash equivalents at beginning of period		(800 787)	(102 936)
Cash and cash equivalents at end of period	18	(839 309)	(800 787)

The Financial Statements have been prepared in accordance with the following policies which have been applied consistently in all material aspects unless otherwise indicated. However where appropriate and meaningful additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act 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 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised 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).

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed 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).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed 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).

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 Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year 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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

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 Payments for financial assets

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 an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

When confirmed 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 derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand deposits held other short-term highly liquid investments and bank overdrafts.

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 are 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 plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost or for nominal consideration their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.6 Capital assets

4.6.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register 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.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.6.2 Immovable assets

Initial recognition

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.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

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 statement.

5.8 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

Provisions are disclosed 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 and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

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

7. Net Assets

7.1 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. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

A description of the PPP arrangement the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

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:

	2010/11			2009/10
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
1. Administration	1 765 162	1 685 308	79 854	1 589 152
2. Public Ordinary School Education	19 181 298	19 071 169	110 129	17 326 992
3. Independent Schools	54 220	51 143	3 077	50 124
4. Special Schools	514 384	427 180	87 204	420 658
5. Further Education and Training	559 963	526 940	33 023	450 238
6. Adult Basic Education and Training	299 269	290 757	8 512	187 316
7. Early Childhood Development	528 492	358 689	169 803	283 190
8. Auxiliary and Associated Services	279 160	223 791	55 369	220 397
Total	23 181 948	22 634 977	546 971	20 528 067

1.2 Conditional grants

	Note	2010/11	2009/10
		R'000	R'000
Total grants received	31	1 339 862	719 160
Provincial grants included in Total Grants received		1 339 862	719 160

2. Statutory Appropriation

	2010/11	2009/10
	R'000	R'000
Member of executive committee/parliamentary officers	1 492	1 421
Total	1 492	1 421
Actual Statutory Appropriation received	1 492	1 421

3. Departmental revenue

	Note	2010/11	2009/10
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	39 656	36 088
Fines penalties and forfeits	3.2	32	17
Interest dividends and rent on land	3.3	249	482
Transactions in financial assets and liabilities	3.4	11 198	10 849
Total revenue collected		51 135	47 436
Less: Own revenue included in appropriation	14	51 135	47 436
Departmental revenue collected		-	-

3.1 Sales of goods and services other than capital assets

	Note	2010/11	2009/10
		R'000	R'000
Sales of goods and services produced by the department	3	39 651	36 086
Sales by market establishment		85	89
Administrative fees		-	-
Other sales		39 566	35 997
Sales of scrap waste and other used current goods		5	2
Total		39 656	36 088

3.2 Fines penalties and forfeits

	Note	2010/11	2009/10
		R'000	R'000
Fines	3	32	17
Total		32	17

3.3 Interest dividends and rent on land

	Note	2010/11	2009/10
		R'000	R'000
Interest	3	249	482
Total		249	482

3.4 Transactions in financial assets and liabilities

	<i>Note</i> 3	2010/11 R'000	2009/10 R'000
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		11 198	10 849
Total		11 198	10 849

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Basic salary		14 092 910	12 951 028
Performance award		33 587	42 185
Service Based		28 709	18 912
Compensative/circumstantial		124 587	131 976
Periodic payments		11 603	13 099
Other non-pensionable allowances		1 955 456	1 629 209
Total		16 246 852	14 786 409

4.2 Social contributions

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Employer contributions			
Pension		1 717 915	1 568 065
Medical		888 099	752 449
UIF		329	201
Bargaining council		1 459	982
Official unions and associations		4 187	4 163
Insurance		2	-
Total		2 611 991	2 325 860
Total compensation of employees		18 858 843	17 112 269
Average number of employees		87 689	86 032

5. Goods and services

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Administrative fees		(56)	1 757
Advertising		2 063	2 967
Assets less than R5 000	5.1	50 133	53 624
Bursaries (employees)		28 650	45 172
Catering		32 309	41 550
Communication		36 182	35 921
Computer services	5.2	25 077	5 087
Consultants contractors and agency/outsourced services	5.3	595 553	570 729
Entertainment		206	1 284
Audit cost – external	5.4	16 274	14 329
Fleet services		-	-
Inventory	5.5	294 511	359 523
Housing		-	-
Operating leases		24 383	16 943
Owned and leasehold property expenditure	5.6	125 889	124 448
Transport provided as part of the departmental activities		310 111	431 934
Travel and subsistence	5.7	166 586	178 001
Venues and facilities		3 703	4 106
Training and staff development		44 928	17 132
Other operating expenditure	5.8	12 704	8 103
Total		1 769 206	1 912 610

5.1 Assets less than R5 000

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Tangible assets	5	50 105	53 624
Machinery and equipment		50 105	53 624
Specialised military assets		-	-
Intangible assets		28	-
Total		50 133	53 624

5.2 Computer services

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
SITA computer services	5	25 077	5 087
External computer service providers		-	-
Total		25 077	5 087

5.3 Consultants contractors and agency/outsourced services

	<i>Note</i>	2010/11	2009/10
	5	R'000	R'000
Business and advisory services		12 346	17 183
Legal costs		6 280	5 519
Contractors		195	722
Agency and support/outsourced services		576 732	547 305
Total		595 553	570 729

5.4 Audit cost – External

	<i>Note</i>	2010/11	2009/10
	5	R'000	R'000
Regularity audits		16 274	14 329
Total		16 274	14 329

5.5 Inventory

	<i>Note</i>	2010/11	2009/10
	5	R'000	R'000
Learning and teaching support material		211 339	262 831
Fuel oil and gas		8 206	7 316
Other consumable materials		3 540	9 005
Maintenance material		23	69
Stationery and printing		71 403	80 302
Total		294 511	359 523

5.6 Property payments

	<i>Note</i>	2010/11	2009/10
	5	R'000	R'000
Municipal services		47 010	44 222
Property maintenance and repairs		62 780	63 859
Other		16 099	16 367
Total		125 889	124 448

5.7 Travel and subsistence

	<i>Note</i>	2010/11	2009/10
	5	R'000	R'000
Local		166 513	177 684
Foreign		73	317
Total		166 586	178 001

5.8 Other operating expenditure

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Resettlement costs	5	3 441	4 192
Other		9 263	3 911
Total		12 704	8 103

6. Payments for financial assets

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Material losses through criminal conduct			
Theft	6.1	-	919
Debt written off	6.2	18 975	-
Total		18 975	919
Total		18 975	919

6.1 Detail of theft

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Nature of theft / losses	6		
Payment made to incorrect school		-	919
Total		-	919

6.2 Debts Written Off

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Nature of theft / losses	6		
LTSM debt for schools written off		18 975	-
Total		18 975	-

7. Transfers and subsidies

		2010/11	2009/10
		R'000	R'000
	<i>Note</i>		
Departmental agencies and accounts	<i>Annex 1C</i>	8 404	8 011
Non-profit institutions	<i>Annex 1G</i>	1 443 972	1 162 923
Households	<i>Annex 1H</i>	83 330	100 881
Total		1 535 706	1 271 815

Unspent funds transferred to the above beneficiaries

8. Expenditure for capital assets

	Note	2010/11 R'000	2009/10 R'000
Tangible assets		395 637	867 157
Buildings and other fixed structures	31	360 434	852 994
Machinery and equipment	29	35 203	14 163
Software and other intangible assets		37	775
Computer software	30	37	775
Total		395 674	867 932

8.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	395 637	-	395 637
Buildings and other fixed structures	360 434	-	360 434
Machinery and equipment	35 203	-	35 203
Software and other intangible assets	37	-	37
Capitalised development costs	-	-	-
Computer software	37	-	37
Other intangibles	-	-	-
Total	395 674	-	395 674

8.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	867 157	-	867 157
Buildings and other fixed structures	852 995	-	852 995
Machinery and equipment	14 162	-	14 162
Biological assets	-	-	-
Software and other intangible assets	775	-	775
Capitalised development costs	-	-	-
Computer software	775	-	775
Other intangibles	-	-	-
Total	867 932	-	867 932

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	Note	2010/11 R'000	2009/10 R'000
Opening balance		741 719	32 728
Unauthorised expenditure – discovered in current year	13	-	708 991
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation / written off		741 719	741 719
Analysis of awaiting authorisation per economic classification			
Capital		738 736	738 736
Transfers and subsidies		2 983	2 983
Total		741 719	741 719

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2010/11 R'000	2009/10 R'000
Capital	738 736	738 736
Transfers and subsidies	2 983	2 983
Total	741 719	741 719

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2010/11 R'000	2009/10 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	741 719	741 719
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	741 719	741 719

10. Fruitless and wasteful expenditure

10.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Opening balance		15 942	15 942
Less: Amounts condoned		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting condonement		15 942	15 942

10.2 Analysis of awaiting condonement per economic classification

Current	15 942	15 942
Capital	-	-
Transfers and subsidies	-	-
Total	15 942	15 942

11. Prepayments and advances

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Staff advances		-	-
Travel and subsistence		-	-
Prepayments		-	-
Advances paid to other entities		17 048	16 288
SOCPEN advances		-	-
Total		17 048	16 288

12. Receivables

	Note	2010/11			2009/10
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total
Claims recoverable	12.1 Annex 4	-	255	1 963	2 218
Staff debt	12.2	407	32 894	85 642	118 943
Other debtors	12.3	269	3 111	38 935	42 315
Total		676	36 260	126 540	163 476

12.1 Claims recoverable

	Note	2010/11	2009/10
	18	R'000	R'000
National departments		13	45
Provincial departments		2 205	2 015
Total		2 218	2 060

12.2 Staff debt

	Note	2010/11	2009/10
	18	R'000	R'000
Debt Account		107 249	78 252
Income tax debt		7 381	5 858
Salary reversal Control- CA other		22 750	4 484
Other salary account		2 961	784
Debt Receivable Income		(21 398)	
Total		118 943	89 378

Debt Receivable Income for the 2009/10 financial year amounting to R17.7 million has been reclassified as Staff debt in the Debt Account

12.3 Other debtors

	<i>Note</i>	2010/11	2009/10
	<i>18</i>	R'000	R'000
Debit Order Control Account –CL Other		-	568
Pension Recoverable Account – Other		131	15
LTSM School debt – CA Other		38 191	56 980
Debit Order Exception Account – CL		-	52
Debit Order Erroneous		-	51
Receipt Control Account – Dom		116	1
Disallowance Fraud Account		3 243	95
UNP/RC/BAS/EBT Control Account – Dom		634	9 177
Total		<u>42 315</u>	<u>66 939</u>

13. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Opening balance		78 516	56 221
Transfer from statement of financial performance		605 036	(636 057)
Add: Unauthorised expenditure for current year	<i>9</i>	-	708 991
Voted funds not requested/not received	<i>1.1</i>	(546 971)	-
Paid during the year		(86 748)	(50 639)
Closing balance		<u>49 833</u>	<u>78 516</u>

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

	2010/11	2009/10
	R'000	R'000
Opening balance	3 955	18 632
Transfer from Statement of Financial Performance	-	-
Own revenue included in appropriation	51 135	47 436
Paid during the year	(51 154)	(62 113)
Closing balance	<u>3 936</u>	<u>3 955</u>

15. Bank Overdraft

	2010/11	2009/10
	R'000	R'000
Consolidated Paymaster General Account	839 309	800 787
Total	<u>839 309</u>	<u>800 787</u>

16. Payables – current

	<i>Note</i>	2010/11	2009/10
		Total	Total
Advances received	16.1	13	28
Clearing accounts	16.2	43 177	45 982
Other payables	16.3	1 917	3 058
Total		45 107	49 068

16.1 Advances received

<u>Description</u>	<i>Note</i>	2010/11	2009/10
	16	R'000	R'000
Sal: Advances: domestic		13	28
Total		13	28

16.2 Clearing accounts

<u>Description</u>	<i>Note</i>	2010/11	2009/10
	16	R'000	R'000
Sal: ACB recalls		10 932	12 645
Sal: Garnishee orders		1 590	1 469
Debt: Receivable interest		29 580	23 967
Sal: Pension fund		47	48
Sal: Income tax		-	6 804
Other		432	430
Housing loan guarantees		414	403
Sal: Recoverable		-	24
Sal :Finance & other Institutions		182	192
Total		43 177	45 982

