



Hon J Makgato
MEC: EDUCATION

foreword | BY THE MEMBER OF THE EXECUTIVE COUNCIL

The Department commissioned the compilation of a 10-year strategic framework called, A Transformation Agenda for the Eastern Cape Department of Education 2005-2014. The Transformation Agenda outlines and seeks to foster an in-depth understanding of the circumstances which have defined the course of the Department over the last 13 years, and the challenges which must be overcome if its transformation agenda for the eight years up to 2014 is to be realized.

The Annual Performance Plan for 2006/07 to 2008/09 is also an expression of our commitment to align our programmes to the Provincial Growth and Development Plan (PGDP) priorities, in particular to address skills shortages in Government, restructure the educational programmes of Further Education and Training (FET), Adult Basic Education and Training (ABET), Early Childhood Development (ECD) and evolve a comprehensive Human Resource Development (HRD) strategy through learnership programmes. By now it is a well known fact that the most serious threat to the sustainable growth and development of our economy in the Province is the skills barrier. My Department is serious about undertaking key development programmes in order to empower people with knowledge and skills for the growing economy as required by the Accelerated Shared Growth Initiative of South Africa (ASGISA).

Over and above the Provincial priorities, the Department's Strategic and Annual Performance Plans reflect the priorities set by the National Department of Education. The plan further outlines our strategy to turn this Department into an organization capable of delivering quality services in a manner that is well-timed, relevant and responsive to the developmental needs of the Province and the country in general. The Department is committed to rolling out its service delivery model articulated in previous plans by establishing adequately resourced and capacitated District Offices.

During the academic year 2006, the improvement in the matriculation results from 56.7% in 2005 to 59.3% was as a result of an intensive learner attainment strategy focusing on underperforming schools with the aim of increasing the pass rate by 5% year on year until the national average pass rate is reached. The fluctuating and below average performance in the matriculation examinations in the Eastern Cape can no longer be justified in the light of urgently needed human capital development in our Province.

The FET Colleges, of which there are 8, with a total of 31 campus sites, play a vital role in the development of technical and vocational skills required to support our developing economy. The introduction of a recapitalisation programme in the year under review has contributed greatly to the growth of this sector. The ABET sector remains key in the improvement of adult literacy in order to meet the PGDP target of improving literacy by 50% by the year 2014. Up to 50% of the population of our province can be considered illiterate. The Provincial Literacy Programme has been implemented in order to achieve our 2014 target. Despite this intervention, the literacy rate still remains high and a rigorous social mobilization strategy is being implemented in order to publicize the need for illiteracy eradication at community levels.

Strong commitment by the Department to White Paper 5 to extend access to Grade R, and rapidly increasing funding for the ECD sector have enabled the Department to increase access from a baseline of 45% of learners in the 2004/05 year to 85.4% in the 2006/07 year. Coupled with this increased access is the training of ECD practitioners up to NQF Level 4, which requires a significant financial commitment from the Department over the MTEF cycle.

Only 85% of Learner Teacher Support Material (LTSM) was delivered to schools by the first school day of the 2007 academic year. This remains unsatisfactory, as the target is to ensure that all schools have LTSM on the first day of the school year. Measures have been adopted to review the current delivery model to eliminate the prevailing logistical challenges.

Since the inception of the Department in 1995 we have received no less than 12 disclaimers from the Auditor General. The serious nature of this non-compliance within the public service and financial management legislation governing departments has led to our commitment to review the performance of both the External Audit Committee and Internal Audit Team as these two will be vital in turning around this worrying situation.



J MAKGATO, MPL
MEC FOR EDUCATION
EASTERN CAPE DEPARTMENT OF EDUCATION



Ms NV Mahanjana
SUPERINTENDENT - GENERAL

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To the Honourable Member of the Executive Council, Mr J Makgato

It is my pleasure to present this report for the financial year ended 31 March 2007. The report portrays the efforts of the Department as we strive towards the provision of equal opportunities to all through an effective and efficient education system with staff committed to values of accountability, honesty, caring, integrity, excellence, equity, trust, respect and peer support.

Ms NV Mahanjana
SUPERINTENDENT GENERAL
DEPARTMENT OF EDUCATION

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Customer Care
Role
The role of the Customer Care Department of the Ministry of Education, Culture and Sports is to ensure an efficient and effective customer service of all clients.
Mission
To ensure an efficient and effective customer service of all clients through the implementation of the Customer Care Strategy.

SAFETY FRAME
WORKING

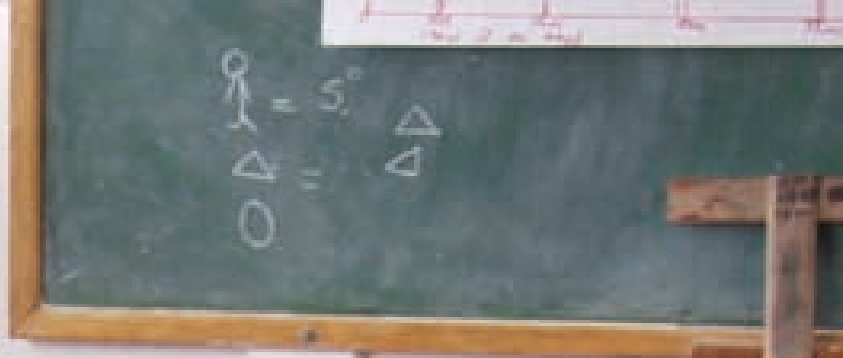


Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 1 | GENERAL INFORMATION











Ms NV Mahanjana
SUPERINTENDENT - GENERAL

SECTION 1 | GENERAL INFORMATION

1.1 Submission of the Annual Report to the Executive Authority

I, Nomlamli Veronica Mahanjana, hereby present to the Honourable MEC for Education, Johnny Makgato, the Annual Report for the 2006/07 financial year as required by section 65(1)(a) of the Public Finance Management Act (Act No. 1 of 1999) as amended by Act No. 29 of 1999.

1.2 Introduction by the Head of the Institution

The Eastern Cape Department of Education (ECDoE) has made significant progress towards achieving national and provincial objectives during the 2006/07 financial year. The key highlights include:

Improvement in the matriculation pass rate

An increased pass rate of 2,6% in the matriculation examinations was the main highlight of the year. A total of 46 schools in the 0-20% pass rate group were targeted for direct support from a special programme attached to the Office of the MEC. All but 6 showed improvement in their overall pass rate this year, one even moving from 18,2% to 100%! The average improvement overall was 19,9%, and nine of the 46 schools actually achieved pass rates in excess of 50%. This means that since 2001, when there were 187 schools with pass rates below 20%, there are only 36 that will go through to the 2007 school year. The number of schools in the Eastern Cape with a zero per cent pass rate dropped from three last year to one this year. A combination of efforts and strategies from different stakeholders at all levels led to the improvement of the pass rate in schools.

This led to a decline of the number of schools achieving below 50% by 64 to 343. This reflects the progress made since 2001, when there were 541 such schools. Although the interventions paid off it is acknowledged that there is still much work to be done in order to reach the National norm. 69,561 candidates sat in 2006 for the full time Senior Certificate Examination in our Province. Of these 29,292 or 40,7% did not pass, meaning that our overall pass percentage is 59,3%, a slight increase from 2005, leaving us short of the 60% pass rate achieved in 2003. The Department has set a service delivery target of a 5% increase in the pass rate year on year, to achieve and better the required national average pass rate of 70%.

Recapitalisation of Further Education and Training (FET) Colleges

The ECDoE has been granted R255,550,000 for the MTEF period 2006/07 – 2008/09. R61,000,000 was allocated for the 2006/07 year. The goal of the FET recapitalisation project in the Eastern Cape is, in the longer term, to increase the number of learners enrolled in technical and vocational programmes that enable learners to cope with the provincial and national labour market where they seek employment and/or are able to engage in self-employment opportunities. This is to be achieved by encouraging the 8 FET Colleges to align their programmes and qualifications to the needs of society and the labour market. The 2006/07 year has focused on providing the essential infrastructure, equipment, learning materials and human resource development required to deliver identified skills. By 31 March 2007 all colleges had spent 85% of their annual budget allocated for the recapitalisation programmes. The challenge facing the colleges as they re-align their curriculum offerings to support the economic development

needs of their respective areas, is the throughput rate of learners, which at present stands at 72%.

100% of FET College educators have been trained as assessors, moderators and as Programme Developers. In November and December all educators that were selected by colleges to deliver new programmes were trained to deliver the National Certificate – Vocational (NCV) which came into effect in January 2007. For the first time colleges have been allocated a budget of R3.7million for sports, arts and culture activities for registered learners. This is part of a strategy, to build FET Colleges as institutions of choice.

Early Childhood Development (ECD) – Grade R

The extension of Grade R to Public Ordinary Schools remains one of the priorities of the Department which must receive particular attention in terms of planning, funding, resourcing and support. The Education service at this level is rendered through Community Based Centres, Private Providers and Grade R centres attached to primary schools by subsidizing equipment and learner support material.

Realizing the vital importance of quality early schooling, the national goal is to provide all children with a formal Grade R (Reception) year of schooling at age 4 to 5. It is also policy to progressively extend the availability of pre-schooling as resources permit.

The phasing out of the Conditional Grant put the responsibility to fund access to ECD squarely on the department, and the ECD budget is set to grow significantly in the current MTEF cycle if the extension of Grade R to Public Ordinary Schools is to meet the policy imperatives. Because of the importance of ECD in creating a new future

that provides opportunities for all and, accepting that the foundation for academic achievement and excellence is laid in the early years of life, the department has resolved to develop a strategy for the roll-out of Early Childhood Development through the extension of Grade R to Public Ordinary Primary Schools. It cherishes and seeks to realize the ideal of providing a quality foundation for teaching and learning provided and supported through self managing and well resourced ECD centres and schools.

HIV and AIDS

In the quest to take advocacy and support closer to the school and community level, 6000 educators have been trained in basic counseling skills. 1,447 Health Advisory Committees in schools were established and capacitated. Functional Peer Education was sustained in 927 secondary schools through training of 9,307 new learners as peer educators, and 251 out of school youth, as peer group trainers. The Peer Education continued to be rolled out to more functional Peer Education Programme in 777 secondary schools, through training of 9,362 new learners as peer educators and 192 out of school youth as facilitators.

A partnership programme was launched with the Provincial Religious Bodies on 11 May 2006, a Moral Regeneration Summit held in East London from the 13 – 14 July 2006.

Various employee wellness programmes were conducted such as Candlelight Memorial Services, training programmes and wellness days.

No-fee schools

Under the Norms and Standards for School Funding (NSF) policy, the funding of public ordinary schools is effected equitably across five different quintiles in accordance with their poverty ranking. Schools in Quintile 1 are the poorest of the poor with Quintile 5 being the least disadvantaged. In 2006/07 all Quintile 1 schools have been designated as 'No-Fee' schools. This constitutes 37.7% of all public schools in the Province. Overall the average expenditure per learner in the Eastern Cape during the year under review was R213.37.

The National target in Quintile 1 was R775 per learner. The ECDoE did not have sufficient funds to meet the National target hence the per learner allocation for Quintile 1 was R373. Full implementation of the Norms and Standards is a key priority for the Department and an essential tool in ensuring that learning materials and equipment are directed to the poorest learners.

Physical Infrastructure Management: Mainstream School Building Programme

By March 2007, 218 schools had been completed under phase 3 of the building programme out of a total of 342 for which the Independent Development Trust (IDT) is the programme manager. A total of 161 of these projects have reached final account stage. A further group of 116 projects are under construction and 18 are under tender. The following facilities were also provided:

New facilities included 1,403 classrooms, 314 staff rooms and offices, 74 strong rooms and store rooms, 68 laboratories and 24 computer labs, 1,679 toilets and 665

water tanks. Fencing was provided in all schools in this category. Renovations were effected in 357 classrooms, 24 staff rooms and offices, 27 storerooms and strong-rooms, 10 laboratories and 448 toilets.

As a contribution to the economic development of the Province, a total of 13,527 jobs were created, making use of 4,418 Women, 6,793 Youth and 86 Disabled, and providing experiential training for 80 students, who were placed with professional service providers and contractors. All in all 50,985 Learners and 1,539 educators benefited from these projects.

Furthermore, 57 mud structures were identified as critical and 56 were approved for construction. Of these, 37 are under construction; 2 have gone to re-tender and 18 have been completed. 143 Intervention projects were undertaken and, of those, 101 were completed, 18 were still under construction with 24 at tender stage.

Despite significant improvements, there are still major backlogs in school infrastructure. The analysis of the 2006 Annual Returns indicates that 1,797 (30%) schools do not have electricity, and 1,254 (21%) schools do not have water. In the same year over one third of the schools have classrooms in need of paint and minor repairs and 46% of the schools indicated that their school buildings are either "weak" or "very weak". 441 (7%) Schools had no sanitation whatsoever.

School Nutrition Programme (SNP)

The roll-out of the pilot Co-operatives model of school feeding in 6 of the 23 Districts in May 2006 encountered many challenges. This was despite attempts to canvass the

concept widely. Due to the lack of business acumen and financial muscle, suppliers have struggled to sustain the food supply to schools on a daily basis, resulting in poor food quality, conflict amongst co-operatives and non-delivery in some instances. The intervention by the Office of the Premier, which took on the role of setting up an independent monitoring body which in turn recommended a forensic audit, has brought to light the existence of corruption and irregularities around the awarding of tenders and contracts and the mismanagement of funds. The aim of this initiative was to empower communities to feed children in their local schools with at least one full meal a day, thus boosting local development. Three officials in the SNP Unit, one in Finance and one in Supply Chain Management were suspended pending investigation of the pilot scheme. Stricter control and monitoring measures have been put in place by the interim management structure. The Department of Health, will test food samples and avail Environmental Officers to visit and monitor feeding schools. The Provincial Office has developed and issued a policy on internal monitoring of feeding schools by the EDOs and stricter enforcement of Service Level Agreements (SLAs) with suppliers. These suppliers are replaced should they not deliver on the agreement, especially through non-supply, under-supply or low-quality food. 928,685 Learners in Grades R - 4 schools have been fed and 73.07% of the planned learner days were covered by the Nutrition Programme this reporting year.

Learner Transport

There has been an increase of Learner Transport routes this year, from 1,195 to 1,200. The banning of bakkies and the reluctance of mini-bus owners to tender for learner transport services due to bad routes is hampering

the development of more routes – especially the most needed routes in the remote areas. By partnering with the Department of Roads and Transport, new roads are being built where they are most needed and bad roads on scholar transport routes are being upgraded and repaired. The MEC for Roads and Transport backed the resolution to recommend to Parliament the use of proto-type bakkies and small trucks modified for rural conditions, for learners in remote areas. A national government study, showed that bakkies are often the only available form of transport in the Eastern Cape Province where they make up 5% of public transport – the highest in the country. Should this proposal be accepted it will in essence mean that the National Land Transportation Transition Act of 2000, would need to be amended. A bicycle project has been put in place whereby deserving learners are supplied with bicycles as an alternative means of scholar transport. During this financial year 4,800 bicycles were presented to deserving learners.

Training and Support

The establishment of a Chief Directorate responsible for In-service Training (INSET), which is located at the Education Leadership Institute, has provided the opportunity for the development of a Teacher Professional Development Strategy for the Province, which will be driven from this unit in East London and the satellite units in Mthatha and Port Elizabeth. A cohesive teacher training strategy within which all training initiatives will be planned, implemented and reviewed is at conceptualisation stage and has been factored into the Medium-Term-Expenditure Framework (MTEF) for the next 3 years. The Department has developed a comprehensive strategy to improve learner attainment (LAIS) across the province as a result of the success achieved in working with the most poorly performing schools in the Matric

Intervention Programme (MIP).

INSET Curriculum Support Modules have been developed to support teachers on curriculum content, methodology and assessment. Training of educators in the Inset Modules has begun and is intended to be completed at the end of 2007. Promotion of a Provincial Literacy Strategy Programme has been initiated and a Provincial Task Team has been appointed to ensure sustainability and monitoring in all the districts. The revised national implementation timetable for the NCS required the Province to train 16,236 Grade 11 and 12 teachers as well as 18,520 Grades 8 and 9 teachers. Provincial training for all learning area and subject advisors was conducted to enable them to support schools and teachers. 100 General Education and Training (GET) teachers completed a course in 2007 focussing on teaching English as a second language. 11 INSET modules have been developed to provide ongoing professional support for the Intermediate Phase. All Subject Advisors in this Phase have been trained to use the Language Instruction Model, in a collaborative language teacher development initiative with the University of Fort Hare and the University of Alberta in Canada.

Monitoring at school level has been boosted by the training of 250 of the 750 Heads of Department at school level and the provision of resource guides on institutional leadership. Instruments to support the EDOs in monitoring and evaluating school level delivery and functionality have been developed and the EDOs have been trained in the use thereof.

The appointment of 12 out of the 15 Deputy Chief Education Specialists (DCEs), Subject Planners and the Chief Education Specialist (CES) in the FET Band, in

January 2007 as well as 8 DCEs and 1 CES in the GET band has provided much needed leadership in all subjects and learning areas in the Province. This is likely to have a positive effect in the ongoing support and development of good curriculum practice and the improvement of teaching and learning across the system. This has already begun with the establishment of Subject and Learning Area Committees at both Provincial and District levels in February and March 2007. The sector looks forward to further appointments to fill 462 District curriculum posts in the new financial year. The number of Mathematics and Science teachers produced by Higher Education Institutions (HEIs) is insufficient to satisfy the needs of the Province. This has compromised learner attainment in these subjects. A strategy to alleviate this situation is under discussion for implementation in the new financial year.

The Directorate: Assessment and Examinations benefited in a number of ways by being placed under the Chief Directorate: Curriculum Management. The most significant of these has been the creation of synergy between programmes focusing on promoting effective teaching, learning and assessment. In addition to this, the vacancy rate within this section was reduced from 56% to 41%. The MEC launched the Provincial Examinations and Assessment Board, which will play an oversight and advisory role for examinations, on the 27 February 2007.

Corporate Services Support has been boosted by the development and publication of 6 internal provincial policy volumes published in the Internal Provincial Policy Register. These policies and procedures will support and guide good corporate governance in the Department. To date training

on the manuals has begun at Provincial level and will be rolled out more widely in the new financial year.

Improving the Standard of Service Delivery

On 28 November 2006, the Provincial Service Charter was launched by Honourable Premier Nosimo Balindlela. The following Service Standards, which commit the ECDoE to improved service delivery, were signed off by the Superintendent-General on the 27 November 2006:

- Deliver all approved and recommended learning and teaching support material (LTSM) to public schools before the commencement of each school year.
- Provide all vulnerable learners in Grades R – 7 and in quintiles 1 and 2, in identified public schools with one nutritious, balanced meal per school day by 10h00.
- Eliminate mud structures by 2010¹ at the rate of 20% per annum.
- Promote effective schools by ensuring that 30% of school governing bodies (SGBs), and school management teams (SMTs) are annually exposed to empowerment programmes to strengthen leadership and governance in schools over the next three years.
- Ensure that 30% of schools per annum have established and trained safety and health committees over the next three years.
- Increase the intake in FET Colleges by 12% per annum with a view to enrolling 100, 000 full-time learners/ students by 2014.
- Ensure that 3, 053 educators, who are still under-qualified and unqualified, undergo the upgrading of qualifications by 2010.
- Bridge content knowledge gap by training 1, 000 mathematics, science and technology educators annually over the next three years.

¹ The MEC had since committed the ECDoE to eradicate mud structures by 2008

- Improve the quality of teaching and learning by establishing curriculum support structures at provincial, district and cluster levels by June 2008
- Improve the matriculation (Grade 12) pass rate by 5% per annum.
- Implement the School Administration Management System (SAMS) in 1,275 schools over the next three years.
- Ensure that all public schools are visited at least twice per quarter/term by Education Development Officers (EDOs) or Circuit Managers who will focus on monitoring and supporting the functioning of schools.
- Issue quarterly bulletins to ensure timeous filling of vacancies in schools.

The first set, of 14 Service Standards were based on the input from the Department's 2004 Public Perception Survey as well as the 2005 and 2006 Education Summit input, resolutions and recommendations. Internally these Service Standards were debated and refined at a workshop held with representatives from each Chief Directorate in September 2006. The commitment to these Service Standards is further consolidated by the development of a draft Service Delivery Improvement Plan, which commits the Department to the roll out, monitoring and evaluation of these Standards in the 2007/8 financial year.

1.3 Information on the Ministry Education Summit

In keeping with the Batho Pele principles of Consultation, Standard Service Charter, Access, Courtesy, Information Sharing, Openness and Transparency, Redress and Value for Money, the MEC held an Education Review Summit on the 6 and 7 October 2006. The workshop reviewed the

progress that had been made since the previous Summit held in July 2005 to review the 149 resolutions adopted then. Key internal and external stakeholders were invited to examine how best to take the Education Transformation Agenda 2005 – 2014 forward.

6 commissions initiated the deliberations under the following headings:

- Aligning to National and Provincial Priorities
- Equity and Educational Outcomes
- Equipping learners with Skills for Life
- Quality of Teaching and Learning
- District Development and "Qids-up" Programme
- Reorganising Size and Shape of the ECDoE School System

The Summit resolutions were incorporated into the MTEF planning 2007/8 – 2009/10 and form part of the 2007 Public Perception Survey conducted between February and April 2007.