16.3 Other payables

<u>Description</u>	<i>Note</i>	2010/11	2009/10
	16	R'000	R'000
Public entities Adv Acc ;CL other		1 405	1 405
Claims recoverable		376	376
EBT Rejection Acc: Dom		-	91
Cancel cheque/Re-issue		136	1186
Total		1 917	3 058

17. Net cash flow available from operating activities

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		605 036	(636 057)
Add back non cash/cash movements not deemed operating activities		(247 884)	806 581
(Increase)/decrease in receivables – current		(5 099)	(13 104)
(Increase)/decrease in prepayments and advances		(760)	7 569
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(3 961)	9 500
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		395 674	867 932
Surrenders to Revenue Fund		(137 902)	(112 752)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		(546 971)	-
Own revenue included in appropriation		51 135	47 436
Other non-cash items		-	-
Net cash flow generated by operating activities		357 152	170 524

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

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Consolidated Paymaster General account		(839 309)	(800 787)
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		-	-
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		(839 309)	(800 787)

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

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

		Note	2010/11 R'000	2009/10 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3A	-	31
Housing loan guarantees	Employees	Annex 3A	128 595	130 646
Other guarantees		Annex 3A	-	-
Claims against the department		Annex 3B	132 326	121 623
Total			260 921	252 300

20. Commitments

	Note	2010/11 R'000	2009/10 R'000
Current expenditure		223 963	152 862
Approved and contracted		216 220	152 862
Approved but not yet contracted		7 743	-
Capital expenditure		1 658 674	1 601 028
Approved and contracted		1 658 111	1 601 028
Approved but not yet contracted		563	-
Total Commitments		1 882 637	1 753 890

21. Accruals

Listed by economic classification	2010/11 R'000			2009/10 R'000
	30 Days	30+ Days	Total	Total
Goods and services	6 000	280 191	286 191	297 618
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	93 708	93 708	41 089
Capital assets	-	72 881	72 881	104 138
Other	-	28	28	-
Total	6 000	446 808	452 808	442 845

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11	2009/10
Listed by programme level		R'000	R'000
Programme 1: Administration		52 851	40 382
Programme 2: Public Ordinary Schools		386 205	384 634
Programme 3: Independent Schools		-	376
Programme 4: Public Special Schools		2 522	887
Programme 5: Further Education & Training		380	68
Programme 6: Adult Basic Education & Training		662	2 437
Programme 7: Early Childhood Development		2 440	3 211
Programme 8: Auxiliary and Associated Services		7 748	10 850
Total		452 808	442 845

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Confirmed balances with other departments	<i>Annex 5</i>	22 369	17 505
Confirmed balances with other government entities	<i>Annex 5</i>	-	-
Total		22 369	17 505

22. Employee benefits

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Leave entitlement		169 558	152 591
Service bonus (Thirteenth cheque)		595 858	557 949
Performance awards		21 111	20 800
Capped leave commitments		2 951 231	2 860 754
Compensation of Employees: Accruals		75 029	76 563
Total		3 812 787	3 668 657

23. Lease commitments

23.1 Operating leases expenditure

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	6 648	-	6 648
Later than 1 year and not later than 5 years	-	-	13 337	-	13 337
Later than five years	-	-	-	-	-
Total lease commitments	-	-	19 985	-	19 985

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10					
Not later than 1 year	-	-	6 330	-	6 330
Later than 1 year and not later than 5 years	-	-	19 280	-	19 280
Later than five years	-	-	-	-	-
Total lease commitments	-	-	25 610	-	25 610

23.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2010/11					
Not later than 1 year	-	-	-	12 011	12 011
Later than 1 year and not later than 5 years	-	-	-	1 941	1 941
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	13 952	13 952
LESS: finance costs	-	-	-	-	-
Total present value of lease liabilities	-	-	-	13 952	13 952

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10					
Not later than 1 year	-	-	-	7 526	7 526
Later than 1 year and not later than 5 years	-	-	-	3 613	3 613
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	11 139	11 139
LESS: finance costs	-	-	-	-	-
Total present value of lease liabilities	-	-	-	11 139	11 139

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Opening balance		830 059	31 356
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		526 248	798 703
Less: Amounts condoned			-
Less: Amounts recoverable (not condoned)			-
Less: Amounts not recoverable (not condoned)			-
Irregular expenditure awaiting condonation		<u>1 356 307</u>	<u>830 059</u>

Analysis of awaiting condonation per age classification

Current year	526 248	798 703
Prior years	830 059	31 356
Total	<u>1 356 307</u>	<u>830 059</u>

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11
		R'000
Expost facto payment: Libode	No disciplinary steps taken	120
Expost facto payment for winter school: Butterworth	No disciplinary steps taken	1 292
Expost facto payment Libode district	No disciplinary steps taken	1 219
Payment made after termination: Grahamstown	No disciplinary steps taken	20
Overspending on Compensation of Employees	No disciplinary steps taken	523 597
Total		<u>526 248</u>

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Opening balance		26 666	10 114
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		15 049	16 552
Less: Amounts condoned		-	-
Less: Amounts transferred to receivables for recovery		(4 114)	-
Fruitless and wasteful expenditure awaiting condonement		<u>37 601</u>	<u>26 666</u>

25.2 Analysis of awaiting condonation per economic classification

	2010/11 R'000	2009/10 R'000
Current	37 601	26 666
Capital	-	-
Transfers & Subsidies	-	-
Total	37 601	26 666

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Interest - Telkom	No Disciplinary steps taken	242
Interest - Fleet Africa	No disciplinary steps taken yet	88
Interest - Pension	Disciplinary steps taken	345
Cancelled bids / activities	Disciplinary steps taken	170
Interest - Infrastructure	No disciplinary steps taken yet	2 700
Omission to cancel orders: Grahamstown	No Disciplinary steps taken	1
Omission to cancel orders: Cradock	No Disciplinary steps taken	4
Omission to cancel orders: Graaf Reinet	No Disciplinary steps taken	1
Suspended Officials	Disciplinary steps taken	7 384
Fraud discovered	Disciplinary steps taken	4 114
Total		15 049

26. Related party transactions

Payments made	Note	2010/11 R'000	2009/10 R'000
Goods and services		23 091	-
Purchases of capital assets		4 839	4 392
Total		27 930	4 392

	Note	2010/11 R'000	2009/10 R'000
	No. of Individuals		

27. Key management personnel

		2010/11 R'000	2009/10 R'000
Political office bearers (provide detail below)	1	1 475	1 421
Officials:			-
Level 15 to 16	6	3 765	2 120
Level 14 (incl. CFO if at a lower level)	16	49 215	48 021
Family members of key management personnel	105	22 033	26 747
Total		76 488	78 309

28. Impairment and other provisions

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Other provisions			
Non-Profit Institutions		38 191	56 979
Staff Debt		84 448	84 448
Inter-departmental claims		1 963	
Total		124 602	141 427

29. Movable Tangible Capital Assets

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

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	70 006	-	35 203	-	105 209
Transport assets	-				
Computer equipment	42 663	-	24 920	-	67 583
Furniture and office equipment	18 718	-	1 099	-	19 817
Other machinery and equipment	8 625	-	9 184	-	17 809
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	70 006	-	35 203	-	105 209

29.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	35 203	-	-	-	35 203
Transport assets		-	-	-	
Computer equipment	24 920	-	-	-	24 920
Furniture and office equipment	1 099	-	-	-	1 099
Other machinery and equipment	9 184	-	-	-	9 184
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	35 203	-	-	-	35 203

Movement for 2009/10

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS				
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	55 843	14 163	-	70 006
Transport assets	-	-	-	-
Computer equipment	36 944	5 719	-	42 663
Furniture and office equipment	11 993	6 725	-	18 718
Other machinery and equipment	6 906	1 719	-	8 625
TOTAL MOVABLE TANGIBLE ASSETS	55 843	14 163	-	70 006

30. Intangible Capital Assets

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

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	3 388	-	37	-	3 425
OTHER INTANGIBLES	47	-	-	-	47
TOTAL INTANGIBLE CAPITAL ASSETS	3 435	-	37	-	3 472

30.1 Additions

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

	Cash	Non- Cash	(Develop- ment work in progress – current costs)	Received current year not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	37	-	-	-	37
OTHER INTANGIBLES	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	37	-	-	-	37

30.2 Movement for 2009/10

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	-	-	-	-
COMPUTER SOFTWARE	2 613	775	-	3 388
OTHER INTANGIBLES	47	-	-	47
TOTAL INTANGIBLE CAPITAL ASSETS	2 660	775	-	3435

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

31. STATEMENT OF CONDITIONAL GRANTS RECEIVED		GRANT ALLOCATION						SPENT			2009/10	
		Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department	
NAME OF DEPARTMENT	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
SNP	702 936	-	-	-	702 936	696 723	696 723	100%	486 851	475 939		
FET RECAPITALISATION	547 209	-	-	12 755	559 964	526 940	475 955	90%	30 168	27 576		
HIV/AIDS	32 189	2 592	-	-	34 781	28 487	28 487	100%	-	-		
PROVINCIAL INFRASTRUCTURE GRANT	504 179	74 828	-	-	579 007	84 370	84 370	100%	202 141	127 313		
TECHNICAL RECAPITALISATION	9 549	-	-	-	9 549	3 342	6 030	180%	-	-		
EPWP	500	-	-	-	500	-	-	-	-	-		
	1 796 562	77 420	-	12 755	1 886 737	1 339 862	1 291 565	96%	719 160	630 828		

All transfers received from Provincial Treasury were deposited into the primary bank account of the department.

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
PAYMENT TO SETA	10 373	-	-	10 373	8 404	81%	8 011
	10 373	-	-	10 373	8 404	81%	8 011

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 1G
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION					EXPENDITURE		2009/10 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available transfer %		
NON-PROFIT INSTITUTIONS								
TRANSFERS								
SECTION 20 & 21 SCHOOLS	1 087 678	-	-	1 087 678	1 077 755	99,0%	889 084	
INDEPENDENT SCHOOLS	54 220	-	-	54 220	51 143	94,0%	50 124	
SPECIAL SCHOOLS	59 251	-	-	59 251	58 782	99,0%	67 183	
FET SCHOOLS	218 442	-	-	218 442	230 960	106,0%	206 053	
ECD SITES	15 880	-	-	15 880	5 222	33,0%	5 850	
MARKING CENTRES	22 628	-	-	22 628	19 993	88,0%	13 585	
BURSARIES(NPI)	1 046	-	-	1 046	117	11,0%	-	
TOTAL	1 459 145	-	-	1 459 145	1 443 972	99,0%	1 231 879	

EASTERN CAPE DEPARTMENT OF EDUCATION
 VOTE 6
 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2011

ANNEXURE 1H
 STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2009/10 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferre d %	
HOUSEHOLDS							
TRANSFERS							
LEAVE GRATUITIES	131 871	-	-	131 871	83 330	63%	100 881
	131 871	-	-	131 871	83 330	63%	100 881
SUBSIDIES	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL	131 871	-	-	131 871	83 330	63%	100 881

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

ANNEXURE 11
STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED

RECEIVED IN CASH

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
2009/10 BALANCE			946
PETRO SA	R322066.00 FOR UPGRADING OF TOILETS	322	
PICK N PAY	R5000.00 VOUCHER GROCERIES	5	
EPOCH & OPTIMA TRUSTS	R110.000 FOR MATHS PROJECTS	110	
ABSA	R250 000.00 FOR MICRO SCIENCE LAB AND COMPUTER LAB	250	
EMBASSY OF JAPAN	R506 000.00 FOR CONSTRUCTION OF FOUR CLASSROOMS	506	
FIRST NATIONAL BANK	R5 000.00 CHEQUE	5	
OPTIMA TRUST	R125 000.00 FOR MATHEMATICAL SKILLS	125	
T BIRCH & COMPANY	R1 800.00 TO SUPPLEMENT LOSS OF SCHOOLFEE INCOME	2	
COCA-COLA FORTUNE	R400 000.00 FOR BUILDING OF AND PURCHASE 2 GRADE R CLASSES & 2 CONTAINERS	400	
P.E. DEEPAVALI FESTIVAL CO-ORDINATING COMMITTEE	R6000.00 FOR PURCHASE OF DATA PROJECTOR AND SCREEN	6	
AFRICORP	DSTV SUBSCRIPTION FOR THE HOSTEL	2	
MR J. SKINGLE	CASH - R1160.00	1	
MRS LIZ SMTH	CASH - R500.00	1	
GRINAKEER LTA CONSTRUCTION	R6648.80 REFUND FOR GROCERIES & MEAT R2226.40 FOR CATERING	9	
NELLIE WRIGHT AND FAMILY	SPONSORSHIP FOR CATERING FOR FUN TRIVIA EVENING	21	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
MR & MRS S MCFARLAND	FUEL DONATION	2	
MR & MRS H.VAN DER POEL	PAY FOR REPAIRS TO PRINTERS GENERATOR MATERIAL	11	
LUK-EAGLES GOLF CLUB-RON MACLEAN	CHEQUE R7 000.00	7	
ROTARY CLUB OF PORT ELIZABETH	CHEQUE R20 000.00	20	
PECS - FUNDRAISING	CASH R5 465.00	5	
MY SCHOOL CARD	R1 010.49 CASH	1	
DR HOWARD KLAASTE	R1 000.00 MATRIC STUDY CAMP	1	
MR.WENDEL ROBERTS	R500.00 MATRIC STUDY CAMP	1	
NADIA DOMINGO	R5 000.00 CHEQUE	5	
A.HUMAN	R1100 CHEQUE	1	
S. VAN GRAAN	R 917 CASH	1	
E.POTGIETER T/A LANNCO	R 7000 CHEQUE	7	
OK GROCERS	R 6000 CASH	6	
WEITZ CONSTRUCTION	R 31 000 CHEQUE	31	
RANDCIVILS	R45 000.00 FOR BUILDING OF COTTAGE	45	
LOTTO	R2000 TRAVELLING COSTS TO CT TO NATIONAL COMPETION	2	
SCHULTZ OUTFITTERS	R1000.00 FOR BAZAAR	1	
OK GROCER	R1000.00 FOR BAZAAR	1	
IMANA FOODS	4 X MODULAR CLASSROOMS	410	
NOMADS GOLF CLUB E.C.	PAY FOR LABOUR TO PAINT SCHOOL	40	
ANONYMOUS	R1250.00 FOR CAPE TOWN TOUR FOR A NEEDY LEARNER	1	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
SUBTOTAL		2 364	946

RECEIVED IN KIND

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
2009/10 BALANCE			2 433
INDUSTRIAL DEVELOPMENT CORPORATION - E.L.	4 X SWIVEL CHAIRS 10 X GUEST CHAIRS 1 X OVERHEAD PROJECTOR 1 X ALL IN ONE GESTETNER MACHINE 1 X STEEL CABINET	2	
IQUAD GLOBAL SOLUTIONS	COPIER/SCANNER/FAX MACHINE	5	
MPUMA KOLONI & ELECTRICAL	2 X AIR CONDITIONING	30	
SJM FLEX SA	3 X COMPUTER 15 X DUAL DESKS	20	
KONICA MINOLTA	COPIER MACHINE	10	
NELSON MANDELA BAY CRICKET BOARD	CRICKET EQUIPMENT	4	
AFRI-SAVE CASH & CARRY	DRY GROCERIES	18	
BOKOMO	GROCERIES	5	
STEVE A LLISON-STUDIO111	THERAPY EQUIPMENT	3	
MEDAL PAINTS	12X20L WALL PAINT 10 X20L ROOF PAINT	16	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2010/11		2009/10	
		R'000		R'000	
MR ATHIMOOLAM	SECOND-HAND LEVER ARCH FILES	1			
VOLPES (PTY) LTD	MATERIAL CURTAINS AND ACCESSORIES	3			
P.E. MILITARY POLICE	CLEANING MATERIAL	2			
MARINDA HERBST & CELL GROUP	BEDDING 22 BEDS & PAINTING	6			
CLOVER	GROCERIES	1			
MR & MRS R VILJOEN	PACKETS OF VENISON -GROCERIES	1			
WALMER MEATS	PATTIES FOR HAMBURGERS				
SHARP ELECTRONICS	1 X PHOTOCOPIER MACHINE	2			
ALGOA BAY ROTARY CLUB	BOOKS AND EQUIPMENT	93			
GM FOUNDATION SOUTH AFRICA	DIGITAL CAMERA	1			
GM FOUNDATION SOUTH AFRICA	3 X SCHOOL BANNER 1 X LAMINATOR 1 X DIGITAL CAMERA	4			
NELSON MANDELA METRO UNIVERSITY	2 X SCIENCE KIT	3			
ROTARY CLUB	4 X DICTIONRIES				
MRS M CHRICH	11 X CD'S 2 X DVD S				
MRS K.MARAI	BOOK & CD				
VODACOM YEBO MILLIONAIRES	11 X COMPUTER SET 1 X EPSON PRINTER AND COMPUTER ACCESSORIES	100			
VODACOM YEBO MILLIONAIRES	11 X COMPUTER SET 1 X EPSON PRINTER AND COMPUTER ACCESSORIES	100			
NEW APOSTLE CHURCH	1 X DESK 4 DR 1 X DESK 2 DR 1 X CHAIR SWIVEL & 3 X CHAIR	8			
MRS S. WATSON	ORGAN	5			
SUNDAYS RIVER WOMEN'S INSTITUTE	4 X PLASTIC TABLES 16 X PLASTIC CHAIRS 2 X BOXES CRAYON WAX 2 X COLOURING BOOKS 4 X JARS PLASTIC BUILDING BLOCKS 3 X PUZZLES 2 X GAME	4			

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
SANLAM LIFE INSURANCE	5 X COMPUTER SET	3	
DTJ TRADING	4 X GAS CYLINDAR	1	
ABSA FOUNDATION	2 X COMPUTER SET	12	
STATISTICS SA	OFFICE FURNITURE & COMPUTER EQUIPMENT VALUED @ R1.00 EACH DISPOSAL RATE		

SUBTOTAL

463 **2 433**

TOTAL

2 827 **3 379**

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL**

	Original guarantee capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Reva luati ons	Closing balance 31 March 2011	Guarantee d interest for year ended 31 March 2011	Realised losses not recoverable i.e. claims paid out
Guarantor institution	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
MOTOR VEHICLES		31	-	31	-	-	-	-
SUBTOTAL	-	31	-	31	-	-	-	-
HOUSING								
0001 STANDARD BANK		24 940	455	665		24 730		
0002 NEDBANK (CAPE O		42	-	-		42		
0003 NEDBANK LIMITED		5 008	262	136		5 134		
0004 FIRSTRAND BANK:		18 300	218	558		17 960		
0010 NEDBANK (INC B		542	-	-		542		
0013 MEEG BANK LIMIT		256	-	-		256		
0017 ABSA		38 425	924	1 608		37 741		
0031 UNIQUE FINANCE		1 316	47	68		1 295		

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

0041 OLD MUTUAL FIN.	49	-	-	-	49		
0052 PEOPLES BANK FB	8 370	-	121	8 249			
0053 NEDBANK LTD(NBS	10 400	35	201	10 234			
0054 FNB - FORMER SA	1 785	-	137	1 648			
0055 OLD MUT (NEDB/P	15 552	109	472	15 189			
0056 UNITED	13	-	-	13			
0071 GBS MUTUAL BANK	56	-	-	56			
0075 TRUST BUILDING	12	-	-	12			
0076 TNBS MUTUAL BAN	609	-	-	609			
0103 HLANO FIN SERVI	12	-	-	12			
0104 ITHALA LIMITED	682	100	25	757			
0134 EASTERN CAPE DE, SA HOME LOANS P	4 178	-	210	3 968			
0279 HOUS. DEV. BOAR, 0516 GREEN START H/L	99	-	-	99			
SUBTOTAL	130 646	2 150	4 201	128 595	-	128 595	
TOTAL	130 677	2 150	4 232	128 595	-	128 595	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of Liability	Opening Balance 1 April 2010 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancell ed/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2011 R'000
CLAIMS AGAINST THE DEPARTMENT					
OPENING BALANCE	121 623	-	-	-	121 623
MOVEMENT	-	10 703	-	-	10 703
SUBTOTAL	121 623	10 703	-	-	132 326
TOTAL	121 623	10 703	-	-	132 326

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 4
CLAIMES RECOVERABLE**

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
DEPARTMENT						
EDUCATION KZN	247	247	546	546	793	793
EDUCATION NORTHERN CAPE	58	93	48	48	106	141
EDUCATION WESTERN CAPE	1 218	1 199	63	63	1 281	1 262
EDUCATION GAUTENG PROVINCE	682	446	334	334	1 016	780
EDUCATION FREE STATE	-	30	-	-	-	30
EDUCATION NATIONAL	13	45	32	32	45	77
EDUCATIONS - EASTERN CAPE	-	-	-	-	-	-
EDUCATION MPUMALANGA	-	-	187	129	187	129
EC PREMIER	-	-	15	15	15	15
EC SPORT ARTS & CULTURE	-	-	18	4	18	4
EC TRANSPORT	-	-	38	38	38	38
EC AGRICULTURE	-	-	20	20	20	20
EC HEALTH	-	-	114	71	114	71
EC SOCIAL DEVELOPMENT	-	-	8	-	8	-
JUSTICE	-	-	19	19	19	19
NATIONAL ARTS & CULTURE	-	-	11	11	11	11
SASSA	-	-	26	26	26	26
WATER AFFAIRS	-	-	15	15	15	15
NATIONAL PUBLIC WORKS	-	-	19	19	19	19
CORRECTIONAL SERVICES	-	-	10	10	10	10
PARLIAMENT SA	-	-	29	29	29	29
SAPS	-	-	4	-	4	-
TOTAL	2 218	2 060	1 556	1 429	3 774	3 489

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
CURRENT						
NATIONAL DEPARTMENTS	18 359	339	-	-	18 359	339
EASTERN CAPE DEPARTMENTS	2 383	2 846	-	-	2 383	2 846
HEALTH NC	76	76	-	-	76	76
EDUCATION LIMPOPO	304	304	-	-	304	304
EDUCATION FREE STATE	98	98	-	-	98	98
EDUCATION NORTH CAPE	-	-	-	-	-	-
EDUCATION WESTERN CAPE	380	380	-	-	380	380
GAUTENG SHARED SERVICES	30	30	-	-	30	30
GAUTENG SOCIAL DEVELOPMENT	12	12	-	-	12	12
EDUCATION KZN	579	579	-	-	579	579
EDUCATION NORTH WEST	148	148	-	-	148	148
JUSTICE	-	12 693	-	-	-	12 693
SUBTOTAL	22 369	17 505	-	-	22 369	17 505
TOTAL	22 369	17 505	-	-	22 369	17 505

4.1 Service delivery

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Delivery of LTSM to Section 20 Public Schools	Learners and educators in public ordinary schools	Learners and educators in public ordinary schools	Deliver Learning and Teaching Support Material to all Section 20 schools on or before the first day of the school year.	In 2011 55 of the 3 214 Section 20 schools did not receive all LTSM on the first day of the school year.
Abolition and replacement of mud structures	School communities where learners attend school in mud structures	School communities where learners attend school in mud structures	All mud structure schools to be replaced by 2014/15	71 structures targeted for the 2011/12 financial year.
To improve numeracy and literacy levels in all grades from Grade 1 to 9.	Learners in public schools from grade 1 – 9.	Learners in public schools from grade 1 – 9.	The percentage of grade 3, 6 and 9 learners to reach acceptable levels in numeracy and literacy in the planned financial year 2011/12. The percentages are as follows: Grade 3 numeracy 51%; Grade 3 literacy 52%; Grade 6 literacy 49%; Grade 6 numeracy 46%; Grade 9 numeracy 46%	Actual performance of grade 3 learners in 2009/10 – literacy 34% and numeracy 37%; Actual performance of grade 6 learners – 34% in literacy and 27% in numeracy; Actual performance in 2009/10 of grade 9 learners – no provincial statistics available in the 2011/12 Annual

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
			and Grade 9 literacy 49%.	Performance Plan. Estimated performance for 2011/12 for grade 9 – 45% literacy and 42% in numeracy.
To improve the quality of teaching and learning at Grade R level by increasing the number of practitioners with an NQF level 4 qualification.	Early Childhood practitioners currently teaching at grade R level	Early Childhood practitioners currently teaching at grade R level	The percentage of Grade R ECD practitioners who have a minimum of an NQF level 4 qualification to increase to 60% by 2013/14.	29% of grade R practitioners had a minimum of an NQF level 4 qualification in 2009/10. The estimate for 2011/12 is 38%
Bridge the content gap in mathematics and physical science by training educators	Unqualified or under-qualified Educators in public ordinary schools	Unqualified or under-qualified Educators in public ordinary schools	Bridge the content gap in mathematics and physical science in 2011/12 by training educators from 359 underperforming schools and have ACE programmes for 175 maths educators, 50 physical science educators and 22 technology educators	2008/09 statistics indicate 259 maths and science educators at Dinaledi schools attended an incentive based pilot scheme. 338 teachers attended ACE Senior Phase programme run at HEIs. 434 teachers attended a Band SETA project.
Increase the throughput rate of NC(V) students at FET colleges	Learners at FET colleges	Learners at FET colleges	To increase the throughput rate for NC(V) programmes to 63% by 2011/12	2009/10 actual performance was 44,9%