MEC's School Community Co-operative Ilima Programmes (SCCIP)

The MEC commissioned the development of a comprehensive business plan, the MEC's School Community Co-operative ILIMA Programmes (SCCIP), which presents high level strategies for the development, management and sustainability of a Partnership Model that would enable the ECDoE to attract, co-ordinate and manage donor funding and social partnerships within and outside the Department. Six priority areas for transformation in the short and medium term were identified to form the framework within which the business plan would be implemented.

The six priority areas, were set out as the MEC's Flagship

Programmes and are seen as being key to facilitating an integrated approach towards transforming the education system whilst showing clear commitment to the PGDP, ASGISA, the Joint Initiative for Priority Skills Development (JIPSA) and the Moral-Regeneration Summit resolutions of 2006 as well as the Macro Social Report of May 2006.

These flagship programmes are as follows:

- Championing Learner Attainment
- Championing the School as the Centre of Sustainable Community Development
- Championing FET and ABET
- Championing Integrated Infrastructure Development
- Championing Accelerated Maths, Science and Technology (MST)
- Championing Information and Communication Technologies

Visits Abroad

The MEC paid a visit to Canada from 18 to 25 November 2006 to speak on a model for a school based water and sanitation project at the Canadian College Partnership (CCPP) forum meeting in Ottawa Canada and to attend a Project Steering Committee meeting hosted by Lethbridge Community College in Southern Alberta. He was accompanied by Ms N Majija, CEO of Eastern Cape Appropriate Technology Unit (ECATU). The Forum participants included all of Canada's international partners, participating Canadian Colleges and representatives from the Canadian International Development Agency. The visit presented opportunities for partnerships.

The result of the visit was the approval of the School Based Water and Sanitation Project and the signing of a Memorandum of Understanding with the Association of Community Colleges.

1.4 Vision, Mission Statement and Values

Our Vision is complemented by the Mission Statement which will guide the service delivery environment over the next 10 years. It clearly indicates the focus on community participation and empowerment at district and school levels in the quest for the creation of a skilled workforce, and in the longer term the creation of employment opportunities and the alleviation of poverty.

The vision reads as follows:

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.

The mission statements read:

The Department of Education provides quality education for sustainable development through:

- **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** a participatory decision-making process which will empower the whole community at all levels

In real terms this puts programmes such as ABET, ECD, SNP, Inclusive Education, the HIV and AIDS programmes

and Further Education and Training (FET) Colleges at the forefront of the transformation agenda in the province and puts great expectations on the Learner Attainment Improvement Strategy (LAIS) adopted by the Department in January 2007.

The vision and mission are supported by the following values, which are based on both 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 moral 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 to 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 maximise human potential

1.5 Legislative mandate

1.5.1 Mandate of the Department

The broad mandate of the Department is to provide compulsory basic education with the additional obligation to ensure that reasonable measures are adopted to progressively provide access to further education. It has, however, been outlined that the **South African Schools**

Act (Act No. 84 of 1996) fundamentally caters for the needs of those learners who are located in schools within the compulsory band. To ensure that the needs of those learners throughout this country who wish to pursue life-long learning activities are met, the National Ministry of Education published the **Further Education and Training Colleges Act (Act No. 16 of 2006)**.

The overall commitment of the National Ministry is also to cater for the needs of children before their formal entry into the basic schooling phase (Early Childhood Education), the needs of those learners who have special needs education and continuous learning activities for adults. In this respect the Eastern Cape Department of Education (ECDoE) is bound to enforce the key provisions of **Education White Paper 5 on Early Childhood Education (May 2001)**, **Education White Paper 6 on Special Needs Education – Building an Inclusive Education and Training System (July 2001)** and the **Adult Basic Education and Training Act (Act No. 52 of 2000)**.

1.5.2 Constitutional Mandate

The Constitution of the Republic of South Africa (Act No. 108 of 1996) provides the overall framework for the delivery of education to the wider citizenry. In this respect the key provisions that impact on the service delivery component of the provincial education departments rest with the clauses located in Section 29 (Chapter 2) of the Bill of Rights, which reflects on everyone having the right to: "A basic education, including adult basic education; and to further education, which the state through reasonable measures must make progressively available and accessible".

The Constitution does, in addition, empower the provincial

education departments to determine their own legislative interventions in order to advance the cause of service delivery within the provinces. Thus the provision of basic and further education represents a concurrent function between the national and the provincial ministries of education. However, the statutes are clear in that, should any conflicts emerge between any provincial policy and/or law then the national policy and/or law will prevail.

1.5.3 National Legislative Mandate

The passage of the **National Education Policy Act (Act No. 27 of 1996) (NEPA)** provides the basic framework for the National Minister to, amongst others, determine national educational policies, to monitor the implementation of these policies and to evaluate the general well being of the educational system. The NEPA provides the National Minister with significant functions and responsibilities in terms of the overall oversight function of the education system nationally.

The **South African Schools Act (Act No. 84 of 1996)** (SASA) provides the broad framework for the provision of a general (basic) education to all the citizens of the country. This legislation broadly encompasses the development of an organisation, funding and governance framework for all schools in South Africa.

The Eastern Cape Department of Education is also responsible for effecting the provisions of the **Employment of Educators Act (Act No. 76 of 1998)** and the associated **Personnel Administrative Measures (Government Notice 222 of 1998)** that fundamentally determine the conditions of service, discipline, retirement and the discharge of educators. The Department is expected

to maintain an appropriate system for the recording of relevant details pertaining to the human resources that the organisation employs. In this regard, the organisation is faced with a unique situation in that while the broad bulk of the personnel are employed under the Employment of Educators Act, most administrative staff members are employed under the **Public Service Act (1994)** and are thus subject to the general Public Service Employment conditions, which are amended and regulated by the **Public Service Regulations (Notice No. R 832 of 16 July 2004)**.

The **Further Education and Training Colleges Act (Act No. 16 of 2006)** compels the Eastern Cape Department of Education to provide for the establishment, governance and funding of public further education and training colleges; to provide for the employment of staff at public further education and training colleges; to provide for the registration of private further education and training colleges; to provide for the promotion of quality in further education and training colleges; to provide for transitional arrangements and the repeal or amendment of laws; and to provide for matters connected therewith.

The Eastern Cape Department of Education is also responsible for effecting the provisions of the **South African Council for Educators Act (Act No. 31 of 2001) (SACE)**. The purpose of this legislation is to promote the professional development of educators and to ensure that educators observe the SACE code of conduct, and conduct themselves within the ethical and professional standards for educators. Portfolio development workshops were conducted in 2002 with the purpose of assisting educators to develop and manage their own portfolios.

The **Education White Paper no 5 on Early Childhood**

Development (ECD) has as its purpose, to ensure that the provision of Early Childhood Education is prioritised. Issues that need attention are access, quality of ECD services and the development of ECD policies. The Eastern Cape Department of Education has to ensure that there are systems in place to increase learner access particularly in the Reception Year, being the year before formal schooling. A circular on learner admission was amended to deal with learners who are below the age of seven but are ready to enter into formal schooling.

The **Education White Paper no 6 on Special Needs Education** outlines what an inclusive education and training system is. It provides the framework for establishing such an education and training system, details a funding strategy, and lists the key steps to be taken in establishing an inclusive education and training system for South Africa.

Some of the objectives of the **Adult Basic Education and Training Act (Act No. 52 of 2000) (ABET)** are to develop support systems for a curriculum framework that will equip learners with functional numeracy, literacy, language and communication skills and coordinate the development and implementation of quality assurance standards in relation to national standards and the National Qualifications Framework. Programmes included in the strategy are teacher development, literacy, numeracy, and curriculum reform. One of the major challenges confronting the Eastern Cape Department of Education is the reduction of adult illiteracy through the mobilisation of ABET structures and systems, and the establishment of a reliable learner and teacher database.

The **General and Further Education and Training Quality Assurance Act (Act No. 58 of 2001)** includes the objects of establishing a quality assurance body to

ensure that continuous enhancement of quality is achieved in the delivery and outcomes of the general and further education and training sectors of the national education and training system and to develop a quality assurance framework for the general and further education bands of the National Qualifications Framework. The Eastern Cape Department of Education has a Quality Promotions and Standards Directorate to monitor, evaluate and quality assure educational standards at all levels in the system.

Education Laws Amendment Act 2005 Government Gazette No 28426, dated 26 January 2006. This act amended the South African Schools Act, 1996, to add new definitions; to clarify the manner in which disciplinary proceedings must be conducted; to provide for a process to establish norms and standards for school funding by means of quintiles; to clarify the charging and payment of school fees; to provide for the right of a learner to participate in all aspects of the programme of a public school; to provide for the alienation of the assets of a public school; to amend the Employment of Educators Act, 1998, so as to provide for the refinement of the process of the appointment of educators; to provide for the repeal of laws; and to provide for matters connected therewith.

National Guidelines on School Uniforms Government Gazette 28538 23 February 2006. The purpose of these guidelines is to ensure that practices related to school uniform do not impede access to education in any manner and do not infringe any constitutional rights of persons. The guidelines also seek to reduce the cost of uniforms.

National Norms and Standards for School Funding Government Gazette no 29178 dated 31 August 2006. According to this gazette Quintiles 1 and 2 have been identified to be declared as “No Fee” schools by the Education MEC in a province.

National Norms and standards for School Funding Government Gazette No 29179 dated 31 August 2006 Schedule. This document sets out the national norms and standards for school funding in terms of the South African Schools Act, 1996 (No. 84 of 1996). It also deals with the procedures to be adopted by Provincial Education Departments (PEDs) in determining resource allocations to their schools. These norms replace any previous school funding norms issued in terms of Section 35 of the South African Schools Act, 1996 (No. 84 of 1996).

These norms and standards deal with the public funding of public schools, in terms of Section 35 of the Act; the exemption of parents who are unable to pay school fees, in terms of Section 39(4) of the Act; Public subsidies to independent schools in terms of Section 48(1) of the Act. These regulations

Government Gazette No. 29311 dated 18 October 2006: General Notice: South African Schools Act, No. 84 of 1996: Regulations relating to the exemption of parents from payment of school fees in Public Schools sets out the regulatory framework around and exemption from payment of school fees. The regulations published in the Schedule must be interpreted within the framework of the Act and of the National Norms and Standards for School Funding. These regulations apply to all public schools except public schools that are declared no fee schools.

1.5.4 Provincial Legislative Mandate

The Eastern Cape Province has reinforced the **South Africans Schools Act (Act No. 84 of 1996)** by promulgating a provincial equivalent titled the **Eastern Cape Schools Education Act (Act No. 1 of 1999)** that significantly enhances the policy development processes in the province.

The Eastern Cape Schools Education Act was amended by the **Eastern Cape Schools Education Amendment Act, ECG 1266, PN 1/2005, 17 July 2005**.

The Education Laws Amendment (Control of Matriculation Examinations) No 4 of 1995 (Eastern Cape) Act, 1995

The Department attempted to enforce its policy and legislative mandate through promulgating the following regulations:

Matriculation Examinations Regulations, ECG 350, PN 40/1998, 3 November 1998 (ELA(CMS)A)
Regulations on Misconduct, ECG 415 PN32/1999, 25 June 1999 (SASA)

Regulations relating to the Governing Bodies of ELSEN 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 behaviour 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 with Special Education Needs), ECG 1072, PN 51/2003, 4 September 2003 (SASA)

Draft Regulations on the Eastern Cape Education Advisory Council were published in the Provincial Gazette no 1574 Notice 34 dated 08 July 2007 for comment. Comment from stakeholders was received and the department is in the process of finalizing the regulations.

The Department is also bound by policy mandates that stem from both the national and provincial domain. In this regard, the admission of all learners into the school system is determined in terms of the national **Admission Policy for Ordinary Public School (General Notice 2432 of 1998)**. In addition, **the National Policy on HIV and Aids for learners and educators in public schools and Further Education and Training Institutions (General Notice 1926 of 1999)** provides a basis for the

ECDE to reflect on issues of access for learners and issues of support, treatment and care in respect of educators and learners afflicted by HIV and Aids.

Critical policy measures in respect of the curriculum, namely the National Curriculum Statements for GET and FET, largely determine the delivery of a quality input in the classroom.

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: Organising 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 Internal Provincial Policies have been published in an 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**

The Department instituted a policy review process to align Departmental policies with National policies. The review process focused on the identification of following:

- inconsistencies between provincial laws and policies
- inconsistencies with national education laws and policies
- inconsistencies with applicable constitutional provisions (both in respect of fundamental rights and co-operative governance) and with constitutionally mandated legislation such as the Promotion of Administrative Justice Act 2000
- to highlight any material gaps in the provincial education law and policy framework, and
- to propose appropriate solutions to any inconsistencies identified or gaps highlighted by the review.

The process revealed the need for some policies to be amended and the Department embarked on the revision of policies where such inconsistencies were recognized.

1.5.5 Good Governance Legislative Responsibilities

The **White Paper on Transforming Public Service Delivery (Batho Pele White Paper) (General Notice 18340 dated 1 October 1997)** deals with the promotion of transformation in government. It is based on eight transformation principles. The Department has recognized that transforming its service delivery is key to guaranteeing that the basic needs of citizens are met and, as such, the Department has set out to be more effective by improving its service delivery programmes. The principles are: consulting users of services; setting service standards; increasing access; ensuring courtesy; providing more and better information; increasing openness and transparency; remedying mistakes and failures; getting the best possible value for money.

The Skills Development Act (Act No. 97 of 1998) provides the Department with an institutional framework to devise and implement national, sectoral and workplace strategies to develop and improve the skills of its employees. These strategies must be integrated within the National Qualifications Framework contemplated in the **South African Qualifications Authority Act, (Act No. 58 of 1995)** (SAQA). In this regard, the Department has formulated a Skills Development Plan and has embarked on the upgrading of employee skills.

The Department is bound by the **Public Finance Management Act (Act No. 1 of 1999) as amended by Act No. 29 of 1999**, to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively. Financial management responsibilities have been entrusted to accounting officers within the department. The Accounting Officer is therefore directly responsible for ensuring that Provincial Treasury regulations are incorporated into its business, that annual budgets are compiled and managed on a monthly basis and that financial systems, risk management and internal controls are in place and are transparent.

The **Promotion of Access to Information Act (Act No. 2 of 2000) (PAIA)** requires the Department to provide access to certain information that it holds if requested by any person or organisation for the exercise or protection of their rights. The Act is in line with the provision of section 32 (1)(a) of the Constitution which states that everyone has the right of access to any information held by the State, and section 32 (1)(b) provides for the horizontal application of the right of access to information held by another person to everyone when that information is required for the exercise or protection of any rights.

The **Promotion of Administrative Justice Act (Act**

No. 3 of 2000) (PAJA) states that everyone has the right to administrative action that is lawful, reasonable and procedurally fair, and that anyone whose rights have been adversely affected by administrative action must be given written reasons for administrative actions taken. A person who wishes to invoke the provisions of the Act should report any breakdown in services by first applying to the Department and then to the Public Protector. Safety should be maintained at all institutions by locking gates during school hours and that learners be supervised during sports and cultural activities. Members of the public are invited to report defects with infrastructure and classroom furniture, breakdowns in safety and problems with hygienic conditions at schools. Conditions around overcrowding, the timeous filling of vacancies and the pledge to have an educator available for all subjects in all learning areas are also promoted by the Administrative Justice Act.

The **Electronic Communications and Transactions Act (Act 25 of 2002) (ECT)** provides for the facilitation and regulation of electronic communications and transactions; the development of a national e-strategy; universal access to electronic communications and transactions; human resource development in electronic transactions; the prevention of abuse of information systems; and to encourage the use of e-government services. This is an important act for an educational institution in terms of the requirement to provide access and training in the use of computers. This was followed by the issuing of a Draft White Paper on e-Education in August 2003. It has the overall policy goal that 'Every South African learner in the general and further education and training bands will be ICT capable (that is, use Information and Communications Technology (ICT) confidently and creatively) by 2013'. This policy will have a major impact on teaching, learning and administration in our schools over the next 10 years.

1.5.6 Strengthening Accountability

Stakeholders

The Department works closely with the following stakeholders:

- The Eastern Cape Education Advisory Council, which is meant to constitute a forum that serves as an advisory body to the MEC for Education, is in the process of being constituted and draft regulations have been published.
- The Department had forged a partnership between the unions and government around critical matters that are brought before the Provincial Education Labour Relations Council (PELRC). Here various stakeholders are brought together in a collective bargaining forum for constructive engagement around conditions of service and dispute resolutions. The PELRC did not function optimally in the year under review.
- All Districts have newly elected School Governing Bodies. Mobilisation of these structures has been successfully achieved by all Districts.
- District Education and Training Forums constitute the main policy advisory bodies of District Directors. On their own initiative, or at the request of the MEC these Forums can investigate and consider matters relating to education in general, and/or in the education district in particular, and report their finding to the relevant authority. These Forums have a formal mandate in the form of District Cluster Chief Directors who are situated at Head Office to which they can report and account. Not all districts have formally constituted district forums at this point. However, many districts have loose structures which they call on when inter-departmental, public-private partnerships and local government integration issues need to be discussed.

Monitoring Mechanisms and Implementation of the Mandate

Responsible Manager	Accountable to	Mechanism
MEC	Premier Legislature Executive Council National Minister Council of Education Ministers Auditor-General SA Human Rights Commission Education and Finance Committees Standing Committee on Public Accounts	<ul style="list-style-type: none"> • Strategic Plans and Budgets • Quarterly Reports • Annual Reports
HOD	MEC Provincial Treasury	<ul style="list-style-type: none"> • Operational Plans and Budgets • Monthly Reports • Quarterly Reports • Annual Reports
Branch Managers	HOD	<ul style="list-style-type: none"> • Operational Plans and Budgets • Monthly Cash Flows • Monthly Reports • Quarterly Reports • Annual Reports
Line Managers (Chief Directors)	Branch Managers	<ul style="list-style-type: none"> • Operational Plans and Budgets • Monthly Cash Flows • Procurement Plans • Monthly Reports • Quarterly Reports • Annual Reports
General Managers (Directors)	Chief Directors	<ul style="list-style-type: none"> • Operational Plans and Budgets • Monthly Cash Flows • Procurement Plans • Monthly Reports • Quarterly Reports • Annual Reports





Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 2 | PROGRAMME PERFORMANCE





SECTION 2 | PROGRAMME PERFORMANCE

MEASURABLE OBJECTIVES AND PERFORMANCE MEASURES

The Programme performance section of the Annual Report 2006/07 is set out in accordance with the 2006/07 Annual Performance Plans as tabled in the legislature, and provides information on the Department's performance against specified service delivery objectives and targets. The following table reflects the set of Measurable Objectives and Performance Measures against which the Department of Education, Province of the Eastern Cape will report in this Annual Report:

The list of measurable objectives and performance measures comprises Nationally mandated MOs and PMs, in normal type-face, and Eastern Cape additions in bold and italics and are identified as PMOs and PPMs.