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To increase and sustain the performance of learners at grade 12 level	Grade 12 learners at public ordinary schools	Grade 12 learners at public ordinary schools	To increase the grade 12 pass rate from the current 60% to 100% by 2014/15	60% passed the grade 12 examination in the 2009/10 examination
To increase the percentage of grade 12 learners obtaining a university exemption pass	Grade 12 learners at public ordinary schools	Grade 12 learners at public ordinary schools	To increase the percentage of grade 12 learners obtaining a university exemption pass from the current 14% to 23% by 2011/12 and 38% by 2014/15	14% obtained university exemption in the 2009/10 examinations
To increase the number of learners at grade 12 level passing mathematics	Grade 12 learners at public ordinary schools	Grade 12 learners at public ordinary schools	To increase the number of learners passing grade 12 mathematics to 37,3% by 2011/12 and 58% by 2013/14	16 551 learners passed mathematics in the 2009/10 examination
To increase the number of learners at grade 12 level passing physical science	Grade 12 learners at public ordinary schools	Grade 12 learners at public ordinary schools	To increase the number of learners passing physical science from 43,3% in 2010/11 to 55% by 2013/14	14 378 passed physical science in 2009/10 examination

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Public Perception Surveys conducted in 2003, 2007 and 2008	Business leaders, Religious leaders, Unions, Traditional leaders, Tertiary Institutions, Service Providers to the ECDoE, Parents, Newspapers, NGOs and Officials in the ECDoE.	All end users of the public education system in the Province of the Eastern Cape	Public Perception Surveys successfully completed in 2003, 2007 and 2008. Severe budget cuts in 2009 and 2010 have prevented these surveys from being implemented
Stakeholder participation in the Head of Department's Turnaround Plan Sessions at the start of 2011	Invitation to all relevant stakeholders in the Education Community of the province	Invitation to all relevant stakeholders in the Education Community of the province	The Turnaround Planning session was completed.
The announcement of the Education Department's results by the MEC before the start of the academic year in 2011.	Relevant stakeholders invited	Relevant stakeholders invited	The session was successfully completed
Service Standards Surveys conducted in 254 schools in 13 Districts in 2010	The survey focus was on front office people involved in Education – schools and district offices	The survey focus was on front office people involved in Education – schools and district offices	The survey was successfully completed and a report is being produced

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
<p>To give access to learners in public ordinary schools particularly those in Section 20 Schools to quality Learning and Teaching Support Material. Schools receive budgets to purchase textbooks. Quintiles 1, 2 and 3 schools receive higher per learner subsidies to purchase LTSM. Schools order through the use of catalogues.</p> <p>R120 829 252.94 allocated to the purchase of LTSM.</p>	<p>55 of the 3 124 Section 20 Schools did not receive LTSM on the first day of the school year.</p>
<p>Provision of appropriate infrastructure for all learners in the public school system. The eradication of inappropriate school buildings (plankskole and mud structures) a priority. Schools are put on a priority list with all mud structures planned for replacement by 2014. Building contractors from local communities given the opportunity to get involved in the building processes.</p>	<p>It is planned that 71 structures will be replaced in 2011/12</p>
<p>To give all learners equal access to National and Provincial Assessments at grades 3, 6 and 9 to improve performance in numeracy and literacy. All learners in public schools are given access to these assessments. Learning programmes with appropriate LTSM are supplied to schools. Educators are also given training and orientation in the use of these materials.</p>	<p>Actual performance of grade 3 learners in 2009/10 – literacy 34% and numeracy 37%; Actual performance of grade 6 learners – 34% in literacy and 27% in numeracy; Actual performance in 2009/10 of grade 9 learners – no provincial statistics available in the 2011.12 Annual Performance Plan. Estimated performance for 2011/12 for grade 9 – 45% in literacy and 42% in numeracy.</p>
<p>To provide grade 12 learners improved access to tertiary studies by increasing the number of learners obtaining university exemption passes. Steps being taken to improve the quality of teaching and learning in mathematics and physical science. This includes teacher development and upgrading. It also includes supplying additional appropriate LTSM in these subjects.</p>	<p>In the 2010 grade 12 final examination 14% of learners achieved university exemption passes</p>
<p>To increase the number of learners passing grade 12. Access improved by reducing the number of unqualified and under-qualified educators by subsidising access to HEI courses. Improving the quantity and quality of LTSM supplied to schools.</p>	<p>The pass rate in 2010 was 60%</p>

Access Strategy	Actual achievements
To improve the quality of teaching and learning at ECD level (Grade R) by providing training for ECD Grade R practitioners to improve access of learners at schools with grade R. Teachers are provided with subsidised training through accredited organisations.	29% of grade R practitioners had a minimum of an NQF level 4 qualification in 2009/10
To increase the number of learners in FET colleges with NC(V) qualifications by increasing the throughput rate of learners in the colleges. Budgets have been allocated to improve the quality of teaching at FET colleges and to improve infrastructure and appropriate teaching and learning materials and programmes at FET colleges.	The throughput rate was 44,9% in 2009/10

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Umdibanisi newsletter	Reports on service based activities at Provincial and District level. What work is being done and what achievements have been achieved
Education Development website	Information about various areas of the functioning of the Education Department
Service Standards posters highlighting key areas of the Education Department's key activities developed and distributed to Provincial office and District offices	Posters being distributed in 2011 to Provincial and District offices

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
<p>Customer Care Unit – Complaints Box</p> <p>The focal receiving point for complaints is the Customer Unit located under the Chief Director: Statutory Advisory and Protocol Services. The Customer Care unit has an electronic complaints management system. There is a staffed customer unit at Head Office and also District Customer Care units.</p>	<ul style="list-style-type: none"> • Presidential Hotline Queries – 60% • General Complaints – 50% • A successful call centre for the Back to School Campaign was set up.

4.2 Expenditure

Table 2.1 - Personnel costs by programme, 2010/11

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of Total Expenditure	Average personnel cost per Employee (R'000)	Employment
Eed:administration	1 685 308	1 416,229	8 533	0	84	17	87 689
Eed:adult basic education and training	290 757	288 810	0	0	99.3	3	87 689
Eed:auxiliary&associated service	223 791	84 931	1 558	0	38	1	87 689
Eed:early childhood development	358 689	320 615	7 907	0	89.4	4	87 689
Eed:further education and training	475 956	232 382	1 825	0	48.8	3	87 689
Eed:independent school subsidies	51 143	0	0	0	0	0	87 689
Eed:public ordinary school education	19 064 105	16 192 909	24 528	10,610	84.9	189	87 689
Eed:public special school education	427 180	321 492	576	5,537	75.3	4	87 689
Z=Total as on Financial Systems (BAS)	22 576 929	18 857 368	44 972	16,147	83.5	221	87 689

Note: These figures exclude the Statutory Expenditure (Compensation for Member of Executive Council) of R1,475 million.

Table 2.2 - Personnel costs by salary bands, 2010/11

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Number of employees
Lower skilled (Levels 1-2)	9 058	0	62 041	146
Skilled (Levels 3-5)	1 099 833	5,8	177 564	6 194
Highly skilled production (Levels 6-8)	11 308 243	59,7	222 223	50 887
Highly skilled supervision (Levels 9-12)	5 747 619	30,3	286 607	20 054
Senior management (Levels 13-16)	46 286	0,2	712 092	65
Contract (Levels 1-2)	444 295	2,3	63 137	7 037
Contract (Levels 3-5)	112 959	0,6	104 110	1 085
Contract (Levels 6-8)	45 930	0,2	137 515	334
Contract (Levels 9-12)	2 606	0	372 286	7
Contract (Levels 13-16)	2 541	0	2 541 000	1
Periodical Remuneration	8 594	0	8 279	1 038
Abnormal Appointment	28 847	0,2	10 328	2 793
TOTAL	18,857,368	99,5	210,365	87 689

Table 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by programme, 2010/11

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Programme (R'000)
Pr1:Administration	1 199 506	71,7	4 253	0,3	40 027	2,7	64 429	4,3	1 417 704
Pr2:Pub ordin sch edu	13 776 983	75,6	132	0	468 234	2,9	793 724	4,9	16 192 909
Pr4:Pub spec sch educ	267 679	72,6	0	0	12 427	3,8	184 98	5,7	321 492
Pr5:Further educ & training	201 548	77,9	11	0	6 009	2,6	104 03	4,6	232 382
Pr6:Adult basic edu & train	281 190	97,5	7	0	21	0	90	0	288 810
Pr7:Early childhood development	317 935	99	0	0	737	0,2	893	0,3	320 615
Pr8: Aux & assoc services**	3 525	28,7	726	0,3	26	0,2	62	0,6	84 931
TOTAL	16 048 366	76	5 130	0	527 521	2,8	888 099	4,7	18 858 843

Note : Salaries only includes Basic Salary and other Non-Pensionable salaries as per Trial Balance for 2010/2011.

Table 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by salary bands, 2010/11

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel Cost per Salary Band (R'000)
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
	Lower skilled (Levels 1-2)	109 866	72,2	7	0	6 775	4,4	10 237	
Skilled (Levels 3-5)	761 497	79,3	286	0	34 505	3,6	46 420	4,8	960 804
Highly skilled production (Levels 6-8)	8 522 803	75,2	3 120	0	356 759	3,1	611 907	5,4	11 335 285
Highly skilled supervision (Levels 9-12)	4 357 144	75	1 710	0	130 025	2,2	218 374	3,8	5 809 029
Senior management (Levels 13-16)	37 619	75	0	0	1 453	2,9	881	1,8	50 169
Contract (Levels 1-2)	443 308	99,8	0	0	-4	0	190	0	444 314
Contract (Levels 3-5)	112 121	99,2	0	0	0	0	44	0	113 015
Contract (Levels 6-8)	45 039	97,9	7	0	9	0	42	0,1	46 002
Contract (Levels 9-12)	2 379	90,3	0	0	0	0	4	0,2	2 634
Contract (Levels 13-16)	2 433	93,1	0	0	0	0	0	0	2 613
Periodical Remuneration	66	0,8	0	0	0	0	0	0	8 610
Abnormal Appointment	12 834	44,4	0	0	0	0	0	0	28 914
TOTAL	14 407 109	76	5 130	0	529 522	2,8	888 099	4,7	18 953 661

Note : Salaries only includes Basic Salary and other Non-Pensionable salaries as per Trial Balance for 2010/2011.

4.3 Employment and vacancies

Table 3.1 - Employment and vacancies by programme, 31 March 2011

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate (%)	Number of Posts Filled Additional to the Establishment
Pr1:Administration	7 036	4 903	30.3	529
Pr2:Public ordinary school education	81 103	69 556	14.2	7 660
Pr4:Public special school education	2 452	1 800	26.6	146
Pr5:Further education & training	1 131	995	0	140
Pr6:Adult basic education & training	3 549	3 387	12	3 384
Pr7:Early childhood development	5 258	5 159	4.6	5 159
Pr8: Aux & associated services**	14	10	1.9	5
TOTAL	100 543	85 810	28.6	17 023

Note 1: The number of funded posts for the year under review was 91,866. At the time of reporting this figure was exceeded because the number of posts reported above (100,534), is based on a "Snapshot" of what was reflected on PERSAL as at 31 March 2011 and would have included posts created for the extension of services for ABET educators and ECD practitioners, extension of other contract appointments for the 2011/12 Financial Year as well as posts created in the 2010 post establishment whereby the existing posts would have been terminated and/or abolished as the 2011 post establishment was being loaded.

Note 2: For the 2010/2011 MTEF the total number of funded post across all employment categories within the department was 91,866 posts and based on the 85,810 filled posts as at 31 March 2011 as stated above, the overall vacancy rate within the department would therefore have been 6.6% as at the end of the financial year and not the 28.6% as stated in the tables above and below. (Reasons for disparities as explained in Note 1 above).

Note 3: As at 31 March 2010 the filled and vacancy rate in respect of the current (2006) approved Organizational Structure for Head Office and District Offices office based staff was 73.99% Filled and 26.01% Vacant.

Table 3.2 - Employment and vacancies by salary bands, 31 March 2011

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate (%)	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	913	160	82,5	79
Skilled (Levels 3-5)	6 707	6 194	7.6	1 444
Highly skilled production (Levels 6-8)	62 406	50 873	18,5	5 649
Highly skilled supervision (Levels 9-12)	21 976	20 054	8,7	1 407
Senior management (Levels 13-16)	77	65	15,6	2
Contract (Levels 1-2)	7 037	7 037	0	7 034
Contract (Levels 3-5)	1 085	1 085	0	1 084
Contract (Levels 6-8)	334	334	0	321
Contract (Levels 9-12)	7	7	0	3
Contract (Levels 13-16)	1	1	0	0
TOTAL	100 543	85 810	14.7	17 023

Table 3.3 - Employment and vacancies by critical occupation, 31 March 2011

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate (%)	Number of Posts Filled	
				Additional to the Establishment	Number of Posts Filled
Administrative related,	184	146	20,7		6
All artisans in the building metal machinery etc.,	12	8	33,3		3
Archivists curators and related professionals,	4	1	75		0
Artisan project and related superintendents,	2	1	50		1
Auxiliary and related workers,	61	59	3,3		1
Building and other property caretakers,	88	78	11,4		6
Bus and heavy vehicle drivers,	9	6	33,3		2
Cleaners in offices workshops hospitals etc.,	3 755	3 414	9,1		712
Client inform clerks(switchboard, reception, information clerks),	34	17	50		3
Compositors typesetters & related printing workers,	2	0	100		0
Computer system designers and analysts,	15	12	20		1
Conservation labourers	1	0	100		0
Diplomats	1	1	0		1
Farm hands and labourers,	1	1	0		0
Farming forestry advisors and farm managers,	3	2	33,3		0
Finance and economics related,	116	92	20,7		2
Financial and related professionals,	141	92	34,8		2
Financial clerks and credit controllers,	594	510	14,1		11
Food services aids and waiters,	204	178	12,7		37
General legal administration & related professionals,	6	0	100		0
Head of department/chief executive officer,	9	7	22,2		0
Household and laundry workers,	878	636	27,6		56
Housekeepers laundry and related workers,	2	2	0		0

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate (%)	Number of Posts Filled Additional to the Establishment
Human resources & organisational development & related professionals,	114	83	27,2	0
Human resources clerks,	481	408	15,2	35
Human resources related,	151	104	31,1	6
Inspectors of apprentices works and vehicles,	78	36	53,8	2
Librarians and related professionals,	5	4	20	0
Library mail and related clerks,	253	160	36,8	8
Light vehicle drivers,	129	102	20,9	10
Logistical support personnel,	84	65	22,6	7
Material-recording and transport clerks,	481	382	20,6	62
Messengers porters and deliverers,	47	35	25,5	10
Motor vehicle drivers,	2	2	0	2
Nursing assistants,	8	5	37,5	0
Occupational therapy,	11	1	90,9	1
Other administration & related clerks and organisers,	3 226	2 671	17,2	93
Other administrative policy and related officers,	677	405	40,2	51
Other information technology personnel.,	32	14	56,3	7
Other occupations,	76 082	64 325	15,5	15 634
Physiotherapy,	1	1	0	1
Printing and related machine operators,	4	4	0	4
Professional nurse,	5	4	20	1
Rank: Administrative officer,	1	1	0	0
Rank: Cleaner i.,	1	0	100	0
Rank: Departmental head transitional,	9	9	0	7
Rank: Departmental head,	1 375	1 214	11,7	37
Rank: Deputy principal (transitional),	9	9	0	8

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate (%)	Number of Posts Filled Additional to the Establishment
Rank: Deputy principal,	341	301	11,7	43
Rank: Education specialist deputy chief (feti),	7	7	0	7
Rank: General foreman,	1	1	0	0
Rank: Lecturer (c),	3	3	0	0
Rank: Lecturer (feti),	2	2	0	0
Rank: Principal p1,	95	79	16,8	0
Rank: Principal p2 (transitional),	1	1	0	0
Rank: Principal p2,	240	221	7,9	5
Rank: Principal p3,	100	92	8	0
Rank: Principal s1,	42	36	14,3	1
Rank: Rector (c6),	1	0	100	0
Rank: Teacher,	9 363	8 987	4	57
Secretaries & other keyboard operating clerks,	274	178	35	19
Security guards,	234	222	5,1	15
Security officers,	292	261	10,6	36
Senior managers,	88	66	25	2
Social work and related professionals,	1	0	100	0
Trade labourers,	10	9	10	7
Trade trainers,	1	1	0	1
Youth workers,	59	36	39	0
TOTAL	100 543	85 810	14,7	17 023

4.4 Job evaluation

Table 4.1 - Job Evaluation, 1 April 2010 to 31 March 2011

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated by Salary Band	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower skilled (Levels 1-2)	913	0	0	0	0	0	0
Contract (Levels 1-2)	7 037	0	0	0	0	0	0
Contract (Levels 3-5)	1 085	0	0	0	0	0	0
Contract (Levels 6-8)	334	0	0	0	0	0	0
Contract (Levels 9-12)	7	0	0	0	0	0	0
Contract (Levels 13-16)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	6 707	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	62 406	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	21 976	0	0	0	0	0	0
Senior Management (Levels 13-16)	77	0	0	0	0	0	0
TOTAL	100 543	0	0	0	0	0	0

Note: No Jobs were evaluated during 2010/2011.

Table 4.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011

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

Note: No Jobs were evaluated during 2010/2011.

Table 4.3 - Employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1. V.C.3)

Total Number of Employees whose salaries exceeded the grade determined by job evaluation in 2010/11	None
---	------

Table 4.4 - Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

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

Note : No Jobs were evaluated during 2010/2011.

4.5 Employment changes

Table 5.1 - Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011

Salary Band	No. of employees per band as on 1 April 2010	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2), Permanent	226	3	91	40,3
Lower skilled (Levels 1-2), Temporary	6	0	1	16,7
Skilled (Levels 3-5), Permanent	6 583	1 863	1 876	28,5
Skilled (Levels 3-5), Temporary	25	0	0	0
Highly skilled production (Levels 6-8), Permanent	51 722	3 438	5 077	9,8
Highly skilled production (Levels 6-8), Temporary	2	0	1	50
Highly skilled supervision (Levels 9-12), Permanent	20 056	51	849	4,2
Senior Management Service Band A, Permanent	51	0	2	3,9
Senior Management Service Band B, Permanent	9	0	0	0
Senior Management Service Band C, Permanent	2	0	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	6 482	1 264	5 459	84,2
Contract (Levels 3-5), Permanent	910	180	727	79,9
Contract (Levels 6-8), Permanent	230	69	210	91,3
Contract (Levels 9-12), Permanent	4	6	2	50
Contract (Band A), Permanent	2	0	2	100
Contract (Band C), Permanent	1	1	2	200
Contract (Band D), Permanent	0	2	1	0
TOTAL	86 312	6 877	14 300	16,6

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

Table 5.2 - Annual turnover rates by critical occupation for the period 1 April 2010 to 31 March 2011

Occupations	No. of employees per band as on 1 April 2010	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Administrative related, Permanent	155	4	8	5,2
All artisans in the building metal machinery etc., Permanent	55	0	14	25,5
Archivists curators and related professionals, Permanent	1	0	0	0
Artisan project and related superintendents, Permanent	2	0	0	0
Auxiliary and related workers, Permanent	26	0	0	0
Boiler and related operators, Permanent	0	0	1	0
Building and other property caretakers, Permanent	43	0	2	4,7
Bus and heavy vehicle drivers, Permanent	17	0	2	11,8
Cleaners in offices workshops hospitals etc., Permanent	3 863	5	232	6
Cleaners in offices workshops hospitals etc., Temporary	4	0	1	25
Client inform clerks(switchb receipt inform clerks), Permanent	12	3	0	0
Communication and information related, Permanent	1	0	0	0
Computer programmers., Permanent	2	0	0	0
Computer system designers and analysts., Permanent	5	0	0	0
Conservation labourers, Permanent	29	0	5	17,2
Custodian personnel, Permanent	4	0	1	25
Diplomats, Permanent	1	0	0	0
Farm hands and labourers, Permanent	19	0	2	10,5
Farming forestry advisors and farm managers, Permanent	3	0	1	33,3
Finance and economics related, Permanent	80	1	2	2,5
Financial and related professionals, Permanent	73	0	2	2,7
Financial clerks and credit controllers, Permanent	417	68	8	1,9

Occupations	No. of employees per band as on 1 April 2010	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Fire fighting and related workers, Permanent	5	0	1	20
Food services aids and waiters, Permanent	203	2	9	4,4
Head of department/chief executive officer, Permanent	10	0	1	10
Household and laundry workers, Permanent	518	13	31	6
Housekeepers laundry and related workers, Permanent	4	0	0	0
Human resources & organisat developm & relate prof, Permanent	74	0	1	1,4
Human resources clerks, Permanent	706	19	18	2,5
Human resources clerks, Temporary	1	0	0	0
Human resources related, Permanent	73	1	4	5,5
Inspectors of apprentices works and vehicles, Permanent	27	0	1	3,7
Librarians and related professionals, Permanent	2	0	0	0
Library mail and related clerks, Permanent	113	21	3	2,7
Light vehicle drivers, Permanent	87	3	3	3,4
Logistical support personnel, Permanent	107	1	1	0,9
Material-recording and transport clerks, Permanent	662	22	11	1,7
Material-recording and transport clerks, Temporary	3	0	0	0
Messengers porters and deliverers, Permanent	40	0	1	2,5
Motor vehicle drivers, Permanent	25	0	2	8
Nursing assistants, Permanent	4	1	0	0
Occupational therapy, Permanent	1	0	0	0
Other administrat & related clerks and organisers, Permanent	1 722	133	33	1,9
Other administrat & related clerks and organisers, Temporary	24	0	1	4,2
Other administrative policy and related officers, Permanent	324	21	14	4,3
Other information technology personnel., Permanent	8	1	0	0

Occupations	No. of employees per band as on 1 April 2010	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Other occupations, Permanent	76 081	6 519	13 854	18,2
Other occupations, Temporary	1	0	0	0
Physiotherapy, Permanent	1	0	0	0
Printing and related machine operators, Permanent	3	0	1	33,3
Professional nurse, Permanent	5	0	0	0
Rank: Education specialist deputy chief (feti), Permanent	1	0	0	0
Rank: Unknown, Permanent	33	0	0	0
Risk management and security services, Permanent	2	0	0	0
Road workers, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	138	33	3	2,2
Security guards, Permanent	244	0	14	5,7
Security officers, Permanent	131	3	5	3,8
Senior managers, Permanent	61	3	6	9,8
Trade labourers, Permanent	16	0	1	6,3
Youth workers, Permanent	39	0	0	0
TOTAL	86 312	6 877	14 300	16,6

Table 5.3 - Reasons why staff are leaving the department

Termination Type	Number	% of Total
Death, Permanent	609	4,3
Resignation, Permanent	983	6,9
Expiry of contract, Permanent	11 340	79,3
Transfers, Permanent	1	0
Discharged due to ill health, Permanent	35	0,2
Dismissal-misconduct, Permanent	131	0,9
Dismissal-inefficiency, Permanent	1	0
Retirement, Permanent	1 150	8
Retirement, Temporary	2	0
Other, Permanent	48	0,3
TOTAL	14 300	100
Total number of employees who left as a % of the total employment		16,6

Table 5.4 – Granting of Employee Initiated Severance Packages

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

Table 5.5 - Promotions by critical occupation

Occupation	Employees as at 01 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	155	5	3,2	73	47,1
All artisans in the building metal machinery etc.	55	0	0	6	10,9
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	2	0	0	1	50
Auxiliary and related workers	26	0	0	10	38,5
Building and other property caretakers	43	0	0	22	51,2
Bus and heavy vehicle drivers	17	0	0	7	41,2
Cleaners in offices workshops hospitals etc.	3 867	0	0	1 524	39,4
Client inform clerks (switchboard inform clerks)	12	0	0	8	66,7
Communication and information related	1	0	0	1	100
Computer programmers.	2	0	0	2	100
Computer system designers and analysts.	5	0	0	1	20
Conservation labourers	29	0	0	4	13,8
Custodian personnel	4	0	0	1	25
Diplomats	1	0	0	1	100
Farm hands and labourers	19	0	0	1	5,3
Farming forestry advisors and farm managers	3	0	0	0	0
Finance and economics related	80	5	6,3	49	61,3
Financial and related professionals	73	0	0	28	38,4
Financial clerks and credit controllers	417	1	0,2	226	54,2
Fire fighting and related workers	5	0	0	0	0