	MEASURABLE OBJECTIVES	PERFORMANCE MEASURES
EDUCATION AS A WHOLE		
Access	<ul style="list-style-type: none"> MO001: To ensure that the population of compulsory school-going age in the province attends schools. MO002: To make education progressively available to youth and adults above compulsory school-going age. 	<ul style="list-style-type: none"> PM001: Percentage of the population aged 6 to 15 attending schools PM002: Percentage of the population aged 16 to 18 attending schools and other educational institutions
Equity	<ul style="list-style-type: none"> MO003: To ensure that overall the poor are favoured in the public resourcing of education. 	<ul style="list-style-type: none"> PM003: Public expenditure on the poorest learners as a percentage of public expenditure on the least poor learners
Efficiency	<ul style="list-style-type: none"> MO004: To reach a point where educational outcomes are maximised in terms of access and quality given the available education budgets. 	<ul style="list-style-type: none"> PM004: Years input per FETC graduate
Output	<ul style="list-style-type: none"> MO005: To ensure that the output of graduates from the education system is in line with economic and social needs. 	<ul style="list-style-type: none"> PM005: Average highest school grade attained by adults in the population
Quality	<ul style="list-style-type: none"> MO006: To build a society that is literate. <i>PMO007: To ensure that all teachers are adequately qualified.</i> 	<ul style="list-style-type: none"> PM006: Adult literacy rate <i>PPM007: Percentage of teachers qualified below REQV13</i>

	MEASURABLE OBJECTIVES	PERFORMANCE MEASURES
PROGRAMME 1: ADMINISTRATION		
Efficiency	<ul style="list-style-type: none"> MO101: To bring about effective management at all levels of the education system. MO104: To realise an optimal distribution of financial, physical and human resources across the system. PMO 106: To bring about effective management of the education system through districts. 	<ul style="list-style-type: none"> PM101: Percentage of schools implementing the school administration and management system PM102: Percentage of schools that can be contacted electronically by the department PM103: Level of compliance with Departmental employment equity targets PM104: Percentage of current expenditure going towards non-personnel items. PPM105: Percentage of educator and non-educator staff. PPM106: Number districts with full set of delegations. PPM107: Numbers of district EDO, SA, LSEN and corporate service staff in post and vacancy rates. PPM108: Numbers of districts online. PPM109: Numbers of district offices with upgraded infrastructure.
PROGRAMME 2: PUBLIC ORDINARY SCHOOL EDUCATION		
Access	<ul style="list-style-type: none"> MO201: To provide access in the public ordinary schooling system in accordance with policy. 	<ul style="list-style-type: none"> PM201: Percentage of learner days covered by the nutrition programme PM202: Percentage of learners in public ordinary schools with special needs
Equity	<ul style="list-style-type: none"> PMO 222: To reach the minimum per learner funding level under the Norms and Standards for Schools Funding. 	<ul style="list-style-type: none"> PPM222: Average funding per learner and funding level per learner by quintile.
Adequacy	<ul style="list-style-type: none"> MO203: To put the basic infrastructure for public ordinary schooling in place in accordance with policy. MO207: To provide adequate human resourcing in public ordinary schools. MO208: To provide adequate Learner Teacher Support Materials to public ordinary schools 	<ul style="list-style-type: none"> PM203: Percentage of public ordinary schools with a water supply PM204: Percentage of public ordinary schools with electricity PM205: Percentage of schools with at least two functional toilets per classroom PM206: Expenditure on maintenance as a percentage of the value of school infrastructure PPM223: Percentage of public ordinary schools with a LCR of more than 40 learners per primary classroom and 35 learners per secondary classroom PM207: Percentage of public ordinary schools with a LER of more than 40 learners per primary educator and 35 learners per secondary educator PM208: Percentage of non-section 21 schools with all LTSM and other required materials delivered on day one of school year

	MEASURABLE OBJECTIVES	PERFORMANCE MEASURES
Efficiency	<ul style="list-style-type: none"> MO209: To bring about effective and efficient self-managing public ordinary schools. MO210: To foster a culture of effective learning and teaching in public ordinary schools. PMO 225: Establish a school system aligned with national phases (grade 1-7 primary, grade 8-12 secondary) 	<ul style="list-style-type: none"> PM209: Percentage of schools with section 21 status PPM224: Numbers of public schools with functional SGBs. PM210: Percentage of working days lost due to educator absenteeism in public ordinary schools PM211: Percentage of learner days lost due to learner absenteeism in public schools PPM225: Number of schools aligned with national primary and secondary phases. PM226: Numbers of educators and non-educators living within 10km of their place of employment
SUB-PROGRAMME 2.1: PUBLIC PRIMARY SCHOOLS		
Equity	<ul style="list-style-type: none"> MO212: To close the gap between the educational outcomes of the historically advantaged and disadvantaged in public primary schools. 	<ul style="list-style-type: none"> PM212: The performance ratio of the least advantaged schools to the most advantaged schools with regard to Grade 3
Efficiency	<ul style="list-style-type: none"> MO213: To ensure that the progression of learners through public primary schools is optimal. 	<ul style="list-style-type: none"> PM213: Repetition rate in Grades 1 to 7
Quality	<ul style="list-style-type: none"> MO214: To attain the highest possible educational outcomes amongst learners in public primary schools. 	<ul style="list-style-type: none"> PM214: Percentage of learners in Grade 3 attaining acceptable outcomes in numeracy, literacy and life skills PM215: Percentage of learners in Grade 6 attaining acceptable outcomes in numeracy, literacy and life skills
SUB-PROGRAMME 2.2: PUBLIC SECONDARY SCHOOLS		
Equity	<ul style="list-style-type: none"> MO216: To promote the participation of historically marginalised groups of learners in public secondary schools. MO217: To close the gap between educational outcomes of the historically advantaged and disadvantaged in public secondary schools. 	<ul style="list-style-type: none"> PM216: Percentage of girl learners who take maths and science in the FET band PM217: The performance ratio of the least advantaged schools to the most advantaged schools with respect to the Grade 12 pass rate
Efficiency	<ul style="list-style-type: none"> MO218: To ensure that the progression of learners through public secondary schools is optimal. 	<ul style="list-style-type: none"> PM218: Repetition rate in Grades 8 to 12

	MEASURABLE OBJECTIVES	PERFORMANCE MEASURES
Output	<ul style="list-style-type: none"> MO219: To ensure that an adequate proportion of the population attains Grade 12, in particular with mathematics and science passes. 	<ul style="list-style-type: none"> PM219: Pass ratio in Grade 12 examinations PM220: Pass ratio in Grade 12 for mathematics and science
Quality	<ul style="list-style-type: none"> MO221: To attain the highest possible educational outcomes amongst learners in public secondary schools. 	<ul style="list-style-type: none"> PM221: Percentage of learners in Grade 9 attaining acceptable educational outcomes
PROGRAMME 3: INDEPENDENT SCHOOL subsidies		
Quality	<ul style="list-style-type: none"> MO301: To ensure that quality education occurs in independent schools. 	<ul style="list-style-type: none"> PM301: Percentage of funded independent schools visited for monitoring purposes
PROGRAMME 4: public SPECIAL school EDUCATION		
Access	<ul style="list-style-type: none"> MO401: To provide access in special schools in accordance with policy and the principles of inclusive education 	<ul style="list-style-type: none"> PM401: Percentage of children with special needs aged 6 to 15 not enrolled in educational institutions
PROGRAMME 5: FET		
Access	<ul style="list-style-type: none"> MO501: To expand the FET college sector in terms of the economic and social needs of the country. PMO 501 To upgrade FET colleges' Infrastructure 	<ul style="list-style-type: none"> PM501: Number of FET college students relative to youth in the province PPM505: Numbers of FET colleges with upgraded infrastructure.
Equity	<ul style="list-style-type: none"> MO502: To promote the participation by historically marginalised groups in public FET institutions. 	<ul style="list-style-type: none"> PM502: Percentage of female students who are in technical fields
Output	<ul style="list-style-type: none"> MO503: To improve the success rate in the FET college sector 	<ul style="list-style-type: none"> PM503: FET college throughput rate
Quality	<ul style="list-style-type: none"> MO504: To provide relevant and responsive quality FET learning opportunities 	<ul style="list-style-type: none"> PM504: Percentage of learners placed in learnerships through FET colleges
PROGRAMME 6: ABET		
Access	<ul style="list-style-type: none"> MO601: To ensure that adults without basic education access to ABET centres. 	<ul style="list-style-type: none"> PM601: Number of ABET learners relative to adults in the province
PROGRAMME 7: ECD		
Access	<ul style="list-style-type: none"> MO701: To provide publicly funded Grade R in accordance with policy 	<ul style="list-style-type: none"> PM701: Percentage of learners in publicly funded Grade R PPM701: Percentage of learners in publicly funded Pre-Grade R

	MEASURABLE OBJECTIVES	PERFORMANCE MEASURES
PROGRAMME 8: AUXILIARY SERVICES		
Equity	<ul style="list-style-type: none"> <i>PMO801: To provide care and support for those who are infected or affected by HIV/AIDS.</i> 	<ul style="list-style-type: none"> <i>PPM801: Percentage of orphans and vulnerable children (OVC) in school.</i> <i>PPM802: Percentage of schools with Health Advice Committees (HAC).</i> <i>PPM803: Numbers of educators trained in HIV/AIDS, abstinence, life skills, and values education</i>

Note: See Annexure A for definitions of Performance Measures.

2.1 Voted Funds

Department	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Education	13,065,022	13,122,087	12,872,743	249,344
Responsible Minister	MEC for Education			
Administering Dept	Provincial Department of Education			
Accounting Officer	Superintendent-General of Education			

2.2 Aim of the Vote

The aim of this Vote is to develop, maintain and support a South African education and training system capable of addressing the Economic and Human Resource needs of the country for the 21st century.

2.3 Summary of Programmes

The activities of the Department of Education are organised in the following eight programmes:

Programme	Sub-programme
<ul style="list-style-type: none"> Administration 	1.1. Office of the MEC 1.2. Corporate Services 1.3. Education Management 1.4. Human Resource Development 1.5. Conditional Grants 1.6. Education Management Information System (EMIS)

Programme	Sub-programme
<ul style="list-style-type: none"> 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 Grants
<ul style="list-style-type: none"> Independent School Subsidies 	3.1. Primary Phase 3.2. Secondary Phase
<ul style="list-style-type: none"> Public Special School Education 	4.1. Schools 4.2. Professional Services 4.3. Human Resource Development 4.4. In-school Sport and Culture 4.5. Conditional Grants
<ul style="list-style-type: none"> Further Education and Training 	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
<ul style="list-style-type: none"> Adult Basic Education and Training 	6.1. Public Centres 6.2. Subsidies to Private Centres 6.3. Professional Services 6.4. Human Resource Development 6.5. Conditional Grants
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> Auxiliary and Associated Services 	8.1. Payments to SETA 8.2. Conditional Grant Projects 8.3. Special Projects 8.4. External Examination

2.4 Overview of the service delivery environment for 2006/07

The nature of the province

The estimated population of the Eastern Cape, according to Statistics South Africa, in June 2006, stood at 6,894,300. This number represents 14.5% of the national population. Recent indicators show provincial poverty levels have remained constant. Despite annual improvements in socio-economic conditions, 34% of adults are functionally illiterate¹ and the rate of unemployment stands at 35%². The human development index ranges between a low of 0.45 in the OR Tambo district, which comprises much of the former Transkei, and a high of 0.66 in the Nelson Mandela Metropole.

Scope and structure of the education enterprise

The Education Management Information System's (EMIS) Annual Survey of October 2006, which provides the official annual statistics of the ECDoE indicates that the provincial public education system catered for a total of 6,181 schools in 2006. This was made up of 867 High Schools, 2,635 Combined or Junior Secondary Schools, 2,409 Primary Schools, 41 schools for Learners with Special Educational Needs (LSEN) and 3,251 state-subsidized ECD Centres. This same source revealed that there were 2,146,776 learners in public ordinary schools, with a further 105,426 of these being Grade R learners in public schools, 6,509 Learners with Special Educational Needs in Special Schools and 45,354 learners in ABET. In the same year there

were 62,501 educators in schools, and of those 842 in Special Schools.

The Eastern Cape is the largest Provincial Education Department in terms of the number of schools to be administered, and the second largest, behind KwaZulu Natal, in number of educators and learners. The sheer size of this education system has ensured that, in spite of the significant progress that has been made over the years, there are still major backlogs, particularly with regard to school infrastructure. In 2006 1,797 public schools (36%) did not have electricity, and 1,254 schools (21%) did not have water.

The Province has 8 FET Colleges, which, in 2006, had an overall enrolment of 25,000 learners, with a full time equivalent enrolment of 14,144. An estimated 15,000 of these students were female (60%), with an estimated 20% of all female students being in technical fields of study.

This report will show that, in spite of its efforts and successes over the past 10 years, the ECDoE still has not fully accomplished its mandate of changing the lives of citizens for the better, and enriching the welfare of communities through quality education. Conditions of disadvantage and inequity still exist, and the system continues to under-perform.

The contextual challenges and constraints

The Education Transformation Agenda of the Province notes that the educational challenges that the Province is currently faced with stem from its historical legacy of deprivation, segregation and under-development. The major challenge facing the Department, therefore, is to overcome its historically induced backlogs and deficits,

create a system of education to meet the educational vision for a new South Africa and establish a system which complies with the regulatory and social expectations that set the standards for what must be achieved.

Four factors are fundamental to the challenges currently experienced. These are:

- i) the historical under-funding and under-resourcing of education;
- ii) the segregated development which has given rise to significant inequities
- iii) the inheritance and amalgamation from the past, of diverse administrative systems and cultures;
- iv) the socio-economic circumstances of communities which impose excessive demands on education to deliver adequate educational services.

Each of these will be described briefly below.

Historical Under-Funding: The historical under-funding of education in the Province has had a negative impact on infrastructure, staffing and the availability of materials and other resources for education. The result has been overall under-performance of the system, both professionally and administratively.

Segregated Development: Segregated development, combined with a history of preferential funding, based on race, has resulted in significant inequities in the current education system where many rural and semi-urban disadvantaged communities struggle to produce adequate educational results because of past under-development. The results are clearly evident in the performance of learners in standardized examinations, where, in general, learners from deprived communities, mostly rural, perform less. In general, these communities have insufficient learning

² Statistics South Africa: General Household Survey July 2005, May 2006 (Statistical Release P0318). In the GHS the statistic refers to the percentage of adults aged 20 years or over who have less than a primary (grade 7) education.

³ Statistics South Africa: Labour Force Survey, March 2006 (Statistical Release P0210). Unemployment by expanded definition includes people of working age stating that they are available for but not seeking work (discouraged work seekers). It does however exclude people who have worked in the previous week on part-time or subsistence activities, which many commentators term 'disguised unemployment'.

resources, a lower probability of having a full “contingent” of qualified teachers in all learning areas and a higher probability of having an SGB that is less capable of effective and efficient governance.

Diverse Administrative Systems: The education sector in the Province has not as yet overcome the disadvantages of the fragmented administrative systems that were inherited from the past. Up to the present, efforts are still being made to roll out administrative systems to the Districts so that the educational establishment can be more effectively managed.

Socio-economic Challenges: The challenges of unemployment, poverty and HIV and AIDS, among others, undermine the welfare of communities, and that tends to spill over to schools. Poverty and hunger affect both school attendance and the performance of learners. The destructive effect of HIV and AIDS on communities and on schools, seen in the number of orphans, attendance and performance of the teaching cadre, among others, are well documented. The education sector cannot turn a blind eye to these factors.

Combined schools, senior secondary schools and small schools

The Eastern Cape is the only province that still has combined schools (Grades R to 9) and senior secondary schools (Grades 10 to 12) as separate entities. These schools form the bulk of the schooling system in the former Transkei. They are not aligned to the national primary (Grades R to 7) and secondary (Grades 8 to 12) school system. Combined schools often experience problems of overcrowding, and over-age learners. More often this results in social and

management problems. Senior secondary schools have fewer grades and therefore insufficient enrolment to justify investment in specialist facilities and the teachers needed to implement the FET curriculum. Due to its rural nature the province also has many small schools with enrolments below 300. These are expensive to run relative to their enrolment and are difficult to justify for specialist facilities. The province will endeavour to align its school system to the national primary and secondary system. Combined and senior secondary schools will be converted into primary and secondary schools by progressively transferring grade 8 and 9 classes into senior secondary schools. While this will greatly reduce overcrowding in combined schools, it will require building and renovating classrooms, specialist facilities and hostels at secondary schools. Small schools will be rationalized where possible by transferring learners to nearby schools, although a few small schools will still be needed, especially for primary schooling. The school infrastructure programme will be realigned to these priorities this year to prepare for the start of the school rationalisation programme from 2008.

A commitment to addressing these challenges has informed the strategic vision and goals of the Department.

2.5 Overview of the organisational environment for 2006/07

The Transformation Agenda

The Strategic for Plan 2005/06 to 2009/10 was prepared through a highly consultative process where all managers participated in the development of strategic and measurable objectives in line with the goals of the Province’s Education Transformation Agenda. The process was intended as both a technical and a developmental exercise. The

technical aspect of the exercise sought to adhere to the necessary guidelines and requirements and to ensure that the planning process leads to a document which could be compliant but which could simultaneously frame the Educational Development Agenda of the Province. As an educational exercise, the process sought to assist managers to understand fully, first the circumstances in which the Department functions; help clarify how the Department’s strategic vision could address these circumstances; how strategic planning, monitoring, evaluation and reporting are essential in enhancing the Department’s performance, and in fulfilling its responsibility to the Province and the Nation. Through this process, the Department took a significant leap forward in securing “buy in” for the process of strategic planning. The Department has gone from strength to strength in the strategic planning process, where managers are now able to plan with greater insight and purpose.

Organisational changes

In 2005 the Department reviewed its organizational structure once more, in order to ensure alignment with the new five-year Departmental Strategic Plan. A revised organogram was approved by the MEC in January 2006 and was implemented from April 2006. This has begun to strengthen delivery capacity in both the Districts and Head Office. Significant progress has been made in filling posts from April 2006.

Several critical posts in FET Colleges were filled from 1 June 2005, including 24 senior managers to support the FET College Chief Executive Officers. Next was the filling of Head Office Deputy and Assistant Director posts, Chief and Deputy Education Specialist posts, Curriculum Advisors,

Secretary and other administrative posts during. The Chief Directorate Curriculum Management, which constitutes the core business of the Department, has benefited a great deal from this exercise with the filling of critical vacancies in the Subject Advisory services.

In addition, the Department has finally absorbed surplus staff from the erstwhile Teacher Training Colleges into existing vacancies. As of January 2007, the vacancy rate in the Department at all levels stands at 55.5%. On average the vacancy rate in District Offices is 52.5%, while in some districts it is as high as 82%. The average head office vacancy rate is 64.5%.

There is commitment in the new financial year to fill all vacant posts and many of these have already been advertised for the current financial year.

District Development and Support

In 2006 the ECDoE had 23 Districts with 6,181 public schools, 2,146,776 learners in public ordinary schools and 62,501 educators. The Districts are responsible for management, financial oversight, professional support and governance in public schools. The three District Co-ordination and Management Chief Directorates take overall responsibility for District Offices through three clusters that broadly correspond to the east, centre and west of the Province:

- Cluster A: Maluti, Mount Frere, Mbizana, Lusikisiki, Libode, Qumbu, and Mount Fletcher.
- Cluster B: Mthatha, Dutywa, Butterworth, Cofimvaba, Ngcobobo, Sterkspruit, Lady Frere, and Queenstown.
- Cluster C: East London, King William's Town, Fort

Beaufort, Cradock, Graaff-Reinet, Uitenhage, Port Elizabeth and Grahamstown.

The purpose behind the District Co-ordination and Management clusters is to co-ordinate and support the Districts within a cluster, for effective and efficient service delivery. The functions of District Co-ordination and Management are:

- To coordinate the implementation of a uniform mode of operation for schools and districts within the cluster with regards to the delivery of education services;
- To coordinate the implementation of a standard mode of operation for all districts in terms of human resource provision, physical infrastructure, auxiliary services and governance, finance and supply chain management
- To provide a strategic leadership and mentoring role within the cluster
- To manage the interface between Head Office and District Offices by providing a guidance and support role to District offices by ensuring that government priorities are addressed
- Provide strategies to address any problems that arise within the Cluster

Additional support for District level operations is provided by the Chief Directorate: Institutional Development and Support, which has as its objective the promotion of policy regarding education provisioning in public ordinary schools, including policies on education resourcing, funding, management and governance.

Labour Climate

A challenging labour climate has prevailed during this

period. The major impact of the challenge was felt in post provisioning to schools, particularly because the declaration of the post basket for schools could not take place, thus impacting negatively on teaching and learning in schools. Also, because of the prevailing labour climate, it became difficult to move educators to areas of more need.

As a result of the amendment of Section 6B of the Employment of Educators Act and a conciliation agreement reached between the ECDoE and SADTU on the conversion of professionally qualified temporary educators who had been rendering services in the Department since 20 February 2006, a total of 3,411 professionally qualified temporary educators were converted to permanent educators. This meant that schools facing a shortage of educators in critical subjects were provided. Without a doubt, this step has indeed created stability in our schools.

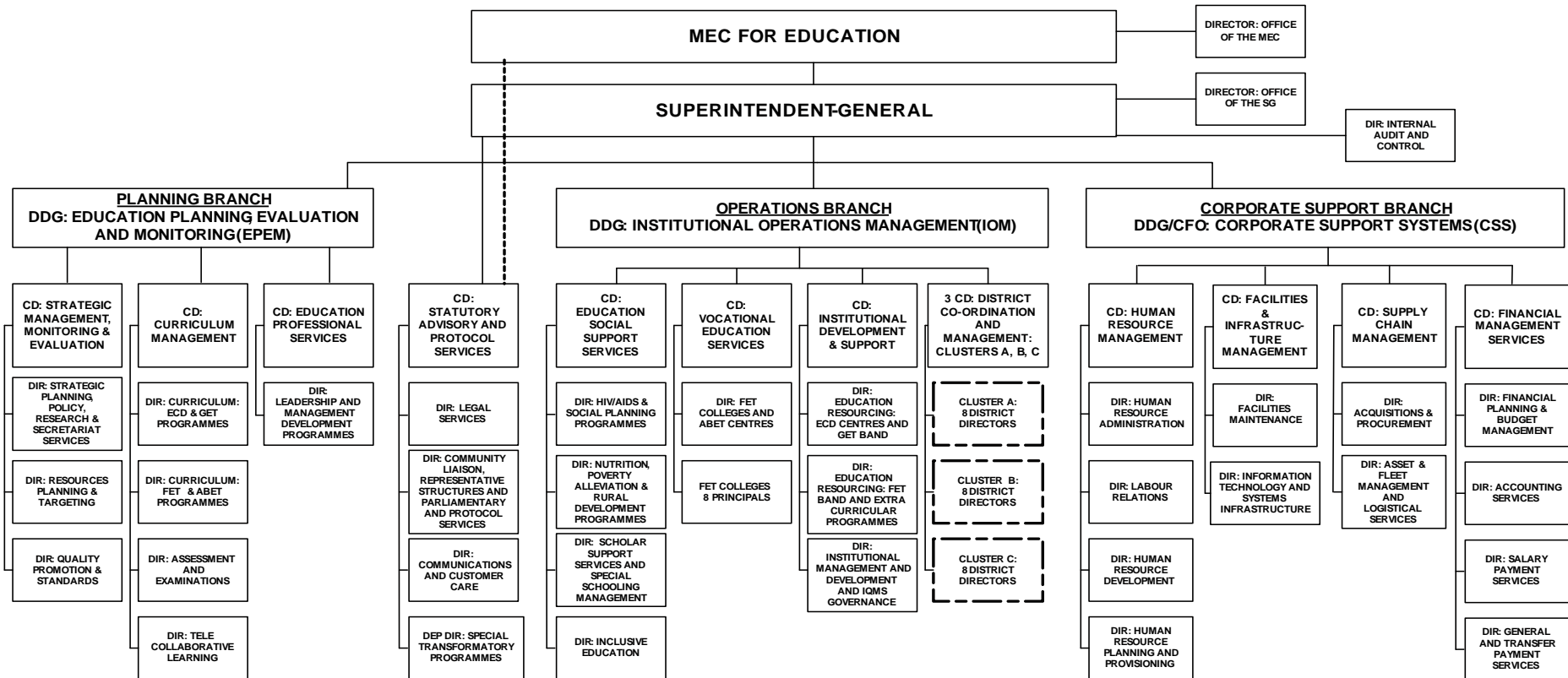
Collective Agreement No. 3 of 2006, signed in the Education Labour Relations Council, (ELRC) resulted in salary upgrading for 1,350 principals.