Occupation	Employees as at 01 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Food services aids and waiters	203	0	0	80	39,4
Head of department/chief executive officer	10	0	0	2	20
Household and laundry workers	518	1	0,2	320	61,8
Housekeepers laundry and related workers	4	0	0	1	25
Human resources & organisat developm & relate prof	74	0	0	29	39,2
Human resources clerks	707	0	0	367	51,9
Human resources related	73	0	0	53	72,6
Inspectors of apprentices works and vehicles	27	0	0	11	40,7
Librarians and related professionals	2	0	0	1	50
Library mail and related clerks	113	0	0	70	61,9
Light vehicle drivers	87	0	0	39	44,8
Logistical support personnel	107	1	0,9	13	12,1
Material-recording and transport clerks	665	2	0,3	295	44,4
Messengers porters and deliverers	40	0	0	25	62,5
Motor vehicle drivers	25	0	0	1	4
Nursing assistants	4	0	0	3	75
Occupational therapy	1	0	0	0	0
Other administrat & related clerks and organisers	1 746	0	0	615	35,2
Other administrative policy and related officers	324	0	0	124	38,3
Other information technology personnel.	8	0	0	5	62,5
Other occupations	76 082	521	0,7	53,022	69,7
Physiotherapy	1	0	0	0	0
Printing and related machine operators	3	0	0	1	33,3

Occupation	Employees as at 01 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Professional nurse	5	0	0	2	40
Rank: Education specialist deputy chief (feti)	1	0	0	0	0
Rank: Unknown	33	0	0	0	0
Risk management and security services	2	0	0	2	100
Road workers	1	0	0	0	0
Secretaries & other keyboard operating clerks	138	0	0	74	53,6
Security guards	244	0	0	66	27
Security officers	131	0	0	11	8,4
Senior managers	61	5	8,2	1	1,6
Trade labourers	16	0	0	6	37,5
Youth workers	39	0	0	3	7,7
TOTAL	86 312	541	0.6	57 207	66,3

Table 5.6 - Promotions by salary band

Salary Band	Employees as at 01 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1-2), Permanent	226	0	0	1 880	831,9
Lower skilled (Levels 1-2), Temporary	6	0	0	0	0
Skilled (Levels 3-5), Permanent	6 583	8	0.1	4 075	61,9
Skilled (Levels 3-5), Temporary	25	0	0	1	4
Highly skilled production (Levels 6-8), Permanent	51 722	76	0.1	41 453	80,1
Highly skilled production (Levels 6-8), Temporary	2	0	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	20 056	440	2.2	9 796	48,8
Senior management (Levels 13-16), Permanent	63	6	9.5	0	0
Contract (Levels 1-2), Permanent	6 482	1	0	1	0
Contract (Levels 3-5), Permanent	910	1	0.1	0	0
Contract (Levels 6-8), Permanent	230	7	3	0	0
Contract (Levels 9-12), Permanent	4	2	50	1	25
Contract (Levels 13-16), Permanent	3	0	0	0	0
TOTAL	86 312	541	0.6	57 207	66,3

4.6 Employment equity

Table 6.1 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2011

Occupational Categories	Male					Female					TOTAL
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian	TOTAL AFRICAN FEMALES	White	
Legislators, senior officials and managers, Permanent	46	4	2	52	1	0	2	0	22	5	80
Professionals, Permanent	16 436	1 699	170	18 305	978	42 415	2 569	215	45 199	2 558	67 040
Technicians and associated professionals, Permanent	197	6	1	224	12	352	15	0	367	26	629
Clerks, Permanent	870	54	0	924	12	2 599	239	5	2 843	207	3 986
Clerks, Temporary	0	0	0	0	0	0	4	0	4	23	27
Service and sales workers, Permanent	292	47	0	339	1	35	1	0	36	1	377
Craft and related trades workers, Permanent	41	6	0	47	2	21	0	0	21	0	70
Plant and machine operators and assemblers, Permanent	104	10	0	114	5	6	1	0	7	0	126
Elementary occupations, Permanent	2 525	321	0	2 846	40	9 771	633	2	10 406	168	13 460
Elementary occupations, Temporary	0	0	0	0	0	0	2	0	2	1	3
Other, Permanent	3	0	0	3	1	7	0	0	7	1	12
TOTAL	20 514	2 167	173	22 854	1 052	55 226	3 466	222	58 914	2 990	85 810
Employees with disabilities	46	4	1	51	0	67	11	1	79	12	151

Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2011

Occupational Categories	Male						Female				TOTAL
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian	TOTAL AFRICAN FEMALES	White	
Top Management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Senior Management, Permanent	38	4	2	44	1	13	1	0	14	3	62
Professionally qualified and experienced specialists and mid-management, Permanent	5 742	986	134	6 862	672	10 404	819	120	11 343	1 177	20 054
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	11 403	817	34	12 254	322	34 621	1 965	99	36 685	1 612	50 873
Semi-skilled and discretionary decision making, Permanent	2 696	329	3	3 028	51	2 576	404	1	2 981	110	6 170
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	3	0	3	21	24
Unskilled and defined decision making, Permanent	64	1	0	65	1	86	2	0	88	2	156
Unskilled and defined decision making, Temporary	0	0	0	0	0	0	3	0	3	1	4
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1

Occupational Categories	Male					Female					TOTAL
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian	TOTAL AFRICAN FEMALES	White	
	Contract (Professionally qualified), Permanent	3	0	0	3	0	3	0	0	3	
Contract (Skilled technical), Permanent	49	5	0	54	0	276	4	0	280	0	334
Contract (Semi-skilled), Permanent	124	9	0	133	1	934	11	0	945	6	1,085
Contract (Unskilled), Permanent	392	16	0	408	4	6,312	254	2	6,568	57	7,037
TOTAL	20 514	2 167	173	22 854	1 052	55 226	3 466	222	58 914	2 990	85 810

Table 6.3 - Recruitment for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				TOTAL		
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian		TOTAL AFRICAN FEMALES	White
Professionally qualified and experienced specialists and mid-management, Permanent	6	19	0	25	6	9	8	0	17	3	51
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	965	89	8	1 062	79	1 749	192	12	1 953	344	3 438
Semi-skilled and discretionary decision making, Permanent	649	24	2	675	14	1 088	54	2	1 144	30	1 863
Unskilled and defined decision making, Permanent	3	0	0	3	0	0	0	0	0	0	3
Contract (Top Management), Permanent	2	1	0	3	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	3	0	0	3	0	2	0	0	2	1	6
Contract (Skilled technical), Permanent	18	1	0	19	0	50	0	0	50	0	69
Contract (Semi-skilled), Permanent	34	2	0	36	0	141	3	0	144	0	180
Contract (Unskilled), Permanent	157	8	0	165	0	1 043	48	0	1 091	8	1 264
TOTAL	1 837	144	10	1 991	99	4 082	305	14	4 401	386	6 877
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

Table 6.4 - Promotions for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male					Female					TOTAL
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian	TOTAL AFRICAN FEMALES	White	
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	5	0	0	5	0	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management, Permanent	3 574	534	61	4 169	492	4,599	355	47	5 001	574	10 236
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8 761	828	77	9 666	302	28 313	1 717	133	30 163	1,440	41 571
Semi-skilled and discretionary decision making, Permanent	1 015	52	3	1 070	21	2 714	172	5	2 891	107	4 089
Unskilled and defined decision making, Permanent	670	206	0	876	8	769	214	0	983	13	1 880
Contract (Professionally qualified), Permanent	1	0	0	1	0	2	0	0	2	0	3

Occupational Bands	Male				Female				TOTAL		
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian		TOTAL AFRICAN FEMALES	White
Contract (Skilled technical), Permanent	0	0	0	0	0	7	0	0	7	0	7
Contract (Semi-skilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Unskilled), Permanent	0	0	0	0	0	1	1	0	2	0	2
TOTAL	14 027	1 620	141	15 788	823	36 406	2 459	185	39 050	2 134	57 795
Employees with disabilities	33	3	1	37	7	42	7	1	50	9	103

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

Table 6.5 - Terminations for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male					Female					TOTAL
	African	Coloured	Indian	TOTAL AFRICAN MALES	White	African	Coloured	Indian	TOTAL AFRICAN FEMALES	White	
	Senior Management, Permanent	0	1	0	1	0	1	0	0	1	
Professionally qualified and experienced specialists and mid-management, Permanent	217	46	9	272	31	438	43	4	485	61	849
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1 605	141	30	1 776	104	2,397	287	30	2 714	483	5 077
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	0	0	1	1
Semi-skilled and discretionary decision making, Permanent	748	46	2	796	20	951	68	2	1 021	39	1 876
Unskilled and defined decision making, Permanent	47	5	0	52	0	35	4	0	39	0	91
Unskilled and defined decision making, Temporary	0	0	0	0	0	0	1	0	1	0	1

Occupational Bands	Male						Female						TOTAL		
	African		Coloured		Indian		TOTAL AFRICAN MALES		White		TOTAL AFRICAN FEMALES			White	
Contract (Top Management), Permanent	2	1	0	0	0	0	3	0	0	0	0	0	0	0	3
Contract (Senior Management), Permanent	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2
Contract (Skilled technical), Permanent	26	5	0	0	0	0	31	1	176	2	0	0	178	0	210
Contract (Semi-skilled), Permanent	86	8	0	0	0	0	94	1	617	11	0	0	628	4	727
Contract (Unskilled), Permanent	292	15	0	0	0	0	307	2	4 892	205	1	0	5 098	52	5 459
TOTAL	3 025	268	41	0	0	0	3 334	159	9 508	621	37	0	10 166	641	14 300
Employees with disabilities	3	0	0	0	0	0	3	1	4	0	0	0	4	1	9

Table 6.6 - Disciplinary action for the period 1 April 2010 to 31 March 2011

Disciplinary action	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	111	15	0	3	60	4	0	0	193

Table 6.7 - Skills development for the period 1 April 2010 to 31 March 2011

Occupational Categories	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	28	0	3	1	27	0	0	2	29
Professionals	3 401	729	243	486	3 651	782	281	522	5 236
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	126	27	9	18	267	57	19	38	381
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	81	17	6	12	50	11	4	7	72
TOTAL	3 636	773	261	517	3 995	850	304	569	5 718
Employees with disabilities	6	8	4	0	9	10	5	1	25

4.7 Performance rewards

Table 7.1 - Performance Rewards by race, gender and disability, 1 April 2010 to 31 March 2011

Demographics	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
African, Female	62	55 159	0,1	226	3,644
African, Male	16	20 468	0,1	88	5,513
Asian, Female	0	221	0	0	0
Asian, Male	0	172	0	0	0
Coloured, Female	2	3 455	0,1	10	4 986
Coloured, Male	1	2 163	0	7	7 118
Total Blacks, Female	64	58 835	0,1	236	3 686
Total Blacks, Male	17	22 803	0,1	95	5 608
TOTAL BLACKS	81	81 638	0,1	331	4 086
White, Female	1	2 978	0	7	7 118
White, Male	1	1 043	0,1	22	22 363
TOTAL	83	85 810	0,1	361	4 346
Employees with a disability	0	151	0	0	0

Note 1: Only Public Service Act employees with assessment ratings above 3 are eligible for PMDS performance rewards.

Note 2: PMDS / Performance bonuses paid are in respect of the 2008/2009 financial year backlog payments as the 2009/2010 PMDS assessment had not been paid in 2010/2011.

Table 7.2 - Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011

Salary Band	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	6	146	4.1	19	3 194
Skilled (Levels 3-5)	48	6 194	0.8	152	3 172
Highly skilled production (Levels 6-8)	24	50 887	0	120	5 005
Highly skilled supervision (Levels 9-12)	5	20 054	0	69	13 838
Contract (Levels 1-2)	0	7 037	0	0	0
Contract (Levels 3-5)	0	1 085	0	0	0
Contract (Levels 6-8)	0	334	0	0	0
Contract (Levels 9-12)	0	7	0	0	0
Periodical Remuneration	0	1 038	0	0	0
Abnormal Appointment	0	2 793	0	0	0
TOTAL	83	89 575	0.1	360	4 346

Table 7.3 - Performance Rewards by critical occupations, 1 April 2010 to 31 March 2011

Critical Occupations	Number of Beneficiaries	Number of Employees	% of total within occupation	Cost (R'000)	Average cost per employee
Administrative related,	1	158	0,6	15	15 194
All artisans in the building metal machinery etc.,	0	41	0	0	0
Archivists curators and related professionals,	0	1	0	0	0
Artisan project and related superintendents,	0	2	0	0	0
Auxiliary and related workers,	0	26	0	0	0
Building and other property caretakers,	0	43	0	0	0
Bus and heavy vehicle drivers,	0	15	0	0	0
Cleaners in offices workshops hospitals etc.,	49	3 680	1,3	157	3 196
Client inform clerks(switchb receipt inform clerks),	0	15	0	0	0
Computer programmers	0	3	0	0	0
Computer system designers and analysts.,	0	5	0	0	0
Conservation labourers	0	22	0	0	0
Diplomats	0	1	0	0	0
Farm hands and labourers,	0	16	0	0	0
Farming forestry advisors and farm managers,	0	2	0	0	0
Finance and economics related,	3	80	3,8	25	8 299
Financial and related professionals,	2	84	2,4	8	3 761
Financial clerks and credit controllers,	3	471	0,6	14	4 730
Fire fighting and related workers	0	4	0	0	0
Food services aids and waiters,	1	198	0,5	3	3 199
Head of department/chief executive officer,	0	10	0	0	0
Household and laundry workers,	1	502	0,2	3	3 466
Housekeepers laundry and related workers,	0	4	0	0	0
Human resources & organisat developm & relate prof,	2	74	2,7	13	6 589
Human resources clerks,	1	670	0,1	2	1 603
Human resources related,	1	74	1,4	11	10 559

Critical Occupations	Number of Beneficiaries	Number of Employees	% of total within occupation	Cost (R'000)	Average cost per employee
Inspectors of apprentices works and vehicles,	0	27	0	0	0
Librarians and related professionals,	0	2	0	0	0
Library mail and related clerks,	0	128	0	0	0
Light vehicle drivers,	0	88	0	0	0
Logistical support personnel,	1	98	1	6	5,971
Material-recording and transport clerks,	3	678	0,4	14	4,513
Messengers porters and deliverers,	1	39	2,6	3	3,167
Motor vehicle drivers,	0	21	0	0	0
Nursing assistants,	0	5	0	0	0
Occupational therapy,	0	1	0	0	0
Other administrat & related clerks and organisers,	7	1 886	0,4	44	6,248
Other administrative policy and related officers,	2	339	0,6	8	3,779
Other information technology personnel.,	0	9	0	0	0
Other occupations,	2	75 616	0	5	2,491
Physiotherapy,	0	1	0	0	0
Printing and related machine operators,	0	2	0	0	0
Professional nurse,	0	5	0	0	0
Rank: Unknown	0	18	0	0	0
Rank: management and security services	0	2	0	0	0
Road workers	0	1	0	0	0
Secretaries & other keyboard operating clerks,	1	164	0,6	2	1,915
Security guards,	0	231	0	0	0
Security officers,	1	131	0,8	7	7,118
Senior managers,	0	62	0	0	0
Trade labourers,	0	15	0	0	0
Youth workers,	1	40	2,5	22	22 363
TOTAL	83	85 810	0,1	362	4 346

Table 7.4 - Performance related rewards (cash bonus) by salary band, for Senior Management Service

SMS Band	Beneficiary Profile		Total Cost	Average cost per employee	% of SMS Wage Bill	Personnel Cost SMS (R'000)
	Number of Beneficiaries	Number of employees				
Band A	0	52	0	0	0	0
Band B	0	10	0	0	0	0
Band C	0	2	0	0	0	0
Band D	0	2	0	0	0	0
TOTAL	0	66	0	0	0	0

4.8 Foreign workers

Table 8.1 - Foreign Workers, 1 April 2010 to 31 March 2011, by salary band

Salary Band	01 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% of total
Skilled (Levels 3-5)	65	5,9	4	0,8	-61	9,9
Highly skilled production (Levels 6-8)	733	66,2	201	41,1	-532	85,9
Highly skilled supervision (Levels 9-12)	298	26,9	278	56,9	-20	3,2
Senior management (Levels 13-16)	1	0,1	0	0	-1	0,2
Contract (Levels 1-2)	5	0,5	3	0,6	-2	0,3
Contract (Levels 3-5)	0	0	1	0,2	1	-0,2
Contract (Levels 9-12)	1	0,1	1	0,2	0	0
Abnormal Appointment	5	0,5	1	0,2	-4	0,6
TOTAL	1,108	100	489	100	-619	100

Table 8.2 - Foreign Worker, 1 April 2010 to 31 March 2011, by major occupation

Major Occupation	01 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% of total
Administrative office workers	2	0,2	2	0,4	0	0
Information technology personnel	1	0,1	1	0,2	0	0
Other occupations	1102	99,5	484	99	-618	99,8
Professionals and managers	3	0,3	2	0,4	-1	0,2
TOTAL	1 108	100	489	100	-619	100

4.9 Leave utilization for the period 1 January 2010 to 31 December 2010

Table 9.1 - Sick leave, 1 January 2010 to 31 December 2010

Salary Band	Total Days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	642	92,2	65	0,2	10	151
Skilled (Levels 3-5)	19 245	85	2 470	6,1	8	4 887
Highly skilled production (Levels 6-8)	190 996	77,7	26 618	66,1	7	107 517
Highly skilled supervision (Levels 9-12)	79 571 5	78,8	10 919	27,1	7	74 675
Senior management (Levels 13-16)	202	91,1	31	0,1	7	528
Contract (Levels 1-2)	424	62,3	112	0,3	4	84
Contract (Levels 3-5)	5	100	2	0	3	1
Contract (Levels 6-8)	76	77,6	19	0	4	38
Contract (Levels 9-12)	16	43,8	3	0	5	28
Contract (Levels 13-16)	2	0	1	0	2	5
Not Available	10	90	1	0	10	10
TOTAL	291 189 5	78,5	40 241	100	7	187 924

Table 9.2 - Disability leave (temporary and permanent), 1 January 2010 to 31 December 2010

Salary Band	Total Days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	299	100	3	0.2	100	71
Skilled (Levels 3-5)	4 326	100	57	4.6	76	1 121
Highly skilled production (Levels 6-8)	50 537	100	807	64.7	63	29 643
Highly skilled supervision (Levels 9-12)	27 400	100	379	30.4	72	24 486
Contract (Levels 1-2)	28	100	1	0.1	28	6
Contract (Levels 6-8)	5	100	1	0.1	5	3
TOTAL	82 595	100	1 248	100	66	55 330

Table 9.3 - Annual leave, 1 January 2010 to 31 December 2010

Salary Band	Total days taken	Average days per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	543 26	10	57
Skilled (Levels 3-5)	36 806 61	15	2 433
Highly skilled production (Levels 6-8)	67 054 04	14	4 918
Highly skilled supervision (Levels 9-12)	44 502 08	16	2 713
Senior management (Levels 13-16)	981	17	57
Contract (Levels 1-2)	276	3	87
Contract (Levels 3-5)	143	11	13
Contract (Levels 6-8)	366	11	33
Contract (Levels 9-12)	73	18	4
Contract (Levels 13-16)	17	4	4
TOTAL	150 761 99	15	10 319

Table 9.4 - Capped leave, 1 January 2010 to 31 December 2010

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010
Lower skilled (Levels 1-2)	1	1	82
Skilled (Levels 3-5)	442	6	71
Highly skilled production (Levels 6-8)	5 993	4	65
Highly skilled supervision (Levels 9-12)	4 461	4	88
Senior management (Levels 13-16)	5	2	109
TOTAL	10 902	4	74

Table 9.5 - Leave payouts for the period 1 April 2010 to 31 March 2011

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Capped leave payouts on termination of service for 2010/11	28 700	3 304	8 686
Current leave payout on termination of service for 2010/11	9	1	9 000
TOTAL	28 709	3 305	8 687

4.10 HIV and AIDS & health promotion programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<ul style="list-style-type: none"> • Fieldworkers • Educators living away from their families due to redeployment. • Departmental Drivers who often have to ferry other employees to various destinations sometimes forcing them to be away from their families for weeks on end. 	<ul style="list-style-type: none"> • Up-scaling VCT so that people are aware of their status and can seek assistance. • Acceleration of precautionary measures through the provision of First Aid Kits (which include condoms) for GG vehicles to ensure that employees are protected from contracting HIV AIDs in case of accidents on the road. • Regular talks targeting behaviour modification to assist developing an internal focus of control for the employee attitudes towards HIV and AIDS.

TABLE 10.2 – Details of Health Promotion and HIV and 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.		✓	
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.		✓	<p>The HIV and AIDS programme during the year under review was taken care of by the EAP coordinator who in turn is assisted by seconded officials at Head Office and in the Districts.</p> <p>Budget - R1 000 000</p>

Question	Yes	No	Details, if yes
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.	✓		<ul style="list-style-type: none"> • Provide prevention programmes in the form of health promotion and health education, as well as HCT & TB Screening. • Provide treatment, care and support in the form of counselling and GEMS advocacy with the purpose of facilitating the enrolment of those infected in the DMP.
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.		✓	
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.		✓	
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.	✓		<ul style="list-style-type: none"> • Upholding the confidentiality principle throughout the access to treatment, care and support processes. • Ensuring anonymity during our HCT sessions placing no emphasis at all on the names of participants and putting all the emphasis on statistics. • Identification of infected employees is protected during the referral process (names are kept strictly confidential by the referring specialist).
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		There has been a steady increase over the past few years in the number of employees who undergo HCT.

Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<ul style="list-style-type: none"> In 2007 the Department embarked on a needs assessment to establish a baseline which will be evaluated during the current financial year (after 33 years). Monthly Reports Quarterly Reports Annual Report

4.11 Labour relations

Table 11.1 - Collective agreements, 1 April 2010 to 31 March 2011

Total collective agreements	None
-----------------------------	------

Table 11.2 - Misconduct and disciplinary hearings finalized, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearing	Num ber	% of total
Discharged	62	32.12
Final written warning	19	9.84
One month suspension without pay and final written warning	18	9.33
One month suspension without pay	18	9.33
Two months suspension without pay and final written warning	13	6.74
Acquitted	7	3.63
Three months suspension without pay and final written warning	6	3.11
Demotion	6	3.11
Three months suspension without pay	6	3.11
Two months suspension without pay	8	4.15
Fine of R 8,000.00 and final written warning	4	2.07
Fine of R 1,000.00 and final written warning	3	1.55
Three months suspension without pay and counseling	3	1.55
Final written warning and three months suspension without pay, suspended for six months, a fine of one month salary	2	1.04
Case withdrawn	2	1.04
Two months suspension without pay counseling and final written warning	1	0.52
Three months suspension without pay, counseling and final written warning	1	0.52
One month suspension without pay and counselling	1	0.52
One month suspension without pay, final written warning and counseling	1	0.52
Fine of R 500.00 and final written warning	1	0.52
Fine of R 5,000.00	1	0.52
Fine of R 4,000.00 and final written warning	1	0.52
Fine of R 2,500.00 and final written warning	1	0.52
Fine of R 1,200.00, counseling and final written warning	1	0.52
Fine of one month's salary, counseling and final written warning	1	0.52
Fine of one month's salary and final written warning	1	0.52

Outcomes of disciplinary hearing	Number	% of total
Final written warning and three months suspension without pay, suspended for six months	1	0.52
Final written warning and one month suspension without pay suspended for a year	1	0.52
Final written warning and one month's suspension without pay suspended for six months	1	0.52
Final written warning and counselling	1	0.52
Counselling	1	0.52
Total	193	100

Note: Above 62 Discharged cases excludes the ECD practitioners irregularly appointed and whose services were terminated from PERSAL using the Discharged: Dismissal termination category description, as there terminated cases were not as a result of a disciplinary hearing outcome.