Top Management Resignations

The position of Superintendent General vacated by Dr DWM Edley was filled by Ms NV Mahanjana on the 01 September 2006.

Organogram of the Eastern Cape Department of Education

The following is the approved organogram of the Eastern Cape Department of Education which became effective on 1 April 2006.



2.6 Strategic overview and key policy developments for the 2006/07 financial year

Policy Challenges

Some of the main policy challenges in the Eastern Cape are summarized below:

Curriculum Implementation

The National Implementation timetable for the introduction of the National Curriculum Statements (NCS) was revised, and consequently, the province had to train Grades 8, 9, 11 and 12 educators in one year. Critical shortages of curriculum advisors forced the province to use lead teachers as workshop facilitators for training. The national 5 day orientation and training programme was not sufficient to empower teachers to implement the new curriculum with confidence. This remains an ongoing challenge. Moreover, onsite school support could not be provided to teachers implementing the NCS for the first time because of the demands of the training workshops.

With the phasing out of the National Education (NATED) 550 Curriculum in Grade 11 in January 2007, the issue of failures presented a major challenge. Clearly, these failures were placed at a disadvantage because they would have been forced to adopt the NCS Curriculum for the first time and take new subjects, such as Mathematical Literacy and Life Orientation. Continuation with the NATED 550 Curriculum, meant that such failures would have to register as part time Grade 12 candidates and this would then enable them to exercise the option of completing the Senior Certificate by the year 2011.

With regard to assessment and examinations a key challenge revolved around assessment procedures and administration which necessitated the promulgation of the **National Protocol for Recording and Reporting, Government gazette no 29467, 11 December 2006**. These developments meant that teachers had to receive further training. Provincially external examinations were administered for the Grade 10 pilot, Grade 11 NATED 550 and the Senior Certificate. This placed huge demands on the system at both provincial and district levels.

e-Education

The draft White Paper on e-Education, issued in August 2003, makes provision for every South African learner in the general and further education and training bands to become ICT capable (that is, use Information and Communications Technology (ICT) confidently and creatively) by 2013'.

Limited availability of ICT in schools renders the implementation of this policy in the province rather difficult. Only 4.8% of public schools had access to computers for any purpose in 2004/05, whereas by 2006, 20.2% of schools had computers for administration and 17.8% had computers for teaching and learning. Owing to budget constraints the department of Education has been able to implement the policy only to a limited extent. A small budget has been provided for the 2007/08 financial year, which is the first year that the department has had a budget for eEducation. Nonetheless a number of private donors and foundations have been providing computers to some schools in the province. Good co-ordination, dedicated project management and high levels of public and private funding will be needed to meet the targets of the e-Education policy.

The Independent Communications Authority of South Africa (ICASA) instituted an Internet Service Providers' (ISPs) licensing provision, whereby ISPs are required to provide mobile connectivity to remote and under-served parts of the country. As a result of this requirement, over 500 schools are to receive mobile connectivity annually from 2006 to 2015. During 2006/07 the Department was not able to take this offer up due to additional cost implications, even though the e-Rate of 50% would have been applicable.

ECD

National policy makes provision for all children in the age cohort 4 to 5 to receive formal Grade R (reception) tuition in their first year of schooling. It is also policy to progressively extend the availability of pre-schooling as resources permit.

For the last 5 years the conditional grant for ECD has enabled the Department to extend access to Grade R significantly. The Department is now responsible for providing Grade R from its own resources. The ECD budget is therefore set to grow significantly over the MTEF period. In 2004/05, 45% of learners in the province were in publicly funded Grade R classes. With improved spending and capacity in the Department this went up to 85% in 2006/07. Given the limited provision of Pre-Grade R schooling in rural areas the Department is determined to extend the ECD subsidy to pre-Grade R centres as resources become available.

The challenge facing the Department is the provision of both physical and human resources for this sector.

FET Colleges

The new Further Education Colleges Act (Act No.16 of 2006) requires the Province to provide for the establishment, governance and funding of public further education and training institutions. This responsibility extends to monitoring and support for these institutions. Over and above this, it requires that the Governing Councils of Colleges take responsibility for staff employment and management at levels below Deputy Director. This change will need to take into account the resultant training and support that will be needed at college leadership and management level to handle this.

FET colleges have also been under-funded in recent years. Progress was however made with the rationalization of the FET college sector to 8 FET colleges in 2001. As the Department begins to recover from debt, greater funding is being devoted to the sector.

The recapitalisation funding from the national Department of Education from 2006/07 is a healthy injection in this regard. The FET chief directorate co-ordinated business plans from the 8 FET colleges, and submitted a request for a total of R255,500 million from the recapitalisation funding over 3 years. R61 million has been made available in 2006/07, to be followed by R79,815 million in 2007/08. Expenditure has been monitored to ensure that the intended purposes of the funds are fulfilled, and the allocated amount for the 2006/07 financial year has been spent.

The National Certificate Vocational (NC(V)) which saw implementation in January 2007 has resulted in the need for massive training and capacity – building for college educators.

No-fee schools

The Department was ready for the implementation of the no-fee schools policy in 2006/07 and had identified the schools that were eligible. There are, however, two main issues to address:

- **Insufficient funding:** The Department did not have sufficient funding to meet the national resource targets under the norms and standards (NSSF). Learners had to be funded to only 48% of the target level in 2006/07. It should be noted however, that the Department included learner material allocations and top-up under the National Curriculum Statements in its NSSF allocations, whereas more adequately funded provinces fund these items as additional to the norms and standards.
- **Due to low systems capacity and lack of staff in the districts, and due to lack of administrative capacity in schools, poorer schools have often not spent their full allocation under the norms and standards.** Until this capacity has been fully developed, it will remain a challenge to fully implement the pro-poor funding provisions of the funding norms and standards for funding allocation. Because of the No Fee Schools policy, some schools have increased their budget substantially. Unfortunately, many of these schools do not have systems in place to account for expenditure. The production of Audited Financial Statements (AFS) is expected to be a major problem.

The cut off point of 34,8% for Quintiles 1 and 2 with regard to the funding norms does not accommodate all our poorest schools. This leads to some contestations not being approved, though based on their poverty rate the schools

qualify. The criteria for allocation of quintiles needs to be revised e.g. the national norm of 20% for each quintile, does not reflect the poor conditions of our country. This implementation of the No Fee Schools policy has resulted in the migration of learners from fee charging to no fee schools, thus overstressing the budget, the human and the physical resources of the schools.

Inadequate per learner funding

The Eastern Cape, like most of the poorer provinces, has suffered from long term under-funding. In 1994 the new democratic government committed itself to equalizing per learner funding in five years. Based on these commitments, the national Department of Education began implementing policy to equalize per learner funding by 2000/01. From 1997/98 however strong controls on government expenditure greatly slowed progress towards this target. While further progress has been made since 2000, by 2005/06 the Eastern Cape still had the second lowest expenditure of R4,593 per public school learner, in comparison with R5,631 in the Western Cape and R5,822 in the Northern Cape.

The lack of funding to meet the policy commitment of equalising per learner funding has been reflected in a smaller management complement, weaker systems and insufficient learning materials in schools, compared to the better off and already advantaged provinces of Gauteng and Western Cape.

Infrastructure provisioning

A number of new factors entered the infrastructure delivery environment in the past year – factors which had never been prevalent in past years – and these needed to be managed in the best possible way together with the normal constraints in the building industry.

The major factor was the introduction of the Construction Industry Development Board (CIDB) Act, in terms of which contractors need to be registered in a particular category to be allowed to tender for contracts of particular values. This Act is still in its infancy, and has resulted in major delays in the awarding of tenders, particularly large value tenders, with the result that actual expenditure was much slower than initially projected.

The dramatic upswing in building activity in the private sector also drew many contractors away from public sectors tenders, resulting in fewer available tenderers and significantly higher tender prices.

The Construction Regulations of the Occupational Health and Safety Act is also a new aspect of legislation which has affected the building industry and the risk profile of the Department.

However, despite these constraints, the Infrastructure unit effectively managed to commit almost its entire budget to expenditure, the only hold-up being the processing of payments at year-end, which resulted in under-expenditure.

School Safety and Security

The South African Schools Act (Act No. 84 of 1996) amended through the Regulations for Safety Measures at Public Schools dated 10 November 2006, explicitly pronounces on safety measures that must be undertaken to ensure the safety of learners within the school. These include, inter alia, prohibition of possession of alcohol, illegal drugs, any illegal substance or dangerous objects by educators, learners, parents or any other person on school grounds, and the completion of the Schedule 1 application form during school activities, if the activity involves transportation of learners.

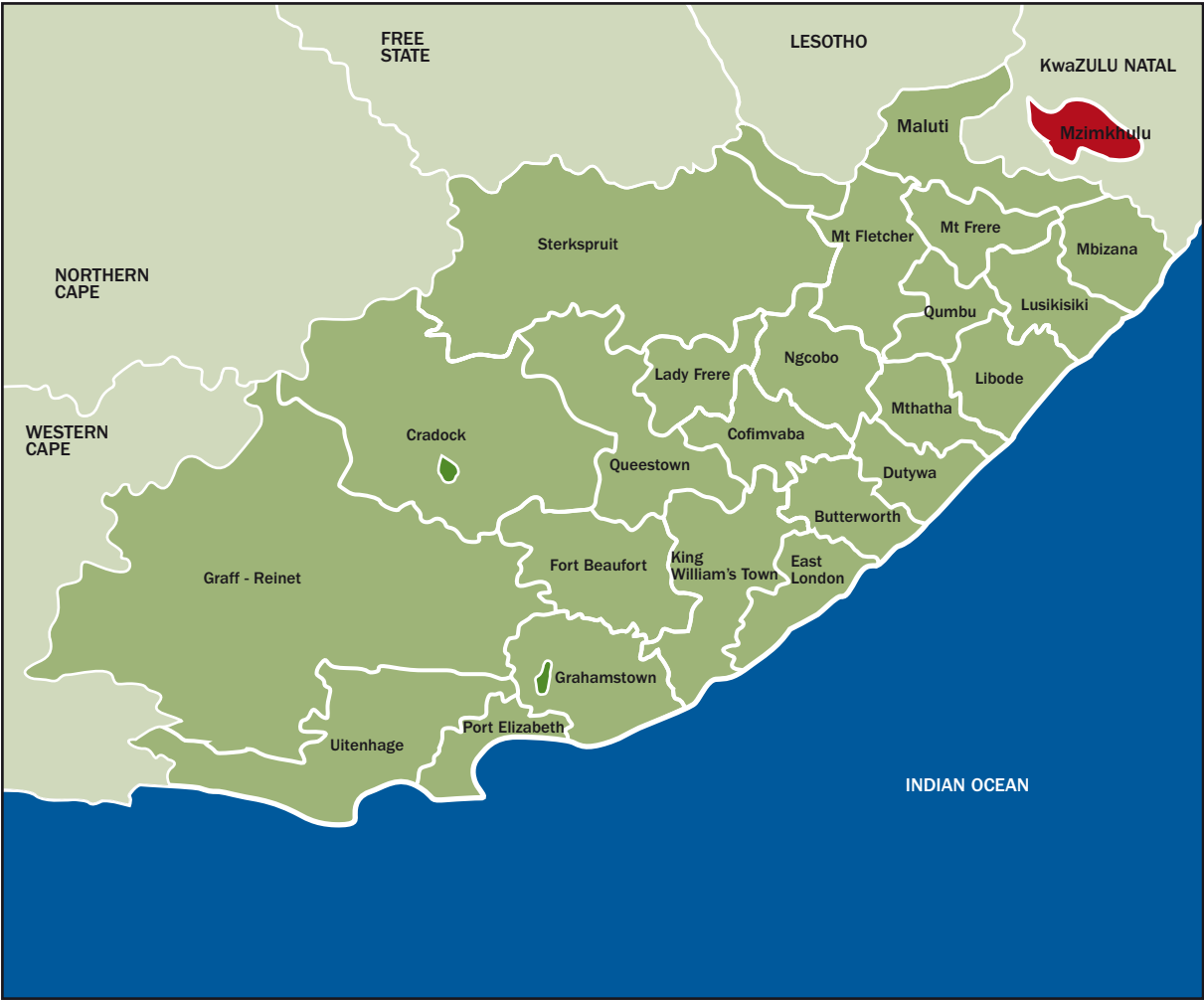
During the year under review, high incidents of violence and crime have been reported in some of our schools in the province. Our urgent attention will be needed in the future to ameliorate the effects of crime and violence and to create a conducive environment for teaching and learning.

Reduction of Districts

As from April 2006, the number of Districts was reduced from 24 to 23, with Mzimkulu going to Kwa-Zulu Natal and part of Matatiele coming to the Eastern Cape Province. 1 174 public schools and 4 Independent school were transferred to Kwa Zulu Natal and 25 public schools were transferred from Kwa-Zulu Natal to the Eastern Cape Province.

The maps on the following two pages depict the old and the new boundaries:

Old education district boundaries



New education district boundaries



2.7 Departmental receipts

In the table below the Department has described how they have delivered on plans for collecting of revenue, which was set out in the 2006/07 strategic plan

Departmental Revenue	Actual Collection 2005/06	Budgeted Collection 2006/07	Actual Collection 2006/07	% Deviation from target
Current revenue	-	-	-	-
Tax revenue	-	-	-	-
Non-tax revenue	66,225	49,809	30,355	(39%)
Capital revenue	-	-	-	-
Departmental revenue	66,225	49,809	30,355	(39%)

Departmental receipts per programme

Departmental Own Revenue	Actual Collection 2005/06	Budgeted Collection 2006/07	Actual Collection 2006/07	% Deviation from target
Programme 2	66,225	49,809	30,355	(39%)
TOTAL	66,225	49,809	30,355	(39%)

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Revenue collection at District Level This is a challenge especially for school hostels
Response to Challenge 1:	Revenue collection at Hostels requires improved monitoring procedures A revenue collection plan and a revenue tariff will be revised in order to increase revenue efficiency in the Department. Monitoring of revenue collection is being up by the Revenue section.
Challenge 2:	Human Resources Shortage of skilled and dedicated revenue personnel in Districts and Head Office.
Response to Challenge 2:	This has been addressed in part with the employment of Deputy Directors for Finance in the Districts. 16 Districts have already made these appointments and advertisements have gone out for the rest. An Assistant Director's post at Head office will be filled shortly.

Issues Requiring Ongoing Attention

- Monthly revenue returns to Head Office
- Capacity building of staff to ensure improved service delivery
- Shortage of appropriately skilled personnel

2.8 Departmental payments

The primary aim here is to explore how actual expenditure differed from planned expenditure and how this may have impacted on service delivery. The secondary aim is to provide the Department with an opportunity to report on measures that were adopted to improve the efficiency and economy of spending on each programme.

Programmes	Voted for 2006/07	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	% Deviation from Voted
Administration	881,902	86 241	(77 187)	890,956	858,107	3.7%
Public Ordinary School Education	11,144,848	24 494	99 703	11,269,045	11,152,847	1,0%
Independent School Subsidies	27,770	-	-	27,770	25,130	9,5%
Public Special School Education	334,487	22 286	(10 200)	302,001	249,388	17,4%
Further Education and Training	267,965	21 437	(19 722)	226,806	222,330	1,9%
Adult Basic Education and Training	149,775	6 706	13 485	156,554	155,802	0,5%
Early Childhood Development	69,941	5 595	-	64,346	46,313	28,3%
Auxiliary and Associated Services	188,334	2 354	(6 079)	184, 609	162,826	11.8%
Total	13,065 022	57 065	-	13,122,087	12,872,743	1,9%

Challenge 1:	Staffing at Head Office 25%
Response to Challenge 1:	Two Deputy Directors (Budget), 1 Assistant Director (Budget), 1 Assistant Director post and 2 state accountant posts (Budget) were advertised and it is envisaged that it will be filled in May 2007
Challenge 2:	Staffing at District Offices
Response to Challenge 2:	16 of the 23 Districts have Deputy Directors – Finance. 3 posts have been interviewed and are in the process of appointment. 4 posts are to be re-advertised.
Challenge 3:	Co-ordination of revenue returns
Response to Challenge 3:	Filing of posts at Districts and at Head Office will assist. Revenue section is working on a plan to collect the revenue returns from the schools.
Challenge 4:	Staffing at revenue (25%). Resistance from the union on an educator translated to assist with the revenue reconciliation challenge.

Response to Challenge 4:	Revenue Assistant Director interviewed. Waiting for the candidate to assume duties in April 2007. Labour has been asked to assist with the appointment which is being resisted and disputed by the union. The employee is currently continuing with the duties assigned to her.
Challenge 5:	Translations of 3 employees under the Budget and Revenue sections who have worked there for a very long time and have contributed a great deal to service delivery of the section.
Response to Challenge 5:	2 of the employees applied for Assistant Director posts at Districts and got the positions. 1 of them has been retained in the Budget section while the other got another offer from another department at a higher level.

Achievements:

- The payroll certified returns were, on average, 8% in 2005/06 and are now averaging 70%
- PERSAL/BAS reconciliation reflected a difference of R20 million in 2005/06 and is now R500 000
- All transfer payments received from Directorate GET were paid as at 31 March 2007

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the department as a whole and what actions the Accounting Officer and management have taken in response.

Challenge 1:	Insufficient staff to see to BAS/PERSAL on Tax Reconciliation
Response to Challenge 1:	For BAS/ PERSAL reconciliation and Tax reconciliation the Department had to appoint a consultant to do this task.
Challenge 2:	Vacant Posts Three posts were filled in HRA (PERSAL Reconciliation) and will be transferred to deal with Internal Controls of PERSAL authorizations.
Response to Challenge 2:	The transfer of these posts is still being awaited.
Challenge 3:	Insufficient staff to perform creditors reconciliation
Response to Challenge 3:	Creditor's reconciliation posts advertised.

Issues Requiring Ongoing Attention

- Staff Training and support
- Understaffing
- Skills development at Head Office and District Level
- School nutrition payments that were integrated into Payments and SCM who have major staff shortage and therefore insufficient internal control procedures.

2.9 Overall Programme Performance

The programme performance of the Department is in accordance with the Annual Performance Plans 2006/7 as tabled in the Provincial Legislature. The following table sets out the overall programme performance of the Department under the a number of cross-cutting Performance Measures:

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM001 Percentage of children of compulsory schools going age that attend schools	97	87	97.9	10.9	12.5
PM002: Percentage of youths above compulsory school going age attending schools and other educational institutions	88	79	89.3	10.3	13
PM003: Public expenditure on the poorest learners as a percentage of public expenditure on the least poor learners (Note 1)	386.9	8	601.8	-	-
PM004: Years input per FETC graduate	15.1	14.8	14.8	0	0
PM005: Average highest school Grade attained by adults in the population	7.5	7	7.7	0.7	10
PM006: Adult literacy rate	84.3	84.5	84.3	-0.2	0
PPM007: Percentage of teachers qualified below REQV13	4.5	2.1	1.2	-0.9	-43

Note 1: PM 003 The formula is inverted for 2006/07 that was corrected to calculate the actual values for 2006/07. Furthermore the definition requires personnel expenditure to be factored into our system.

General Note: In all the performance tables figures for the targets for 2006/07 have been taken from the 2006/07 Annual Performance Plan ST Tables and Actual Output figures for 2005/06 and 2006/07 have been taken from the 2007/08 Annual Performance Plan ST Tables.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the department as a whole and what actions the Accounting Officer and management have taken in response.

Challenge 1:	EMIS data base EMIS data base is a "live" data base and therefore is updated continuously. This leads to discrepancies in data over the period of a year. Annual returns are captured and analysed once a year.
Response to Challenge 1:	Data is now "frozen" and stored at set intervals (usually quarterly) during the course of the year.