Table 11.3 - Types of misconduct addressed at disciplinary hearings, 1 April 2010 to 31 March 2011

Type of misconduct	Number	% of total
Absenteeism	69	35.75
Failed to carry out a lawful order or instruction without just or reasonable cause	18	9.33
Fraud (Social Development)	17	8.81
Financial Mismanagement	13	6.74
Fraud	9	4.66
Assault	9	4.66
Sexual assault	8	4.15
Insolent behavior	7	3.63
Negligence	6	3.11
Sexual harassment	5	2.59
Misuse of state property	4	2.07
Fraud (Capturing fraudulent transactions)	3	1.55
Falsification of records or documents	3	1.55
Dishonesty	3	1.55
Theft	2	1.04
Sexual relationship with a learner	2	1.04
Prejudice	2	1.04
Failure to carry out a lawful order	2	1.04

Type of misconduct	Number	% of total
Corporal punishment	2	1.04
Victimization	1	0.52
Unjustifiably prejudices the administration of the Department	1	0.52
Rape	1	0.52
Misuse of position	1	0.52
Insubordination	1	0.52
Falsified records and inflated learner numbers	1	0.52
Discrimination	1	0.52
Damage of state property	1	0.52
Committed a common law offence	1	0.52
Total	193	100

Table 11.4 - Grievances lodged for the period, 1 April 2010 to 31 March 2011

STATUS OF CASE	Number	% of total
Resolved	23	52.27
Unresolved	21	47.73
Grand Total	44	100

Table 11.5 - Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011

CURRENT STATUS	Number	% of total
Number of disputes pending	42	77.78
Number of disputes dismissed	4	7.41
Number of disputes settled	3	5.56
Number of disputes withdrawn	2	3.70
Number of disputes upheld	2	3.70
Employee deceased	1	1.85
Total number of disputes lodged	54	100

Table 11.6 - Strike actions for the period 1 April 2010 to 31 March 2011

Total number of person working days lost	602 665
Total cost(R'000) of working days lost	R208 295 517
Amount (R'000) recovered as a result of no work no pay	R208 295 517

Note: Above figures is only in respect of actual February 2011 and March 2011 strike deductions recovered during 2010/2011.

Table 11.7 - Precautionary suspensions for the period 1 April 2010 to 31 March 2011

Number of people suspended	32
Number of people whose suspension exceeded 60 days	24
Average number of days suspended	150
Cost (R'000) of suspensions	R 7 384 053

4.12 Skills development

Table 12.1 - Training needs identified 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	20		X		334
	Male	45				
Professionals	Female	49 590	X	X	X	4 186
	Male	16 943				
Technicians and associated professionals	Female	286				
	Male	137				
Clerks	Female	7 731		X	X	2 304
	Male	3 529				
Craft and related trades workers	Female	42				
	Male	45				
Plant and machine operators and assemblers	Female	79		X	X	1 488
	Male	62				
Elementary occupations	Female	5 223				
	Male	4 055				
Sub Totals	Female	62 971				
	Male	24 816				
Total		87 787				8 312

Table 12.2 - Training provided 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	20		X		27
	Male	45				32
Professionals	Female	49 590	X	X		5 216
	Male	16 943				4 859
Technical and associated professionals	Female	286				
	Male	137				
Clerks	Female	7 731		X	X	381
	Male	3 529				180
Craft and related trades workers	Female	42				
	Male	45				
Plant and machine operators and assemblers	Female	79				
	Male	62				
Elementary occupations	Female	5 223				
	Male	4 055				72
Sub Totals	Female	62 971		X		116
	Male	24 816				
Total		87 787				10 905

Table 13.1 - Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	32	97
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	3
TOTAL	33	100

Concluding Remarks

In line with the Medium Term Strategic Framework, the Schooling 2025 and the ministerial Delivery Agreement the Department will address particular priorities in the 2011/12 financial year. The Department will seek to improve the quality of education and its performance. The focus for the new financial year will be on the following critical areas:

- Audit readiness programme through the review, implementation and monitoring of the audit rectification plan, strengthening of internal controls and strengthening and decentralisation of internal audit and risk management.
- To ensure there is reliable information to support decision making through data collection and storage tools for physical learner headcount, 2011 snap survey and implementation of birth certificate policy in all grades physical employee number verification.
- To enhance communication through participation of middle management and principals in key decisions, establishment of joint forums (e.g. corporate services).
- Alignment of Education Districts with municipal boundaries and the review of the organisational structure.
- Strengthening of financial management and supply chain management at the head office, districts and schools through proper budgeting, procurement, expenditure and asset management (conditional grants, transfer payments) and financial reporting
- To ensure fraud prevention is strengthened including detection, investigation, prosecution and recovery.

The improvement in the quality of teaching and learning in all public schools to realize improved learner performance at Grades 3, 6, 9 and 12. The Department and its partners are committed to achieving a 65% pass rate for the 2011 class and undertaken to conduct regular assessments of learners in Grades 3, 6, 11 and 12 through common examination. In line with this priority critical education support services process will be strengthened. This includes implementation of the new school nutrition model and strengthening the provision of scholar transport to deserving learners. The Department will bolster the implementation of a comprehensive education development programme and strengthening management capacity and leadership skills for curriculum delivery in pursuit of improved quality of teaching and learning.

Finalisation of post provisioning process will be a key focal area to ensure that schools have adequate educators timeously. Similarly, the Department has committed itself to ensure that all staff are optimally utilised. To this end all cases of excess teachers hindering permanent placement of teachers in vacant posts will be resolved by the first half of the financial year. With the assistance various stakeholders, including the National Department of Basic Education, the Department commits to accelerate the process of providing appropriate school infrastructure including provisioning of information communication technology (ICT) for e-learning and e-administration.

Furthermore, efforts to heighten awareness of education as a societal issue will be heightened through a number of programmes which include the “adopt a school campaign” and the quality teaching and learning campaign. Continuous monitoring will take place to ensure that these schools

meet education quality and performance standards required for registration and safe funding. To strive to attain the level of funding which is in line with National Norms and Standards of School Funding

Inclusive Education focuses on eliminating all forms of barriers to learning so as to enable all learners to access education and receive support. The focus of this programme is to identify, screen, assess and appropriately place learners. District Based Support Teams (DBSTs) in all Districts will be empowered to enable them to effectively discharge their function of enforcing the implementation of Inclusive Education policies by rendering appropriate support to educators.

The objective of the ECD Programme is to increase admission, participation and success particularly in rural areas. To this end, the attachment of Grade R classes to Public Primary Schools in compliance with Education White Paper 5 remains a priority to ensure that all 5 year olds go through a Reception year Programme (Grade R) by 2014. Provisioning of resources, that is, LTSM, furniture and outdoor play equipment will be expedited in the planned financial year. The Department acknowledges that the infrastructure currently used is inappropriate for the ECD age group. The implementation of the Grade R Norms and Standards for funding the provisioning of Grade R facilities to primary schools will go a long way in advancing the objective. To this end, all newly built primary school will have Grade R facilities and appropriate facilities will be provided to existing primary schools. With regards to Teacher Development the Department has prioritised the provisioning of accredited training to Pre-Grade R and Grade R practitioners.

A major priority of the Department is to ensure the efficient management of the Grade 3, 6, 9, 11, 12, ABET Level 4 and NATED 550 Examinations, which are monitored for compliance by national and provincial structures. The Department commit itself to strengthening the analysis of results for all Grades from 1 to 12 on an annual basis to inform planning and the development of targeted approaches to improve learner performance.

Maintaining the integrity of the examination remains key priority. The Department will intensify its monitoring of the registration of Examination Centres, and learner candidates to ensure they all meet policy requirement. Security of all District examination facilities will be heightened and staff will be trained on the Integrated Examination Computerised System (IECS) with the intension of improving efficiency in this area. Specific emphasis will also be placed on the efficient and effective management of school promotion and progression schedules from Grades 1 to 11 and this shall be an integral part of the strategy to monitor and support implementation of School-Based Assessment (SBA) in both GET and FET Schools.

The Department will develop and distribute CAPS compliant life skills and Sexual Reproductive Health curricula and educator materials to support the implementation of HIV counselling and testing (HCT) and other HIV and AIDS campaigns. Achieving an AIDS free generation requires a concerted effort to harness the efforts of all stakeholders. To this end the Department will continue with its advocacy programme involving other Departments, communities and organisations outside the public sector.

LIST OF ACRONYMS

ABET	Adult Basic Education & Training
ABETA	Adult Basic Education & Training Act
ACE	Advanced Certificate in Education
AFS	Annual Financial Statement
AIDS	Acquired Immune Deficiency Syndrome
ANA	Annual National Assessment
ASER	Age Specific Enrolment Rate
ASIDI	Accelerated School Infrastructure Development Initiative
CAPS	Curriculum Assessment Policy Statement
CoE	Compensation of Employees
DBE	Department of Basic Education
DBST	District Based Support Team
DCES	Deputy Chief Education Specialist
DTAP	Departmental Turnaround Plan
DoRA	Division of Revenue Act
DVD	Digital Video Disc
DWAF	Department of Water Affairs
ECD	Early Childhood Development
ECDE	Eastern Cape Department of Education
ECSEA	Eastern Cape Schools Education Act
EDO	Education Development Officer
EFMS	Electronic Facilities Management System
ELRC	Education Labour Relations Council
EMIS	Education Management Information System
ESKOM	Electricity Supply Commission
ETDP-SETA	Education, Training & Development Practices – Sector Education & Training Authority
FET	Further Education & Training
FETC	Further Education & Training College
GET	General Education & Training
Grade R	Reception Grade – in the year before Grade 1

HCT	HIV/AIDS Counselling & Testing
HDI	Historically Disadvantaged Individuals
HEIs	Higher Education Institutions
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR-ReMS	Human Resource Record Management System
ICS	Information & Communication Services
ICT	Information & Communications Technology
IECS	Integrated Examination Computerised System
IGP	Infrastructure Grant Programme
IQMS	Integrated Quality Management System
LAIS	Learner Attainment Improvement Strategy
LIEP	Language in Education Policy
LOLT	Language of Learning & Teaching
LSEN	Lerner with Special Educat6ional Needs
LTSM	Learning & Teaching Support Material
LURITS	Learner Unit Record Information Tracking System
MEC	Member of the Executive Council
MTBBE	Mother-Tongue Based Bilingual Education
NCS	National Curriculum Statement
NC(V)	National Certificate (Vocational)
NDBE	National Department of Basic Education
NEIMS	National Education Infrastructure Management System
NGOs	Non-Governmental Organisations
NQF	National Qualification Framework
NSC	National Senior Certifricate
NSNP	National School Nutrition Programme
NTA	National Teacher Award
OSA	Occupation Specific Allowance
OVC	Orphans & Vulnerable Children
PA	Performance Agreement

PABX	Public Access Branch Exchange
PCCC	Provincial Curriculum Co-ordination Committee
PCG	Provincial Curriculum Guidelines
PELRC	Provincial Education Labour Relations Council
PERSAL	Personnel & Salary System
PFMA	Public Finance Management Act, 199 (Act No. 1 of 1999), as amended
PGP	Professional Growth Plan
PM	Performance Measure
PMDs	Performance Management Development System
PPM	Provincial Performance Measure
QUIDT-UP	Quality Improvement Development Support & Upliftment
RCL	Representative Council of Learners
SAQA	South African Qualification Accreditation
SASA	South African Schools Act (Act No. 84 of 1996)
SA-SAMS	South African Schools' Administration & Management System
SCOA	Standard Chart of Accounts
SES	Subject Education Specialist
SETA	Sector Education & Training Authority
SGB	School Governing Body
SHERQ	Safety, Health, Environment, Risk & Quality
SIAS	Screening, Identification, Assessment & Support
SITA	State Information Technology Agency
SMT	School Management Team
SNP	School Nutrition Programme

ACKNOWLEDGEMENTS:

Title: Province of the Eastern Cape, Education Department
Annual Report for the 2010/11 Financial Year

ISBN: 978-0-621-40391-6

Compiler: IC Bellingan

Assisted by: R Chigume
Dr AH Heckroodt

Programme Co-ordination and Quality Assurance:

Programme 1: Ms MP Mdikane

Programme 2: Ms N Skenjana

Programme 3: Z Ngaba

Programme 4: Z Ngaba

Programme 5: TK Tshwentshwe

Programme 6: TK Tshwentshwe

Programme 7: Ms N Skenjana

Programme 8: SP Govender

Z Ngaba

The Directorate: Strategic Planning, Policy, Research and Secretariat Services

The Chief Directorate: Strategic Management, Monitoring and Evaluation

Eastern Cape Department of Education

Telephone: 040 608 4050

Fax: 040 608 4574

email: bellingan.izak@gmail.com