Issues Requiring Ongoing Attention

- Staff shortages
- Lack of IT and Research skills
- Capacity building and mentoring and coaching in areas where skills are scarce

2.10 Service Delivery Achievements

2.10.1 Programme 1: Administration

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

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM101: Percentage of schools implementing the School Administration and Management System	0	1	4	3	300
PM102: Percentage of schools that can be contacted electronically by the department	6	25	6	-19	-76
PM103: Percentage of black women in senior management positions	18	23	27	4	17
PM104: Percentage of current expenditure going towards non-personnel items	11.3	15.4	15.4	0	0
PPM105: Percentage of educator and non-educator staff.	10	11.37	-	-	-
PPM106: Number of districts with full set of delegations.	24	24	23	-1	-4
PPM107: Numbers of district EDO,SA,LSEN and corporate service staff in post and vacancy rates:					
• Number of Professional Staff in posts	837	1 115	957	-158	-14
• % Professional Staff vacancies	43	23	48	25	109
• Number of Corporate Service staff in posts	1 454	1 690	2 087	397	23
• %Corporate Service staff vacancies	60	54	45	-9	-17
PPM108: Number of districts online.	24	24	23	-1	-4
PPM109: Numbers of district offices with upgraded infrastructure	4	5	11	6	120

Achievements:

- The roll out of the SAMS programme is well under way.
- Equity targets have been exceeded.
- All Districts have access to online facilities.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Systems for data collection Efficient systems to update data collection on a quarterly basis are not yet in place
Response to Challenge 1:	EMIS has put systems in place to capture and analyse school learner and attendance data and SAMS data on a quarterly basis. HRM will put systems in place to update and analyse personnel data quarterly. EMIS and HRM have systems in place to gather, capture and analyse the data required for annual planning and reporting purposes.
Challenge 2:	Understaffing in district offices
Response to Challenge 2:	Posts have been advertised and the Department is currently speeding up the process of realignment of districts according to municipality boundaries.
Challenge 3 :	The lack of adequate file server backup facilities.
Response to Challenge 3 :	Windows Software Update Services (WSUS), required to manage the distribution of software and for antivirus management servers, were purchased for all district offices as well as Uninterrupted Power Supply (UPS) units. Not all the UPS had been installed by the end of the financial year.
Challenge 4:	Understaffing in Information Technology and Systems Infrastructure with a vacancy rate of over 80% and nearly 3,000 computers to support.
Response to Challenge 4:	10 posts in the Directorate were approved and advertised.
Challenge 5	4 Vacant District Director posts
Response to Challenge 5	Posts have been advertised and the Department is currently speeding up the process of realignment of Districts according to Municipality boundaries

Issues Requiring Ongoing Attention

- Understaffing of EMIS, HRM and Finance
- Lack of IT skills
- Ongoing skills development in specific areas

2.10.2 Programme 2 : PUBLIC ORDINARY SCHOOL EDUCATION

Programme Objective: To provide public ordinary education for Grades 1 to 12 in accordance with the South African Schools Act
The following Performance Measures are applicable to public ordinary school education from Grade R to Grade 12:

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM201: Percentage of learner days covered by the nutrition programme	0	98	30	-68	-69
PM202: Percentage of learners in public ordinary schools with special needs	03	13	1.0	-03	-23
PPM222: Average funding per learner per quintile	R	R	R	R	R
Q1	325	703	373	217	64
Q2	275	645	309	245	79
Q3	222	527	252	201	80
Q4	159	352	169	133	79
Q5	84	117	56	45	80
PM203: Percentage of public ordinary schools with a water supply	68	82.3	75	-7.3	-8.9
PM204: Percentage of public ordinary schools with electricity	60	70,5	64	-6.5	-9.2
PM205: Percentage of schools with an adequate number of functional toilets (at least 2 per class)	10	84.6	11	-73.6	-87
PM206: Expenditure on maintenance as a percentage of the value of school infrastructure (Note 1)	-	8.3	-	-	-
PPM223: Percentage of public ordinary schools with a LCR of more than 40 learners per primary classroom	35	30	24	-6	-20
PPM223: Percentage of public ordinary schools with a LCR of 35 learners per secondary classroom.	55.6	50	26	-24	-48
PM207: Percentage of schools with more than 40 learners per class	45	26	43	17	65
PM208: Percentage of non-Section 21 schools with all LSMs and other required materials delivered on day one of the school year	80	85	85	0	0
PM209: Percentage of schools with Section 21 status	33	36	37	1	2.8
PPM224: Numbers of public schools with functional SGBs.	96	97	97	0	0
PM210: Percentage of working days lost due to educator absenteeism in public ordinary schools	-	0.85	1.5	0.75	88
PM211: Percentage of learner days lost due to learner absenteeism in public ordinary schools (Note 2)	-	-	-	-	-
PPM226: Numbers of educators and non-educators living within 10km of their place of employment. (Note 3)	-	-	-	-	-
PPM225: Number of schools aligned with national primary and secondary phases. (Note 3)	-	-	-	-	-

Note 1 PM206 is not available because the total value of school infrastructure was not available. Value of school infrastructure would need to be obtained from the Department of Public Works Asset Register in future.

Note 2 PM211 is not available because the number of learner days lost is not available. Systems have been put in place to ensure that this data is captured on a quarterly basis

Note 3 PPM 225 and 226. The roll out for these PPMs were not planned for this financial year for implementation.

District Development and Support

Achievements

- Programme to elect and mobilize newly elected SGBs on governance issues successfully conducted in all Districts
- All Districts have newly appointed SGBs
- Intensified school monitoring and support visits by individual Circuit Managers, district multidisciplinary support and inter-district monitoring teams.
- EDO conference and induction workshop held on 30 August 2006 to 01 September 2006 was a resounding success as it created opportunity for mutual sharing of experiences and afforded EDOs a chance of acquiring new skills and techniques and established new networks especially with KwaZulu Natal and Western Cape provinces that had representatives who addressed conference on their circuit management perspectives.
- Grade 12 Examination results improved in Nov/Dec 2006.
- Successful meetings with CESSs, EDOs Subject Advisors, Deputy Directors for crafting of the customized Cluster LAIS.
- Team Building for underperforming schools eg, Masikhuthale Senior Secondary (SS) in Elliot and Attwell Madala SS Schools ravaged by interpersonal relations between staff and school community in Cluster B.
- Joint Planning for 2007 by all Clusters in December 2006. Successful year end examinations held
- A high general response to CASS moderations
- Establishment of 110 focus schools of excellence in Cluster C
- Development of Learner Performance Management booklets to improve Grade 12 performance in Cluster A
- Provincial workshops convened for all curriculum personnel in Port Elizabeth (February 2007) and Mthatha (March 2007), based in the theme LAIS
- Provincial Year Curriculum Plan for 2007 compiled through consultation processes and released on 30 November 2006

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Lack of capacity to spend large sums of money
Response to Challenge 1:	Staff capacity programs should be provided. Available personnel utilized in other areas other than posts to which they are appointed.
Challenge 2:	Lack of proper financial planning and utilization at District level
Response to Challenge 2:	Skills Development Facilitators to organize training for identified Finance staff members.
Challenge 3:	Shortage of furniture Most public schools do not have adequate furniture resulting in a number of learners to sit on empty crates and tins. Prioritize lists districts lists were forwarded to Physical Planning for execution of furniture delivery.
Response to Challenge 3:	Several meetings have been held with the relevant parties to fast track the settlement of the dispute and ensure delivery of furniture to schools. Some companies are being engaged by Physical Planning to audit available furniture in all schools and available old desk frames for refurbishment.
Challenge 4:	Limited funds for scholar transport Limited funds for scholar transport have delayed the extension of the service to newly identified routes in the districts. This has impacted negatively on school attendance and organization of extra tuition in the form of Saturday classes, vacation, winter and spring schools.
Response to Challenge 4:	Although an application for additional funds has been forwarded to CFO for consideration, no additional funds have been received.
Challenge 5:	Backlog in school buildings The number of classrooms constructed and upgraded has not caught up with the needs of the various districts. This is further compounded by the number of disaster schools.
Response to Challenge 5:	Funds should be decentralized to Districts to enable them to deal urgently with emergencies .
Challenge 6:	Disrupted Districts Operations in districts i.e. Butterworth, Mthatha, Ngcobo, Queenstown, Cradock, Mbizana and Sterkspruit were disrupted due to conflict between Teacher Unions and District Directors during the course of 2006.
Response to Challenge 6:	Senior Provincial Officials negotiated with the Unions, and that resulted in the formation of Task Teams to try resolve the matter. The matter in Sterkspruit has been resolved, while the Mthatha, Cradock and Bizana are still being negotiated. There is an acting District Director in Butterworth, and Lusikisiki while Ngcobo and Queenstown District Director posts have been advertised. District Directors from Butterworth and Queenstown have been relocated to Provincial Office. Union's roles, within the administration and management of education, needs to be more clearly defined.
Challenge 7:	Submission of computerized mark sheets for CASS marks and practical subjects especially around Port Elizabeth and East London.
Response to Challenge 7:	A new process for the flow of Computerized Mark sheets from schools to capturing centre has been designed.
Challenge 8:	Availability of School Furniture for Grade 12 examinations Availability of sufficient learner desks and chairs during Grade 12 examinations.
Response to Challenge 8:	Mobilised excess furniture from other districts and in some cases the internal classes had to break-up early and write later.

Challenge 9:	Promotion Schedules Non submission of Promotion Schedules by schools.
Response to Challenge 9:	Pressure was put on school principals resulting in sporadic submissions, however, in most cases an average of 94% responses was achieved.
Challenge 10:	Withholding of school reports Withholding of reports by some schools due to non-payment of fees.
Response to Challenge 10:	Warning letters were sent to principals and in some cases parents took the legal route, e.g. Port Elizabeth.
Challenge 11:	Failure rate in Grade 11 High failure rate in Grade 11.
Response to Challenge 11:	An integrated learner attainment strategy for all learners.

Issues requiring ongoing attention

- Appointments to critical posts
- Human Resource Development especially the building of capacity in BAS, LOGIS and PASA
- Shortage of district staff and non-educators working in schools
- "On" and "off" systems in District Offices
- Poor culture of teaching and learning, administration and management of dysfunctional schools
- Subject Advisors need to be appointed urgently to assist educators with subject content and other professional assistance
- Updating of policies in most schools
- Problem areas where policies are needed, eg Rationalisation and establishment of schools
- Framework on accessing funds by "No fee schools"
- Policy on handling disciplinary cases in boarding schools
- Rationalization of schools - process issues
- Deregistration and merging of schools - process issues including the handling of applications from districts
- Review of staffing norms to be aligned to OBE approach

Sub-programme 2.1: Public Primary Schools

Programme objective: To provide public primary ordinary schools with resources required for the Grades 1 to 7

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM212: The performance ratio of the least advantaged schools to the most advantaged schools with regard to Grade 3 (Note 1)	-	45	-	-	-
PM213: Repetition rate in Grades 1 to 7	-	-	-	-	-

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM214: Percentage of learners in Grade 3 attaining acceptable outcomes in Numeracy and Literacy (Note 1)	-	-	-	-	-
PM215: Percentage of learners in Grade 6 attaining acceptable outcomes in Mathematics, Literacy and Natural Sciences (Note 1)	-	-	-	-	-

Note 1: PM212, and Grade 3 learner attainment data is not available since Systemic Evaluation Data cannot be disaggregated by Quintile and it is not updated annually. The same holds for PM215 and Grade 6 learner attainment data. PM214 is not available since Systemic Evaluation data has not been collected for the relevant periods. The Systemic Evaluation is a National Programme.

Achievements:

- The training of District officials in Financial Management (Norms and Standards for School Funding), resulted in an improvement on compliance by section 21 schools.
- Quality Improvement Development Support Upliftment Programme (QIDS UP) has conducted advocacy and a baseline study for a pilot in promoting most poorly resourced primary schools and communities of Lusikisiki and Libode Districts has been done.
- School monitoring visits (Baseline Audit), for the first time, has linked up the under performing Senior Secondary Schools with Feeder primary schools and Pre-schools through community mobilization for a holistic intervention of improving school effectiveness through Learner Attainment Improvement Strategy (LAIS) in ten (10) districts.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1	A substantial number of farm schools are still operating without contracts due to inconsistent farm management.
Response to Challenge 1	Guidelines are needed from Legal Section to regulate contractual agreements where landowners have left farms to managers.

Issues Requiring Ongoing Attention

- Filling of vacant posts
- Guidelines, Regulations and Procedure manuals to be developed to address provincial policy gaps in Attendance, Amalgamation of small dysfunctional schools
- Discipline
- Use of cell phones and a LTSM retrieval policy
- Empowering Section 21 schools to be able to respond timely on compliance issues to facilitate speedy transfer of much needed funds for delegated functions.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the department as a whole and what actions the Accounting Officer and management have taken in response.

Sub-programme 2.2: Public Secondary Schools

Programme objective: To provide public secondary ordinary schools with resources required for the Grades 8 to 12

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM216: Percentage of girl learners who take Mathematics and Science in Grades 10 to 12	-	13.1	-	-	-
PM217: The performance ratio of the least advantaged schools to the most advantaged schools with respect to the Grade 12 pass rate	70	40	72	32	80
PM218: Repetition rate in Grades 8 to 12	-	-	-	-	-
PM219: Pass ratio in Grade 12 examinations	56.7	60	59.3	520	0.7
PM220: Pass ratio in Grade 12 for Mathematics and Science	-	23	-	-	-
PM221: Percentage of learners in Grade 9 attaining acceptable educational outcomes in all learning areas	-	-	-	-	-

Note: PM216 is not available since the number of Grade 10 – 12 girl learners taking science (as per the PFMA pm specifications) was not yet available for 2006. Mechanisms have been put in place to collect this data in future. The number of Senior Certificate candidates passing both mathematics and science was not available. Figures for Mathematics or Science was available. Consequently PM220 could not be calculated

PM219: The Grade 12 pass ratio (as opposed to the matric pass rate) is the ratio of the number of Grade 12 students passing the matriculation exam in comparison to the 18 year old population. Although many of the learners that annually pass the Senior certificate examinations are not 18 years old (i.e. they are older or younger than 18 years old), in the absence of Grade repetition, one would expect that the majority of the learners that write the examinations are 18 years turning 19 in the year of the examination.

PM220: This PM intends to track how many learners pass Mathematics or Science (or both subjects) in the Senior Certificate Examination as expressed in terms of the expected number of learners who could be eligible to write the examinations. This is not the same as pass rates (as explained in detail under PM219). The rationale for selecting the cohort of 18 year olds for this PM is discussed in more detail under the further specifications of PM219.

PM221: Although there are no systematically collected comparable data available to compute this PM, two potential information sources might become available in the future. On the one hand this PM might focus on the results of the Grade 9 Systemic evaluation once they become available. On the other hand the results of the GETC examinations might be more appropriate since it could provide annual updates on the data. At this stage though, neither of these data sources are being collected systematically.

Achievements:

- Improved learner performance from 56,7% in 2005 to 59,3% during the year under review) in Grade 12 through constant support and monitoring of MIP schools at all levels by districts, province and national.
- Mentors and motivational speakers impact assessment revealed further opportunities on the MIP turnaround strategy

LTSM Supply and Delivery

- Study guides to the value of R7m were purchased for all schools that obtained less than 50% during 2005 examinations (a study guide for each learner and for each subject).
- Textbooks to the value of R30m were purchased for every learner in all subjects for 602 previously disadvantaged High Schools.
- All schools that ordered textbooks for Grade 8 had 85% of their deliveries before the schools reopened in January 2007.
- 98% of Grade 9 and 97% of Grade 11 LTSM was delivered to schools by the end of the financial year.
- Equipment for 45 most needy Technical High Schools was purchased

School Safety Programme

An integrated interdepartmental strategy was developed focusing on a pilot project for advocacy and training in school safety programmes involving three Municipal districts, Nelson Mandela Metropole, Buffalo City and King Sabata Dalindyebo. All districts were visited for advocacy and community mobilization.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1	The project on alignment of schools has been delayed by the need to develop a master plan that incorporates all aspects of rationalization and reconfiguration of the schooling sector
Response to Challenge 1	A multi disciplinary team has been established to develop the master plan and to engage different stakeholders as SECTION of the consultative processes.
Challenge 2	Lack of parental involvement in some schools resulting in high levels of absenteeism for learners
Response to Challenge 2	Department has put programs in place to empower SGBs
Challenge 3	Timely delivery of LTSM to schools hampered by poor planning cycle both at National and Provincial level as well as Publishers and Distributors that have either defaulted in providing the service or delayed in supplying the necessary materials
Response to Challenge 3	<ul style="list-style-type: none"> • Improving on LTSM delivery planning cycle and enhancing human resource capacity for management and monitoring of the LTSM processes both at Head Office and district level. • Overhauling current LTSM model to address challenges related to service providers
Challenge 4	To enhance mass participation in different sporting codes in all schools
Response to challenge 4	The Department of Education in conjunction with the Department of Sport Recreation Art and Culture is to intensify programme for training of coaches in other schools in order to enhance mass participation in different sporting codes.
Challenge 5	Lack of facilities for Sport development in the majority of districts and schools
Response to Challenge 5	Funding for the development of Sporting facilities in rural districts is to be identified.
Challenge 6	Lack of qualified referees and coaches to assist with training and coaching of learners in different coaches
Response to Challenge 6	The Department of Education in conjunction with the Department of Sport Recreation Arts and Culture should intensify programme for training of coaches in other schools in order to enhance mass participation in different sporting codes.

Issues Requiring Ongoing Attention

- Staffing of the relevant Directorates
- Increased budget to ensure that every learner has a textbook for every learning area and to ensure adequate supply of LTSM.
- More aggressive interventions to deal with Safety issues in schools in collaboration with other sister departments.

Sub-programme 2.3: Professional Services

Achievements

- The appointment of 12 out of 15 DCEs Subject Planners and their CES in January 2007 to provide leadership in all subjects in the Province.
- The coordination of the training of all Curriculum personnel on Assessment by the NDOE in February 2007.
- Compiling the advertisements of almost 400 curriculum posts in the province.
- Establishment of Subject Committees both at Provincial and district levels in February and March 2007
- Leadership in formulating an integrated learner attainment improvement strategy (LAIS).
- The value of developing and implementing Provincial Curriculum Guidelines (PCG) to improve service delivery.
- In Service Training (INSET) of Foundation Phase Subject advisors has been completed
- 18,520 Grade 8 & 9 teachers have been orientated in preparation for the implementation of the NCS in 2007
- 11 INSET modules have been developed to provide ongoing professional support for Foundation and Intermediate phase teachers
- All Intermediate Phase Language Advisors have been trained to use the Language Instruction Model developed in a collaborative language teacher development project with University of Fort Hare and the University of Alberta in Canada
- 100 GET teachers completed a course on teaching English as a Second Language in collaboration with the National Department of Education
- The successful orientation of Grade 11 and 12 teachers in the NCS
- Availing of additional funding for NCS training
- A partnership formed with National Council for Economics Education based in the United States of America and a roll-out training programme launched for the province

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Office accommodation at Head office for the new appointees.
Response to Challenge 1:	The Department has started with the long-awaited Assessment and Examinations Building which could assist the Curriculum Chief Directorate as well. Currently a sub-directorate is accommodated at the Examinations Building in Schornville as a temporary measure.
Challenge 2:	The slow process of advertising the funded curriculum posts.
Response to Challenge 2:	Co-operating with the Chief Directorate HRM & D in order to expedite the process. A project plan has been drawn up by the Chief Director: HRM & D.
Challenge 3:	The inadequate provision of learning and teaching support material to the implementing Grades.
Response to Challenge 3:	The department has to revise the policy of allocating funds for the procurement of LTSM for the implementing Grades. Implementing Grades to be prioritised.
Challenge 4:	The impact of English First Additional Language on the performance of learners especially in Grade12 in 2006.

Response to Challenge 4:	All Grade 12 teachers are taken through three workshops on the teaching of different aspects of the language by commissioned service providers ie. READ and ELET.
Challenge 5:	The poor performance of learners in the FET band.
Response to Challenge 5:	The Learner Attainment Improvement Strategy demands the writing of March, June and September tests in all subjects where the pass rate is less than 60% in the 2006 Grade 12 examinations. An improvement strategy for each subject/learning area has been developed provincially through a consultative process.
Challenge 6:	Poor timing of an increase in the number of teachers allowed to enrol for the ACE in Maths, Science and Technology
Response to Challenge 6:	The service provider was convinced to run additional classes for the 80 additional teachers who were allowed to enrol late.
Challenge 7:	Shortage of Curriculum Advisors at district level for curriculum training
Response to Challenge 7:	Districts with insufficient staff were requested to utilise the services of teachers as lead facilitators for workshops.
Challenge 8:	The development of provincial Teacher Development Policy is curtailed by the uncertainty around the location of the function within the department
Response to Challenge 8:	Discussions have been held with the Head of the Education Leadership Institute and Human Resource Development. A study was commissioned for the development of a Provincial Teacher Development Strategy. Inputs have been requested from stakeholders
Challenge 9:	National DOE has reduced the tender for English Second Language (ESL) course
Response to Challenge 9:	The directorate will fund this project from line budget
Challenge 10:	Failure rate of teachers participating in the National Professional Diploma in Education (NPDE)
Response to Challenge 10:	HEIs to provide information about the failure rate. An impact assessment of the NPDE programme will be conducted

Issues requiring ongoing attention

The following issues affect the Department as a whole and require actions on the part of the Accounting Officer and Top Management:

- There is an acute shortage of Curriculum Advisors at district level.
- The filling of posts at district level so as to improve curriculum support to teachers as they implement curriculum policies.
- The post provisioning in relation to seven subjects that make one curriculum stream.
- Provision of on-site school support for effective curriculum delivery.
- Monitoring and moderation of school-based assessment (CASS)
- Provision of subsidized cars to Curriculum Advisors in districts. Financial procedures should be clarified to enable all sections to be familiar with procedures for the budgeting, acquisition and maintenance of subsidised cars for departmental officials.
- Clarifying the functional and procedural linkages between the Education Leadership Institute and Directorate: Curriculum ECD & GET Programmes and Curriculum FET and ABET programmes. This is particularly crucial for effective collaboration with regard to the provision of programmes for Continuing Professional development of Teachers (INSET).
- Setting up systems and procedures with Human Resource Development for the allocation and utilisation of Skills Levy funds for accredited courses for Teacher Professional Development

Sub-Programme 2.4: Human Resource Development

Please refer to Section 5 of the Report on page 173

Sub-Programme 2.5: In-school Sport & Culture

Indigenous games, South African Games and Language Festivals were held.

Sporting Activities:

- Eastern Cape Team sent 97 athletes to National Primary Schools Championships in March 2007. 20 medals were achieved.
- Eastern Cape Team sent 148 athletes to PE in March 2007 for National Secondary Championships. 31 medals were achieved.
- Eastern Cape Team sent 98 athletes to National High School Aquatics Championship in Cape Town and collected 40 medals in March 2007.
- Eastern Cape Team sent 98 athletes to Nation Primary School Aquatics in Bloemfontein in March 2007 and collected 71 Medals.

Sub-programme 2.6: Conditional Grant: School Nutrition Programme

Achievements

- The policy document on engagement of cooperatives finalised
- A pilot to engage local co-operatives in six districts successfully rolled out
- Pots, stoves and gas cylinders worth R15 million were delivered to feeding schools
- Cooked menu introduced for the first time in the Eastern Cape
- 696 schools/community gardens established
- Food handling workshops held for educators by the National Office
- New invoicing system finalised and awaiting implementation in the new financial year
- Monitoring strategy developed and is being implemented

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1	The School Nutrition Programme (SNP) should have an impact on local economies
Response to Challenge 1	A new community based model targeting ward based cooperatives has been adopted by the Department and a policy document outlining the new direction has been finished. Seven districts have been earmarked for the roll-out of a pilot of engaging cooperatives.
Challenge 2	Non feeding in some districts
Response to Challenge 2	Intensive monitoring by the section. SNP provincial officials to monitor known problem areas and suppliers and take firm action against defaulting suppliers. Unemployed post matric students to be used as meal servers/monitors. They will be required to write weekly feeding reports. The section has also started to monitor supplier claims with the aim of identifying non claiming suppliers as that may be an indication of non feeding. A new monitoring strategy will be developed.
Challenge 3	Contract employment status of SNP staff
Response to Challenge 3	17 SNP posts advertised and 13 of these were permanently filled
Challenge 4	Feeding Grade R – 7 only
Response to Challenge 4	Feeding will target all learners in Grade R – 7 in 2007/08 financial year. A Business Plan to this effect has been approved
Challenge 5	Information Management
Response to Challenge 5	A Service Provider has been contracted to introduce a temporary MIS that has helped the section with the payment backlogs that we experienced. A service is on for a new Management Information System that will be used permanently by the section.

Issues Requiring Ongoing Attention

- Monitoring of supplier performance
- Verification of learner numbers
- Late submission of supplier claims
- Attendance registers of meal servers
- Performance of and report by SNP district coordinators
- Payment of suppliers on time.

2.10.3 Programme 3: INDEPENDENT SCHOOL SUBSIDIES

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

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM301: Percentage of funded independent schools visited for monitoring purposes	100	100	100	0	0

Achievements

Independent Schools

- Meetings with district coordinators and principals and directors / owners of all independent Schools were held to discuss matters relating to management of Independent Schools, transfer payments, policy imperatives, compliance issues, expectations and roles and responsibilities.
- Clustered meetings have been held to share best practices and discuss matters relating to management, compliances issues and transfer payments
- An amount of R25,137 thousand was transferred to all Independent schools

Home Schooling

- A meeting with districts was held to discuss management of home schools
- A tool for data collection was developed and sent to all districts in February 2007

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the department as a whole and what actions the Accounting Officer and management have taken in response.

Independent Schools

Challenge 1:	General administrative challenges in schools Non-compliance with policy by many Independent Schools on matters such as location of schools, staffing, records keeping.
Response to Challenge 1:	Clustered meetings for all principals and coordinators have been held and individual schools will continue to be visited.
Challenge 2:	Inadequate Funds The Department pays 50% of actual allocation to Independent Schools that qualify.
Response to Challenge 2:	The Department continues to address the funding of Independent Schools according to the national norms through phased increase in the budget.
Challenge 3:	Delays in Transfer Payments Delays in submitting pre-requisite information / documentation e.g. Supplier Number, Audited Financial Statements and Compliance Certificates.
Response to Challenge 3:	Districts urged to facilitate and ensure availability of all documentation on time. Schedule of time lines compiled and distributed.
Challenge 4:	Reporting Non submission of reports reflecting expenditure and utilization of funds
Response to Challenge 4:	Schools instructed to submit reports through districts. Time frames were given.
Challenge 5:	Policy gaps Gaps / loopholes in some areas (e.g. performance) make it impossible to hold schools (both primary and secondary) accountable.
Response to Challenge 5:	Areas of focus have been identified and process is ongoing. The policy will be reviewed.

Issues Requiring Ongoing Attention

- Budget for Independent Schools subsidies to be increased to meet the National Norms and Standards for funding
- Understaffing
- Monitoring of schools to ensure compliance with policy
- Advocacy
- Promptness of submissions

2.10.4 Programme 4: PUBLIC SPECIAL SCHOOL EDUCATION

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

Sub-programme 4.1: Schools

Sub programme objective: To provide public special schools with resources

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM401: Percentage of children with special needs aged 6 to 15 not enrolled in educational institutions	-	20	7	792	13

Achievements

- Task Teams on Rationalisation of Special Schools were established in three districts, namely: Port Elizabeth, Sterkspruit and Uitenhage.
- Implementation of the Pilot Project on Inclusive Education targeting District Based Support Teams (DBSTs) SGBs and educators was kick-started in Nodal Areas.
- An invitation for a suitable service provider to render technical assistance to JJ Serfontein was re-advertised due to the non-availability of a suitable one.
- The process of upgrading Full Service Schools in line with Inclusive Education policy has been initiated and is awaiting Tender Adjudication for Ebhotwe (East London district). Tender has already been awarded for Zanokhanyo (Lusikisiki district).
- The Bhisho special school is under construction,
- SMH school staff members were trained in Curriculum Adaptation.
- 69 DBST members were trained in Curriculum Adaptation.
- 40 principals of special schools were trained in Financial Management
- 15 educators attached to schools for the blind were trained in Braille.
- All special schools received their subsidies timeously.
- 8 educators have been appointed to JJ Serfontein while 20 non – educator posts have been advertised to operationalise the youth care facility.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Operation of JJ Serfontein Delay in operationalisation of JJ Serfontein school of Industries as a Youth Care Facility as mandated by the High Court.
Response to Challenge 1:	The Directorate has embarked on a process to effect the appointment of a technical advisor to assist the Department in ensuring cost effective strategies and programmes to operationalise the facility.
Challenge 2:	Shortage of personnel Shortage of personnel at Head Office and District level to implement the programme is impacting negatively on field testing of Inclusive Education. Non availability of non teaching staff in special schools.
Response to Challenge 2:	Submitted vacancies to Directorate HRM. Interim norms and standards for employment of non teaching staff were developed and approved. Number of vacancies and excess staff were identified and submitted to HRP directorate.
Challenge 3:	Mobilisation of out of school disabled children and youth of school going age There are disabled out of school learners who are on waiting lists at home.
Response to Challenge 3:	Data has been collected and some children have been assessed. Some special schools have been realigned, transformed, rationalized and expanded to accommodate these learners.
Challenge 4:	Rationalisation of special schools Most learners are admitted in special schools by default.
Response to Challenge 4:	The Directorate is consulting with districts concerned.

Issues Requiring Ongoing Attention

- Compliance by special schools on how to spend their subsidies and monitoring by the Department.
- Mobilization of out of school disabled youth and children of school going age. Learners have been mobilized who have never had an opportunity to learn.
- Inter-directorate participation is still a problem in the operationalization of DBSTs in Districts and Head office.

2.10.5 Programme 5: FURTHER EDUCATION AND TRAINING

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

Sub-programme 5.1: Public Institutions

Programme objective: To provide public FET colleges with resources

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM501: Number of FET students relative to youth in the province	13,875	15,165	14,855	310	31,6
PPM505: Numbers of FET colleges with upgraded infrastructure.	4	6	8	2	33.3
PM502: Percentage of female students who are in technical fields	20	60	40	20	-
PM503: FET college throughput rate	71	68.8	72	3.2	4.7
PM504: Percentage of learners placed in learnerships through FET colleges	75	10	78	68	68

Achievements

- New Curriculum, NCV (National Certificate – Vocational) has been introduced in January 2007, replacing in phases, the NATED 191 Programmes.
- The new FET Colleges Act (Act 16 of 2006) has been promulgated, to replace the FET Colleges Act (Act 98 of 1998)
- HRD – Skills Development budget has been increased fourfold (From R525,000 to R1.9m). This has been done to address skills shortages and re-skilling among the FET College workforce, especially educators.
- The Recapitalization Project has been rolled out from 1 April 2006 with an allocation of R61m for 8 colleges in the province. Objectives range from programmes covering HRD to infrastructure Development including building of classrooms, hostels and administration centres and/or, renovations thereof.
- 89 non-educator posts have been advertised to address staff shortages at FET Colleges which has been a serious challenge for many years.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	National Certificate – Vocational (NCV) Training Insufficient training period for NCV educators, coupled, in some cases, with inadequate qualifications to deliver NCV.
Response to Challenge 1:	In – house programmes implemented at colleges.

Issues Requiring Ongoing Attention

- Training of Educators to implement NCV
- Appointment of suitable educators in vacant posts
- Additional budget needed for infrastructural needs and maintenance of colleges

2.10.6 Programme 6: ADULT BASIC EDUCATION AND TRAINING

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

Sub-programme 6.1: Public Centres

Programme objective: To provide public ABET Centres with resources

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM601: Number of ABET learners relative to adults in the province	2.3	2.1	1.3	0.8	38.1

Achievements

- Volunteer educators of the PLP programme have been trained at district level.
- Centre visits have been done by a team including both Provincial and District staff in January 2007.
- An evaluation of the ASECA programme has been done by the National and Provincial officers including UMalusi and SACHED during the month of January and February.
- An assessment training workshop for ASECA educators during the month of March.
- Computers have been purchased for 11 districts to provide computer literacy programmes for adults.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	The curriculum for adult learners does not meet the needs of most adults and of the workplace. There is a significant dropout of learners. More skills based programmes are needed.
Response to Challenge 1:	Computer literacy programmes are being offered for adult learners in districts. Plans are in place to purchase sewing machines for the different districts as needed by the learners. The poultry and IKwelo (agriculture) programmes will be monitored at the centres where these are provided to uplift the level of skills programmes at centre level.

Challenge 2:	Addressing the high illiteracy rate in the Province
Response to Challenge 2:	A provincial literacy programme is in place. A rigorous social mobilization strategy is to be implemented for purposes of publicizing the need for the programme to the communities. A massive literacy campaign is to be implemented in the 2007 academic year.
Challenge 3:	Lack of clear guidelines on the Recognition of Prior Learning (RPL) for adult learners especially for skills programmes
Response to Challenge 3:	Policy around this issue is under discussion at National Level and training of both officials and educators will be following thereafter.
Challenge 4:	No ABET co-ordinators in 8 districts
Response to Challenge 4:	The vacancies need to be filled urgently

Issues Requiring Ongoing Attention

- Constant monitoring of the delivery of the programme
- Capacity building and development of staff
- Social mobilization, advocacy and publicity of the programme

2.10.7 Programme 7: EARLY CHILDHOOD DEVELOPMENT

Programme objective: To provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White paper 5

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
PM701: Percentage of learners in publicly funded Grade R	62	65	85.4	20.4	31.4
PPM701: Percentage of learners in publicly funded pre-Grade R.	-	24,920	24,920	-	-

Note: PPM701 not planned for 2006/7

Achievements

- Subsidised Grade R practitioners have been put on PERSAL and are no longer paid in tranches and their monthly stipend has been increased from R1000 to R1 500 – effective from 1 April 2007.
- Training of 600 NQF Level 4 Grade R practitioners is in progress.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Target of attaching 1,000 Grade R classes to Primary Schools could not be realized
Response to Challenge 1:	Targeted schools should be identified well in advance
Challenge 2:	Lack of infrastructure for Grade R classes in public primary schools
Response to Challenge 2:	A clear plan for the provision of Grade R infrastructure to be developed and included in the overall infrastructure plan
Challenge 3:	Failure to meet target set for training of pre-Grade R practitioners
Response to Challenge 3:	<ul style="list-style-type: none"> • Address capacity constraints within the ECD Directorate • Treasury support to strengthen capacity of Supply Chain Management within the Department to be improved, in order to enhance capacity of line managers to deliver on their programmes.
Challenge 4:	Payments to Department of Social Development sites for the period October 2006 to March 2007 has not been effected due to late submission by Social Development of compliance forms and shortage of human resources at district level.
Response to challenge 4:	Functional links between DoE and DoSD to be strengthened in order to support and monitor closely payment plan and process.

Issues Requiring Ongoing Attention

- Filling of vacant posts for ECD Coordinators at district level
- The slow procurement processes

Programme 8: AUXILIARY AND ASSOCIATED SERVICES

Programme Objectives: To provide for projects specified by the Department of Education that is applicable to more than one programme and funded with conditional grants.

Sub-programme 8.2: HIV & Aids and Social Planning Programmes

Programme Objectives: To develop and implement an intergrated and inter-sectoral approach that provides education, prevention, care and support to the infected and affected learners, educators and their schools

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
<i>PPM 801: Percentage of orphans and vulnerable children (OVC) in school</i>	-	-	-	-	-
<i>PPM 802: Percentage of schools with Health Advisory Committees (HAC)</i>	45	75	45	-30	-40
<i>PPM 803: Number of educators trained on HIV & AIDS, abstinence, life skills and values education (note)</i>	-	600	2 583	1 983	330

Note: HIV & AIDS and Social Planning has a business plan for 2000-2010 with specific targets set out below. The provincial performance measure indicated in 801 is not a departmental priority but a Social Needs Cluster responsibility. PPM 803'S target above does not match the target as set in the Annual Performance Plan of 2006/7.

Key priorities and Objectives as set out in the Business Plan 2000-2010.

Description of Objective and Performance measure	Actual Outputs 2005/06	Target Outputs 2006/07	Actual Outputs 2006/07	Deviation from Target	
				Units	%
Training of educators in Basic Counselling skills	-	600	600	0	0
Number of schools at which Health Advisory Committees were established and capacitated		1 500	1 447	-53	-3.5
Number of orphans and vulnerable children reached out to		-	3 800	-	-
Educator Development					
Number of people trained in the abstinence School Enrichment Programme:					
Educators			2 219		
Religious leaders			256		
Learners			1 108		
Total		3 438	3 583	145	4.2
Number of educators trained in integration		600	542	-58	-9.7
Peer Education					
Number of schools to which Peer Education is rolled out		800	777	-23	-2.9
Number of Peer Group trainers trained (1)		200	192	-8	-4
Number of learners trained as Peer Educators (1)		8 000	9 362	1 362	17
Number of Sustaining and Monitoring Peer Education Programmes		1 004	622	-382	-38
Number of Peer Group trainers trained (2)		251	182	-69	-27
Number of learners trained as Peer Educators (2)		10 040	9 307	-733	-7.3

Programme Performance 2006/07

- Advocacy activities for the programme reached an estimated 1,500,000 learners, 10,000 educators, 2,000 SGBs and SMTs.
- 542 Educators from GET Band trained in the integration of life skills and HIV and AIDS into the curriculum.
- 2,219 Educators trained in an abstinence based character building life skills programme for the Intermediate phase (Grade 7)
- 1108 Grade 7 learners were trained in abstinence based character building life skills programme for the Intermediate Phase.
- 256 Religious leaders trained in abstinence based character building life skills programme.
- 600 Educators trained in Basic Counselling Skills.
- 79 Ministers trained in Basic Counselling Skills.
- Functional Peer Education sustained in 927 secondary schools: through the training of 9,307 new learners as Peer Educators and 251 out of school youth as Peer Group Trainers. Peer Education continued to be rolled out by adding more functional peer educators programmes in 777 secondary schools; through the training of 9,362 new learners as Peer Educators, and 192 out of school youth as facilitators
- Holistic support provided for orphans and other vulnerable children/learners and respect inculcated for the rights of those who are infected and affected, through the formation and capacity building of Health Advisory Committees in 1,447 schools (including EMGD training in HIV and AIDS Policy)
- LTSM for life skills that is age, learner and language appropriate for Grade R up to 11 in public schools was supplied to 425 schools that were trained in integration.
- 6,212 School received First Aid Kit Refills.
- 3,800 Orphans received school bags, pencil cases, toiletries and food parcels in Libode, Uitenhage and Mount Fletcher.
- Annual Provincial HIV & AIDS Youth Conference for 1,000 learners and 46 educators held from 23-25 June 2006.
- 116 Learners reached in Ngubezulu and Upper Corana Senior Secondary School with a high rate of suicide for counseling and abstinence training programme.

Employee Wellness Programme

- Candlelight Memorial Service hosted at Head Office and 3 Districts (Mount Fletcher, Uitenhage and Lusikisiki) in which 1,000 employees participated.
- Workshop for development of Peer Education Manual for DoE employees held with reference group of officials and union members.
- PCTA debriefing workshop held in East London for two days in which 23 District Coordinators and 20 master trainers participated.
- 3 Lunch time events held at Head Office addressing stigma and discrimination and other health issues in the workplace.
- 5,400 Educators have been trained as Peer Educators in the PCTA Programme.
- Wellness day hosted by the Districts (East London, Dutywa and Uitenhage) where Peer Educators were inducted and 300 employees participated.
- Employee Wellness Day for Head Office employees which took place on the 8th of December 2006, where 500 employees participated at Bisho Stadium.
- Peer Education training for 100 Office based Officials (Head Office, East London, Lady Frere and Uitenhage).
- Participation of 141 employees at Head Office in the KABP (Knowledge Attitude Behaviour Prevention) of which 69% were female and 31% males.
- Workplace seminar with the Office of the Premier – Up scaling Access to treatment for HIV & AIDS for Eastern Cape Provincial Administration.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Lack of Organizational Integration HIV and AIDS is not properly integrated into the Departmental planning and budgeting processes. Lack of inter-directorate integration
Response to Challenge 1:	Adoption of an Integrated Education Sector HIV & AIDS Policy This Policy will ensure that HIV & AIDS activities are integrated and mainstreamed across all issues relating to the management of the pandemic activities as a whole. Ensure that there is buy in from Senior Management and ensuring that HIV & AIDS is built within the Performance Agreements
Challenge 2:	Ongoing Nature of Advocacy Mobilisation of leaders of all religious formations with the intention to put them on board regarding their role in the management of HIV & AIDS in their communities. This is dependent on budget availability.
Response to Challenge 2:	Communication and advocacy strategy to address this issue DFID is considering funding the training of Ministers of Religion. A meeting is being arranged with the Ministers of Religion trained in Lay Counselling in order to assign them in schools.
Challenge 3:	Orphans and OVC Project Identification of and referral systems for Orphans and Vulnerable Children.
Response to Challenge 3:	Response and support programme for OVCs A pilot project to upscale care and support of orphans and vulnerable children involving care givers is planned for the next financial year.

Programme 8.4: Assessment and Examinations

Objectives

- To provide for departmentally-managed assessment and examination services.
- To provide an effective and efficient external examination system for Grade 9, 12 and ABET Level 4.

Achievements

- Planned monthly co-ordinating meetings with district examination officials have proved a worthwhile exercise, through a structure called Inter-District Assessment and Examination Committee (IDAEC)
- Efficient management and administration of 2006 examinations free of any leakages and unconditionally approved by Umalusi was a major achievement
- More staff members have been trained on examination procedures and systems than the previous years.
- Development and design of Grade 12 question papers completed in record time.
- Grade 9, 10, 11, 12 and ABET level 4 candidates were all registered in the computer system.
- More learners now participate in Grade 10 and 11 examinations.
- 13 Marking Centres were utilised in 2006 and were well - run.
- More Grade 12 learners than in 2005 were registered.
- The relocation to another building with improved security has enhanced the quality of the management of examinations
- About 99% of claimants who performed examination related work were paid in January 2007.
- A Provincial Examinations and Assessment Board was established to advise and provide oversight on all Examination and Assessment matters and is fully functional.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Inadequate organizational structure design
Response to Challenge 1:	Discussions about the norms and standards for staffing at Examinations components at Provincial departments have started at national level. The latest organogram review process should address the inherent design shortfalls.
Challenge 2:	Staff training and non conclusion of staff placement
Response to Challenge 2:	The placement of staff and the filling of the posts have been accelerated and vacancy rate reduced.
Challenge 3:	Additional mandates given without commensurate human resource capacity.
Response to Challenge 3:	Increase the human resource capacity in the districts relative to the additional workload.

Issues Requiring Ongoing Attention:

- Staff training especially in Internal controls and performance management systems.
- Staff shortages and organizational structure design.
- Capacity building for budget management
- Strengthening internal controls
- Reinforce the interface between the transversal systems to benefit managers, schools and learners
- Grade 9 data is the challenge because it is nationally driven. At the time of presenting the report the processing of the data had not been completed.

2.11 Transfer Payments

Programme	Amount Transferred (M)
Programme 1: Administration	R 5 707
Programme 2: Section 21 Schools	R226,017
Programme 3: Registered Independent Schools (Primary & Secondary Phases)	R25,130
Programme 4: Public Special Schools	R52,381
Programme 5: FET Colleges	R98 660
Programme 6: Adult Basic Education	R72
Programme 7: ECD Sites	R44 829
Programme 8: Examinations Marking Centres	R7 292

2.12 Conditional Grants

Summary of Conditional Grants for 2006/07

Conditional Grant	Total Allocation	Total Transfers
HIV & AIDS	25,805,000	25,805,000
SNP	234 994,000	267,219,000
Roll over funds	32,225,000	-
Total	R293,024,000	R293,024,000

HIV & AIDS

Name of Grant	Actual Receipts 2006/7	Actual Expenditure 2006/7	% Deviation (budgeted to receipts and actual spending)
HIV&Aids	25,113,000	25,979,000	(0.67)

Performance Outputs 2006/7				
Output description	Allocation in millions	% allocation in millions	Expenditure	Balance
1. Advocacy: Dissemination of policy, programme information, development of materials and school-based activities.	2,009,040	8%	1,376,035	633,005
2. Training: (a) Development of materials for EMGD training (b) Development of materials for educator training	3,766,950	15%	5,677,124	(1,910,174)
3. Peer Education	9,542,940	38%	7,555,538	1,987,402
4. Care and Support	5,524,860	22%	7,339,159	(1,814,299)
5. Learning Support Materials: Audit and review of review if alignment with RNCS	2,260,170	9%	42,184	1,817,986
6. Support, monitoring and evaluation	1,255,650	5%	3,252,598	(1,996,948)
7. Management and administration	753,390	3%	336,362	417,028
Total	25,113,000	100%	25,979,000	
Rollover	692,000			
Grand Total	R25,805,000	101%	R25,979,000	(R174,000)

School Nutrition Programme

Name of Grant	Actual Receipts 2006/7	Actual Expenditure 2006/7	% Deviation from Quarters 1 to 4 (budgeted to receipts and actual spending)
SNP	267 219 000	R170 171 000	36%

Performance Outputs 2006/7					
Output description	Number of feeding days	Allocation in millions	% allocation in millions	Expenditure	Balance
1. Feeding	168	218 544 420	93	158 259 030	60 285 390
2. Non-feeding		16 449 580	7	11 911 970	4 537 610
Total		234 994 000	100	170 171 000	64 823 000
Roll over funds from 2005/6		32 225 000	-	-	32 225 000
Grand Total		R267 219 000	100	R170 171 000	R97 048 000

2.13 Capital Investment, Maintenance and Asset Management Plan

2.13.1 Capital Investment

There is a considerable backlog of school maintenance to overcome new schools and / or additional facilities to be built, and a backlog of classroom furniture to be supplied. At the same time, Eastern Cape is one of the poorest provinces in South Africa.

The Eastern Cape Department of Education has an infrastructure stock, which comprises 6 181 schools and, houses 2,146,776 million learners together with various other facilities such as FET colleges. Mud schools, which originally totalled 939, now total 854, and should further be categorized as:

- 173 schools which have an enrolment of less than 100 (Scenario 1), and
- 67 schools which have an enrolment of less than 50 (Scenario 2)
- If some of these are considered for rationalization then the province is likely to be left with 681 or 787 mud structured schools, depending on the rationalization scenario adopted.

Over the past ten years, the Department has made significant inroads into eradicating backlogs and improving physical conditions at schools throughout the Province, at a cost of some R2.2 billion. 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 R12.7 billion

at today's costs. In addition, R3.2 billion is required to address renovations, replacement of unsuitable and poorly community - built structures and to bring existing schools up to an acceptable and a uniform equitable standard. This will bring the total required to R15,9 billion.

The challenge for the next ten years is to deal with these backlogs in the shortest possible time, so that more funds can be used for maintenance, thereby ensuring that facilities are conducive to quality teaching and learning. Funding for maintenance needs to be increased substantially to meet this responsibility. The Directorate completed a ten year Infrastructure plan based on sound information retrieved from its Education Facilities Management data base (EFMS) and has correlated this with the Education Management Information System (EMIS) statistics. The challenges that the Infrastructure Plan sets out to meet, are set out below.

It will be necessary to develop diverse asset delivery and management strategies to:

- meet the current requirement as rapidly and comprehensively and cost-effectively as possible, consistent with maintaining adequate safety standards
- develop systems which can sustain the quality of physical infrastructure for the lowest capital and recurrent expenditure consistent with maintaining the safety of the physical fabric

In developing these strategies, the Infrastructure Plan of the Department of Education seeks to bring contractors, local authorities, communities, parents and educators together to ensure that at all times physical infrastructure development takes into account educational requirements. This is particularly important in a programme that seeks to

enhance the repertoire of classroom practice.

The Directorate will also deliver an approach that considers local traditions and aspirations, while taking account of the need to optimize cost-effectiveness. In particular, the Directorate will investigate the degree to which locally available technologies and materials can be utilized to reduce cost, and, through the use of local resources, contribute to providing alternative employment in work - scarce areas. The focus will also now be on the establishment of contractual links with registered Cooperatives when implementing the school Building Programme. This will be achieved by allocating points to the contractor in a similar fashion as is the case with Gender, Equity, Youth and disabled people.

To give meaning to this Plan, the Department has embarked on the following actions:

- The development of the Education Facilities Management System (EFMS) that enabled it to establish a comprehensive database of all its public schools through site visits, photos and sketch plans of the schools' layout. All the relevant officials at Head Office and District Offices have been trained to use the system for planning purposes. The Planning Tool has now been completed and further training will be done in the 2006/07 financial year to capture all the projects and use the database to generate reports and prepare priority lists
- this information is currently being updated by a National audit and this information will supplement and confirm the current status of infrastructure already known to the Province and the Department

The continued updating and technical support for the system was interrupted by the “belt tightening” financial measures put in place by the Province in the first quarter of 2005. The second phase of the system has been implemented in 2006 and all implementing agents have been trained this year to enable them to update the database of work done at schools on a continuous basis.

The Directorate analytically engaged the information from the survey and this has led to a conclusive plan. Following are the special items that were investigated and analysed in preparing the data:

- **What is the current status of the existing schools with respect to the definition of a basic school?** Condition surveys of the existing buildings were done to determine the deficiencies. Based on this, a comparison was done to calculate the funds required to bring all schools to the same level of national standards
- **How many schools are under utilized and where are they located?** Established why that was the case! Is there a better school in the vicinity where the learner prefers to go? A micro-planning exercise involving the EDOs may reveal the facts. It is advisable to look at the last five years’ data to establish if there has been a steady decline or whether it has been static. This information is currently being downloaded manually and discussions are in place to create the required electronic link
- **Is there any general drop in enrolment and why?** What role did HIV and AIDS, urbanization or poor performance of the school play?
- Since the government’s responsibility is to give access to all children, in particular between the age 7-15 (Grade 1 to 9), it is important to know how many

- school-less communities exist in the Eastern Cape
- Information on distance of the schools from the communities:
- How many primary schools per secondary school in a particular community?
- Disaster affected schools: is there a zone which is disaster prone? Carry out the zoning
- Combine small schools that are scattered and possibly provide hostels where necessary
- Adding classrooms and other facilities to existing schools rather than building complete schools as in the past
- Districts have been provided with draft lists of priorities for sanitation, water, mud-structured classrooms and a priority list of schools for new buildings, which they had to confirm, and to reprioritise in terms of current needs
- These lists have been submitted to the Cluster Managers for scrutiny and then submitted to the Facilities Management Directorate for verification, and forms an annexure in the Infrastructure Plan that was distributed to stakeholders at the end of April 2005. Once all inputs had been received by 31 March 2006, the Infrastructure Plan was amended and signed off by the MEC as the Departments’ strategic document to address all its infrastructure backlogs by 2014 as per the PGDP document
- The Department wants to eradicate almost 8500 mud-structured classrooms at 939 schools by 2009 and provide sanitation and water to all schools by 2008 as indicated in the table below
- The process of considering rationalisation and amalgamation of smaller schools is a process that could greatly reduce the backlogs experienced in the mud structure component. This could thus reduce the

figure of 939 to 572 and the related classrooms requirement would thus be projected to be 4 070

- The reduced infrastructure budget during the 2005/06 financial year (from R 462m to R 283m) has affected the delivery targets considerably, but at the same time has created opportunity to improve the planning and prioritisation process. The Department has already commenced the roll out of the 2006/07-infrastructure programme in a far more cost effective manner. The escalations incurred due to the budget cuts will however impact negatively on achieving the expected outcomes
- Donor funding and partnership with business will continuously be explored to assist government in dealing with this huge problem and to realize its objectives within the specific timeframes mentioned above
- The Department is currently investigating cost effective construction methods through a pilot project in Maluti Educational District, at Mavundleni JSS. The lessons learned in Mqanduli whereby the community of Bantwanana JSS built their school is incorporated into the Mavundleni pilot. It is envisaged that a considerable saving in construction cost can be realized. The school will be completed by the end of March 2007. The lessons learnt will be incorporated in the EPWP programme for 2007/08 with adaptations to suit the Cooperatives to be established
- The Directorate will be concluding its research on cost effective construction methods by involving the Nelson Mandela Metropolitan University to conduct the research

Accelerated implementation programme over the MTEF period

Department of Education Province of the Eastern Cape								
Description	SRN 2000	Number of schools as at April 2004	Corrective Measures 2005/06		Corrective Measures 2006/07		Corrective Measures 2007/08	
			Priority list	Budget '000	Planned	Budget '000	Planned	Budget '000
Schools/ unsafe Mud	6,260	939	197	277,000	65	65,000	320	575,559
Without Water	2,571	1,279	197	20,298	42	10,000	463	28,000
Without Sanitation	1,177	1,138	197	20,109	42	10,000	375	73,000
Without Electricity	3,786	1,924	233	10,706	230	12,880	450	14,000

Mainstream School Building Programme

By March 2007, 218 schools were completed under the phase 3 SECTION of the IDT programme from a total of 342. A total of 161 of these projects have reached final account stage. A further group of 116 projects are under construction and 18 are in tender stage.

The following facilities were provided:

New

A total of 1 403 classrooms, 314 staff rooms and offices, 74 strong rooms and store rooms, 68 laboratories and 24 computer labs, 1 679 toilets and 665 water tanks with all the schools receiving fencing.

Renovated

357 classrooms, 24 staff rooms and offices, 27 storerooms and strong rooms, 10 laboratories and 448 toilets.

Employment

A total of 13,527 jobs were created making use of:

4 418 Women
6 793 Youth
86 Disabled

Experiential training for students: 80 students were placed with professional service providers and contractors.
 No of learners to benefit from projects
 50 985 Learners
 1 539 educators

Mud structure intervention programme

57 projects of which 56 were approved. 37 are under construction with 2 under re-tender.
 18 schools have reached completion.
 Emergency intervention programme
 143 projects of which 101 are completed. 18 under construction and 24 are in tender stage.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Mud structures The department is faced with 589 mud structured schools that have been destroyed during rains in August 2006 and are unsuitable for teaching and learning.
Response to Challenge 1:	Strategy is currently being implemented to assist in this regard.
Challenge 2:	Overcrowded classrooms There are 12 000 additional classrooms required to deal with highly overcrowded classrooms and to make provision for the additional educators provided to schools due to the new staff establishment to schools.
Response to Challenge 2:	Strategy is currently being implemented to assist in this regard.
Challenge 3:	Donor Funding Additional donor funding to be sought to deal with the backlogs.
Response to Challenge 3:	60 Schools have been earmarked by the EU for the replacement of mud-structured schools in Mzimkulu, Lusikisiki and Mthatha. Of this number, only 6 schools in the Mthatha area are benefiting as the original EU funding has not materialized.
Challenge 4:	Business Community Involvement The Business Community must be encouraged to join hands with the Department through the Eastern Cape Education Development Trust to eradicate the classroom backlog.
Response to Challenge 4:	Three new projects have been initiated with funding from Eskom and Anglo Gold. One project will be funded by the Abruzzo Region from Italy the school being Thabo Khubelo in Mount Fletcher. BHP Billiton is converting a classroom into a computer lab.
Challenge 5:	Rationalisation of schools
Response to Challenge 5:	The policy on the rationalization of schools to be finalized so that the focus of school construction can eventually become the provision of additional facilities to existing schools and the maintenance of our schools.

Challenge 6:	Filling vacant posts Filling of vacant posts at Provincial and District offices in the Facilities Management Directorate is essential to build the capacity and improved service delivery. Currently only 2 of the professional positions are filled, relating to a 73% vacancy at the Provincial and at District Office. No Professional Physical Resources personnel exist and assistance is received through already over committed EDOs. Currently the Department only has 12 Works Inspectors and these are based in 7 of the 24 Educational Districts. This impacts heavily on the minor repairs programme at schools and the low level of expenditure in the funds allocated for maintenance at schools.
Response to Challenge 6:	Strategy is currently being implemented to assist in this regard.
Challenge 7:	Section 21 – Maintenance Funds inadequate
Response to Challenge 7:	Increase the funding for maintenance and devolve this responsibility to Section 21 schools and District Offices.
Challenge 8:	Backlogs existing Approximately R15.5 billion is required to eradicate all the backlogs of the Department in respect of Physical Resource provisioning.
Response to Challenge 8:	Strategies to speed up implementation are under discussion.

Issues Requiring Ongoing Attention

- Continuous improvement of data on infrastructure to make cost effective decisions when placing schools on the priority programme
- Reduce vandalism and burglaries by improving security and fostering ownership by communities
- Efficient and effective management, monitoring and evaluation of the school building programme
- Engagement of the Business Sector by means of the Education Development Trust to augment government funds for infrastructure development
- To implement a gazetted policy on the rationalisation of small schools
- Upgrading of data line and band-width by the Provincial IT office to improve accessibility to the EFMS system have been completed but the continued software updating and training would be ongoing
- Implementation of the Project Management module of the EFMS on all new projects
- Decreasing the risk of Implementing Agents not being able to deliver on time and within budget by spreading the building programme to a wider field of Implementing Agents

2.13.2. Maintenance

- R 41 million has been set aside for minor repairs to Section 20 and 21 GET and FET schools. This amount has been divided according to the quintiles which meant that some schools received amounts compared to their overall needs. There are a large number of schools that need urgent repairs due to vandalism, delayed intervention due to budget cuts and damage caused by strong winds and heavy rains
- Some serious interventions are needed at the FET Colleges. The budget set aside for this is very minimal and it will need additional funding from other source to deal with this problem in a reasonable timeframe, taking into consideration the ever-increasing importance of this sector. An amount of R 39 million has been set aside only to deal with some of the colleges and this budget will be expended.
- PWD has not been budgeting for District Offices maintenance and this places an additional burden on the limited funds available for infrastructure. R5 million had to be sourced

from DFID funding to improve the conditions at 4 district offices. A further 6 district offices will receive additional office space during 2006/2007 to an amount of R 16 million. Another 4 districts will receive additional office space in 2007/2008.

- The preferred norm of spending 2-3 % of its original value on maintenance to maximise on the life cycle of any facility is almost impossible with the current funding. This area places the Department in a position of compromise, hence the constant negative press releases and frustrations of the communities concerned. The Directorate will request funds for this intervention.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Budget constraints The reduction of the budget due to belt-tightening exercise during the financial year affects proper planning and thus slows down the eradication of the backlogs and achievements of targets.
Response to Challenge 1:	The infrastructure budget must as far as possible not be reduced, but ring-fenced to allow the department to improve the educational environment of our institutions, especially with respect to the provision and restoration of basic services. Once it is ring-fenced, targets can be revised and brought in line with budgets available.
Challenge 2: FET Colleges	There is not sufficient funding to deal with the FET colleges maintenance needs. This result in the department having to sacrifice the budget for the compulsory schooling phase to at least attend to assist some of the FET colleges and their satellite campuses. It will probably take us beyond 2014 to deal with the maintenance backlog of this sector.
Response to Challenge 2:	Additional Funding should be sought from the NDE or each FET College with its satellites should take responsibility for their own maintenance by providing them with funds.
Challenge 3: Maintenance	Our District Offices and Head Office do not have sufficient funding to do timeous maintenance. This results in the buildings deteriorating and creates a very poor image of the department to the Public. PWD has indicated that they do not have funds to do maintenance to these buildings.
Response to Challenge 3:	Additional funding must be sought from the Province to deal with the infrastructure maintenance needs of the District Offices and Head Office. PWD needs to appoint facility managers at the Social Needs Cluster Centres and allocate funds for maintenance.
Challenge 4:	Special Youth Care Centre The funds required for this project exceeds R200 million. The Department together with Social Development are faced with a court order to ensure that the provision of a high care centre is established to cater for youths that are sentenced for serious and violent crimes.
Response to challenge 4:	The Department has completed the tendering plan to build such an institution. The Departmental sections to cater for the provision of staffing must be brought on board as this form an integral part of the project. The outsourcing of staff and running of the Institution is an ideal solution and is currently being investigated.
Challenge 5:	Expenditure of the section 20 funds allocated to districts for minor repairs
Response to challenge 5:	Lack of Works Inspectors in districts is part of the ongoing staff shortages

2.13.3. Asset Management

The Department has developed the EFMS system on which all its capital projects are being captured and updated. Due to problems with the availability of staff the capturing of all the projects has come to standstill. The section will have to outsource this initiative until staff have been appointed and trained.

The current state of the department's capital stock:

(Includes all infrastructure)

CONDITION	NUMBER	PERCENTAGE
Very Weak (mud)	1 225	19
Weak	1 844	28
In Need of Repair	2 197	35
Good Condition	747	12
New Building	191	3
Being Upgraded	197	3
No Response		
TOTAL		100

The Department had set aside R44 million for routine maintenance during the 2006/07 financial year over and above the general funds already transferred in terms of the school funding norms. This area requires refinement in terms of considering the capacity of the District Offices in effectively managing the minor repairs to schools. The lack of technical personnel is a major constraint.

There are 589 schools that carry the tag "Disaster Schools" which range from mud structures that have collapsed to existing structures where roofs have been damaged and pose extreme danger to the lives of learners and educators. Schools have been categorized according to needs in terms of the EFMS system and it is the Department's endeavour to introduce a cyclic maintenance programme. More funding will be needed to do justice to the renovation programme of the Department. The Schedule for major maintenance forms part of the over-all capital works programme.

List of schools for implementation in the MTEF period has already been submitted to, our Implementation Agent and discussed at the EPWP Provincial Steering Committee. The scope of work is being determined and the documentation for the tendering process will be completed.

The Department is currently doing repairs to 140 Disaster schools to the value of R 60,000,000.00. The fund for this was created due to non-movement by the EPWP Learnership programme administered by National Department of Public Works.

Capital Acquisitions and Disposals

The aim of this section is to ensure Accounting Officers keep their Executive Authorities informed of any major capital acquisitions and disposals during the last quarter.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and management have taken in response.

Challenge 1:	Vacant erven To determine the extent and the capital value of all the vacant school erven registered in the name of the department and to dispose of the erven not needed.
Response to Challenge 1:	The DoE could be able to utilize these funds to fund the School Building Programme. The DPW is currently in the process of calling for service providers to assist in such an audit.
Challenge 2:	Vesting process The vesting process has not been completed and the ECDoE is facilitating in the difficult process.
Response to Challenge 2:	The ECDoE is working closely with the Department of Land Affairs and DPW in assisting in the process to complete the vesting of all properties.
Challenge 3:	Mud structure intervention. The ECDoE is faced with the steady collapsed mud/community built structures due to adverse weather condition.
Response to challenge 3:	The department is engaging its implementing agents to attend to some of the projects and a total of 209 from 589 are funded. Additional funding will be requested from treasury via a business plan.

2.14. Co-ordination, Co-operation and Outsourcing

The Eastern Cape Provincial Government and its social partners have jointly prepared a Provincial Growth and Development Plan (PGDP) to guide the development of the Province over the ten year period 2004 – 2014. The PGDP sets out the provincial vision, targets and programmes aimed at economic growth, employment creation, poverty eradication and income redistribution. It targets the rapid improvement in the quality of life for the poorest people of the Province and supports the National Departments' ASGISA and JIPSA programmes.

The PGDP demands the long-term co-operation between all sectors and levels within the Government as well as provincial social partners in business, labour and civil society in order to be a success.

These "partners" have representation on the Provincial Social Needs Cluster which is a formally constituted forum in which key role players participate with the objective of ensuring co-ordinated planning, co-operation and cost efficient delivery of services. The Department of Education is a key role player on the Social Needs Cluster.

Information Technology and Systems Infrastructure participates actively in the committees of the Provincial Government Information Technology Council (PGITO Council), in particular, the Departmental Government Information Technology Officer (DGITO) chairs the Provincial Strategic Systems committee. In that capacity, good progress has been made

with respect to formulating Provincial Acceptable Use Guidelines, and evaluating an email filtering solution to stop unsolicited emails, viruses and other non-work-related material from reaching the government environment.

Information Technology and Systems Infrastructure has started establishing direct relationships with service providers for cabling and third line user support facilities as a result of on-going challenges with slow and inefficient services obtained from SITA and its subcontractors.

Further Education and Training is involved in Public, Private Partnerships. They are in partnership with Lower Saxony Department of Education. Out of this partnership, four (4) servers were donated to colleges to enable them to pilot e-learning. This is done to improve the quality of learning (e-learning). This could also be used for e-communication; to boost communication – intra-communication (within the college) and intercommunication (between colleges and Head Office). E-Administration information management systems will link colleges to Head Office. This will speed up service delivery and will boost the quality of the Departments' statistics.

Learnerships offered by colleges in the areas of Poultry Farming, Wholesale and Retailing, Tiling, Mechatronics (Motorcar Industry), to mention a few, have opened doors for unemployed / out of school youth, and qualified them for job placement. The INSETA (Insurance SETA) has enrolled learners from FET Colleges to participate in their learnerships and Internship programmes.

The Department of Education and the Department of Social Development have an integrated working relationship through the Expanded Public Works Programme (EPWP). This is in nationwide government led initiative aimed

at drawing a significant number of unemployed South Africans into productive work, in a manner that will enable them to gain skills and increase their capacity to earn an income.

The partnership between Department of Education and Department of Social Development focuses on the pre-Grade R i.e. 0-4 age cohort. The role of the Department of Education in this partnership is to provide level 1 and 4 accredited training to selected practitioners.

Curriculum Management formed a consultative forum with the Deans of Education from the 4 Higher Education Institutions (HEIs) in the Eastern Cape. Human Resource and Institutional Development Management and Governance Chief Directorates are also represented on the Forum. Co-operation with HEIs was extended to the use of their facilities during NCS training of Grades 11-12 teachers. There are two representatives from the Department on the reference group of the Faculty for Education Research and Technology Innovation Unit based at the Nelson Mandela Metropolitan University. This unit seeks to promote innovative research in the field of education with the aim of improving the quality of Mathematics, Science and Technology teaching in our schools. Partnerships have also been developed with United States Agency for International Development (USAID) and the National Council for Economics Education (NCEE) based in New York.

The **School Building Programme** utilized the Independent Development Trust (IDT), Coega Development Corporation and other implementing agents, whilst the Department's Eastern Cape Development Trust manages all donor funds for the school building programme.

The **ABET** Directorate has been in partnership with the

following providers as commissioned by the ETDPSETA:

- Project Literacy
- Sakhisizwe Education and Management Institute
- UMNGA as commissioned by the Primary Agriculture Education Training Authority – PAETA
- The Border Training Centre as commissioned by CETA
- Imbokotha Consortium as commissioned by THETA
- Industrial Education and Training Institute as commissioned by ESETA

2.15 Status of Inter-Departmental Linkages

Information Technology and Systems Infrastructure

participates actively in the Provincial Government Information Technology Council (PGITO Council) structure, chaired by the Office of the Premier. Through this structure progress has been made to obtain proposals from SITA and Telkom for the provision of a Virtual Private Network (VPN) for the provincial government. A VPN would provide government with a more cost effective connectivity solution than the present arrangement with data lines to each point of representation. SITA is still not able to offer the full service that the provincial government is requesting, and formal processes will need to be followed to utilize an alternative service provider. Progress is being made in this regard.

Vocational Education can best be offered when linkages between the Department of Education and the Department of Labour are strengthened. The Department embarked on a Trade Test campaign for engineering educators at FET Colleges. The requirement is that these educators first comply with legislation as set out by the Department of Labour. About sixty (60) engineers from FET Colleges were sent to East Cape Training Centre which is a centre contracted by the Department of Labour to prepare engineers for Pre-Trade Test. Trades represented were Electricity – Light and Heavy Current, Plumbing, Building, and Carpentry. Participants were trained for three (3) weeks using the HRD funds allocated to the Budget Programme 5 (For FET Colleges). This group is set to proceed to Olifantsfontein (now Indlela), where the final trade testing will take place at the centre for engineers.

A group of thirty (30) Motor Mechanics and all motor-related trades like Auto-Electrical and Motor Body Repairs will be trained this year in July. The centre had no instructors for this trade in 2006.

Human Resources Development Management

established partnerships with higher Education institutes (HEIs) and the ETDP SETA. Through these partnerships the Department contributes to the PGDP through Internship and Learnership programmes. There are linkages with the Office of the Premier through Human Resource Management Forums and Labour Relations and the HRD Forum. These joint ventures have assisted the Department in the development of the Human Resource and Employment Equity Plans.

Curriculum Management has interdepartmental linkages with the Provincial Department of Transport on learner development in Mathematics and Science (STAR SCHOOLS PROJECT). There are also linkages with Departments of Science and Technology, Minerals and Energy, Communication and the National Defence force

Further a partnership has been established with the Department of Water Affairs to launch a joint project on the development of material to promote water awareness in the province.

The Chief Directorate is also involved in a joint project with the South African National Biodiversity Institute to promote environmental awareness among teachers and learners. These issues are infused in training material for teachers.

EPWP Programme and Intergrated ECD Strategy: The Department of Education and the Department of Social

Development have an intergrated working relationship through the Expanded Public Works programme (EPWP) as this is a nation wide government lead initiative aimed at drawing a significant number of unemployed South Africans into productive work, in a manner that will enable them to gain skills and increase their capacity to earn an income. The partnership between these departments focuses on pre grade R, that is, 0 - 4 age cohorts. The role of the Department in this partnership is to provide level one and four accredited training to selected practitioners and also pay their stipend.

School Nutrition Programme: During the year under review the Department commenced interactions with the Office of the Premier and the Department of Economic Affairs Environment and Tourism on how to improve this programme and community co-operatives and Small to Medium and Micro Enterprises (SMMEs) could be assisted to become service providers in feeding learners.

School Safety: Strong linkages with Departments of Safety and Liaison, Social Development, Correctional Services and Health in promoting school safety

In-school Sport and Culture: A memorandum of understanding was signed with the Department of Sports Recreation Arts and Culture to establish a collaborative framework on in-school sport, heritage and culture.

Scholar Transport: Significant collaboration with the Department of Roads and Transport has taken place to provide transport for learners in rural areas through a programme called "Shova Lula", which involves the purchase of bicycles for learners.

2.16 Status of Local Government linkages

Further Education and Training Colleges has linkages with local municipalities, and are benefiting from learnerships like LED (Local Economic Development), Ancillary Health Care with local hospitals. This learnership is popular at King Sabata Dalindyebo FET College in Mthatha.

ABET provides adult education for learners in the Departments of Correctional Services, Agriculture and Health. Working at district level, it also continues to engage closely with the Department of Labour in skills programmes for learners.

HIV & AIDS works closely with the Department of Health and Social Development on the training of lay counsellors and closely with other Departments on and inter – departmental structure which aims to identify and refer orphans and vulnerable children (OVC Project)

The School Enrichment Programme Unit works closely with the Department of Sport, Art and Culture to run the Summer Games, which is a joint venture to keep children off the streets during vacation time. In a joint venture with Transnet, Libode nodal areas were reached in an attempt to boost low morale and self esteem and to reduce absenteeism and dropout from school.

Auxiliary Services has worked closely as part of a task team within the Department of Public Transport to assess and develop policy around the use of light delivery vehicles as transport for learners.

The School Nutrition Programme faced widely reported challenges toward the end of 2006 that led to the

cancellation of supplier contracts and the suspension of SNP activities. In a process of re-implementing SNP a task team comprising the Office of the Premier, Treasury and Economic Affairs was constituted to ensure that feeding was resumed in February 2007.

Linkages with Local Government structures are mainly ad-hoc and in accordance with need. All Districts have an Education Forum in place, where Local Government is represented. The Provincial Office does not have a formal structure to network and link up with Local Government. However, the Chief Director Strategic Management represents the Department at key meetings.

2.17 Donor Funding

Swedish International Development Agency (SIDA) Intsika Project

Background Information

Intsika is a project under the Eastern Cape Human Resources and Education Management Programme. The programme is a part of the Swedish Development Support to the Eastern Cape Province. The Intsika project was started in January 2004 and is scheduled to run until the end of 2006.

Purpose

The purpose of the project is to develop functional school support and monitoring structures. In order to do so the project is focusing its work on the district level where support to capacity building is taking place according to identified needs.

Realising that the capacity for functional structures for school support can only be developed in close cooperation with those it involves, 50 schools were selected to participate in the project. Support will be given to these schools to develop the Management and Governance capacity required for the development and implementation of School Development Plans.

The project is also engaging itself at central level in the provincial Department of Education. Although this is not the main focus of the project, the involvement here is important for a number of reasons. By doing so the project contributes to the establishment of closer and more functional links between the two levels.

The project aims at developing the organizational and managerial capacity required to secure decentralization of education services. As a contribution to this, the following objectives have been set for the project:

- To enhance the quality of education in the Eastern Cape by decentralization and delegation of the education management from the provincial Department of Education to district offices and onwards to school level.
- To decentralize education services by reviewing existing practices and to improve, design and develop practical approaches for decentralization.
- To provide more effective and efficient education by developing effective governance and management arrangements in 10-25 schools in each district.

Achievements

- Development of catalogue and tool on Best Practices in districts
- International study tour has been completed including comparative study on RSA, Sweden and Denmark
- Support provided to the development of formats for District and Cluster Operational Plans and calendars
- Support provided to the development and implementation of School Developmental Plans
- Support provided to EDOs on school support strategy
- Financial Management
- Training of Intsika School Management and Governance teams on Effective School Management, Financial Management, Human Resource Management
- Basic ICT literacy training for 60 officials from Dutywa district office. A help desk has been established in all

three districts

- Developed District level version of ECDoE calendar and work planner, coaching on the use of the DO planning and calendar templates in all 3 districts and support provided in development of Matric Intervention Plan
- Training of District Office staff on Curriculum Management, Appreciative Inquiry, Coaching, action based professional development and HIV AIDS in the Workplace
- Review of ECDoE EMIS experience with implementation of new DEMIS
- Preparation done for the roll out of advanced training in Curriculum Management
- Drafting of training packages
- The ABCD approach to Professional Development
- Establishing learning clusters
- The use of Coaching in district office management
- The use of Appreciative Management in District offices
- Curriculum Management
- Consolidating the formation of learning clusters as an instrument for in-house Professional Development and Capacity Building.
- Provide advanced training according to needs identified within learning clusters.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and Management have taken in response.

Challenge 1:	Teacher Union Non co-operation between teacher union and district office.
Response to Challenge 1:	The ongoing conflict between the Department and SADTU has affected the project work in Fort Beaufort. The District office manager, who is the project target group, has often not been available for project activities. The Project does not take sides in the conflict but tries to deal with the situation by giving priorities to capacity development activities that are not affected by the conflict.
Challenge 2:	Staffing Lack of essential staff in district offices.
Response to Challenge 2:	The lack of essential staff in the district offices (Mid level managers / EDOs) is a major challenge to the project as they are the target group to the project. The response to this is to adopt a flexible approach focusing on what is there.
Challenge 3 : Communication	Lack of one window system for interaction between provincial and district offices.
Response to Challenge 3:	The many different lines of communication between the provincial and the district levels is a challenge to the project. The initiative taken to overcome this has been to develop links with the relevant sections in the Provincial office.

Imbewu II Programme

Background Information

The British Department for International Development (DFID) funded project (£17 million or R221 million) aims to increase significantly the learning achievement of children from the Eastern Cape Province. The Imbewu II Programme (2002-2007) is a sequel to the highly effective Imbewu I Project (1998-2000). This new 'Project to Programme' mode in phase II envisages outputs being firmly lodged within various Directorates of the ECDoE with Departmental 'drivers' taking ownership of activities. The Programme ends in November 2007.

Purpose

To develop an effective, efficient and affordable decentralized system of education.

Output Details 2006/7 for Imbewu II

PROGRAMME PERFORMANCE						
Performance Measure Indicator (per output)	Actual Outputs 2005/6 (Rands)	Planned Output 2006/7 (Rands)	Planned Outputs: Quarter 4 (Rands)	Actual Outputs Quarter 4 (Rands)	Deviation from target	
					Unit	%
1. An effective, efficient and appropriately staffed provincial Department of Education, fulfilling a strategic role	1,764,129	4,780,000	4,780,000	4,934,138	-154,138	-3%
2. A fully functioning and self-managing district structure providing quality support to schools	7,151,846	12,850,000	12,850,000	13,460,873	-610,873	-5%
3. Schools which having undergone a whole school effectiveness process, are better able to provide improved learning opportunities for their learners	6,213,257	3,920,000	3,920,000	4,032,062	-112,062	-3%
4. Cost effective school buildings constructed and improved asset management	1,399,838	n/a	n/a	n/a	n/a	n/a
5. Evaluation: Formative longitudinal; qualitative and quantitative & Programme end Conference(06/07)	1,406,198	3,400,000	3,400,000	3,086,554	313,446	9%
Administration	5,072,006	5,400,000	5,400,000	5,428,188	-28,188	-1%
Total	23,007,276	30,350,000	30,350,000	30,941,815	-591,815	-2%

Achievements

- An integrated ECDoE Strategic Planning Process resulted in a document acknowledged as complying and exceeding the national requirements (Imbewu provided Technical & Financial support)
- Development of the Annual Performance Plan within the framework of the Strategic Plan - both delivered on time
- Compilation of Measurable Objectives and Performance Measures for the Annual Performance Plan.
- ECDoE ownership of Institute for Educational Leadership established in East London with a budget of R 4.5m for 2006/7
- In the 4th quarter [January – March 2007] the Education Leadership Institute hosted 381 events comprised of meetings, training workshops and conferences with 15,828 participants. The total usage at the Education Leadership Institute in East London from 1 April 2006 to 31 March 2007 has been 1,320 meetings/workshops/conferences with 58,648 participants an additional 4 training rooms and dedicated Computer Wing were established at the ELI [East London] by December 2006.
- ex-TRINSET in Mthatha for provision of In-Service Teacher Training almost completely refurbished. The following is completed: 3 computer training rooms with new computers (100 total); 10 general training rooms with furniture and A-V equipment; auditorium with new A-V equipment; expansion of catering facility. A major Resource Centre and Library area has been prepared for provision to teachers in surrounding Districts. Appointment of staff and acquisition of holdings is in process. The Institute satellite in Mthatha is as busy as the East London campus in hosting training/workshops/meetings etc. in the 4th Quarter Report [January – March 2007] 12,151 participants attended 291 workshops/meetings/conferences.
- Ex-Algoa Teacher Training College has been incorporated as a satellite of the ELI for In-service Teacher Training in the Nelson Mandela Metropole [Port Elizabeth] and as a major Resource Centre for the ECDoE. Appointment of staff and acquisition of holdings in process [Satellite Head appointed 1 December 2006]. The PE facility started hosting events in March 2007 and had 16 workshops/meetings with 1,922 participants.
- Imbewu supported the development of 2 key investigations, one on the possible Legal Form that the Education Leadership Institute [ELI] can take; and the other on Training & Development needs of key professionals in District Offices. Both completed and legal form of ELI decided upon and incorporated as a Chief Directorate of the ECDoE
- In February 2007, two (2) other key investigations, one on a proposed long term INSET Strategy for the ECDoE (driven by Curriculum) and another, a resourcing Strategy for the Province (inclusive of the 3 ELIs, District Resource Centres, etc) were tabled.
- Strengthening delivery in the Curriculum Chief Directorate. Curriculum Policy and Structures advanced to District Level
- Providing leadership around ICT interventions, including school pilots, district systems and EDO support (laptops for all EDOs) provided
- By the end of 2006: One set of 5 School Transformation Introductory Modules + Supplementary notes sent to all ECDoE Senior Managers and all Districts for delivery to all 6,300 schools; similarly, delivery strengthened in the Institutional Management & Governance Chief Directorate with all District Managers and EDOs receiving packs of the 7 EMD Modules as well as one set of the 7 EMD modules delivered to all Districts for the 6,304 schools in the province. Districts re-training EMD Modules in 4th quarter 2006/7.
- Promotion of an integrated response to HIV & AIDS e.g. Curriculum integration.
- Mainstreaming of Bantwanana cost-effective school building delivery mode for eradication of mud structures. This EPWP modality has provided employment for community members as well as skilling them through the Border Training Centre.
- Research and piloting of another modality at Mavundleni in Maluti underway (incorporating the Bantwanana experience). Imbewu completed Phase 1 by the 31 March 2006. Public Works and ECDoE to complete Phase 2 by 2007.
- Evaluation delivery owned by Quality Promotion and Standards Directorate. Vital data gleaned from 25 studies being used in Education Planning by the Strategic Planning and Monitoring Chief Directorate.
- Imbewu supports the establishment of the Planning Branch by providing a Technical Assistant as acting DDG: Education Planning, Evaluation and Monitoring for the duration of 2006.
- Imbewu Dissemination Strategy activated as part of close-out campaign e.g. All Education Faculty Lecturers (180) at the 4 Universities in the Eastern Cape provided with Evaluation CD [25 studies] + hard copies of School Transformation Modules [Introductory and EMD]
- The Imbewu/ECDoE Stand at the Commonwealth Ministers Conference in Cape Town in December 2006 attracted hundreds of visitors from around the globe who showed keen interest in accessing our materials [modules, evaluation studies etc.]
- Arrangements for the Imbewu II close-out International

Conference finalized for 25-28 June 2007 at the Nelson Mandela Metropolitan University in Port Elizabeth. The ELI Head acts as Conference Chairperson [nominated at Imbewu II PSC]

- The 14 December, 2006 PSC confirms the appointment of two external evaluators of the Imbewu II Programme who will visit the Eastern Cape from January 2007 and who will return on 8 May 2007.
- Dr Muthayan attended the Imbewu PSC on 29 March, 2007 as part of the external evaluation process. Both evaluators will also attend the Imbewu – sponsored International Conference on 25-28 June at NMMU in Port Elizabeth.

Specific Challenges and Responses

The following is a list of the most significant challenges affecting the Department as a whole and the actions the Accounting Officer and Management have taken in response.

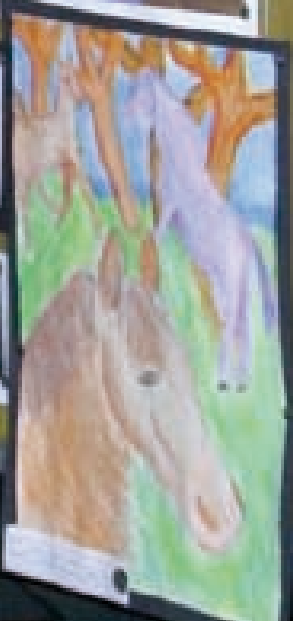
Challenge 1:	Effective electronic communication between the ECDoE Head-Office and Districts is extremely difficult, mainly as a result of endemic weaknesses in the ICT backbone as well as lack of ICT proficiency. This has severely affected delivery in Outputs 1 + 2. For future delivery in Outputs 2 + 3 around the promotion of E-Administration and E-Learning (to schools) the Departments' ICT system still needs immediate attention.
Response to Challenge 1:	There is not, as yet a sense of a comprehensive and coherent response across the board. A huge positive is the endorsement of the E-Education Project located at the ELI. However, the uncertainty of financial support from National or the ECDoE is holding us back.
Challenge 2:	Most Directorates with which Imbewu works experience problems/delays in procuring services. This severely affects delivery on multiple fronts.
Response to Challenge 2:	ECDoE is still working on improvement in this area. The IMT intervention has meant that some joint Imbewu/ECDoE initiatives have a responsible driver for which we are thankful. However, much progress is still required.
Challenge 3 :	There are many critical areas requiring appropriate staffing. Examples include the head-office Management and Governance sector; Curriculum/ Subject Advisor appointments in Districts essential for support to schools as well as Education Leadership Institute appointments [East London, Mthatha and Port Elizabeth]. The Imbewu Programme requires ECDoE personnel as counterparts to be mentored. In many cases the TAs/Consultants have not been able to accomplish this requirement.
Response to Challenge 3 :	There are visible signs in the ECDoE that the appointment process is underway. This is particularly evident in more senior appointments. A major achievement is the appointment of most EDO's. However, many Subject (Curriculum) Advisors still need to be appointed.
Challenge 4 :	There are distinct weaknesses in both the Internal and External Communication 'strategy' of the Department. Internal communication (website, e-mail – Group-wise, newsletter) is non-existent while external communication is reactive.
Response to Challenge 4:	The appointment of a Chief Director in Communications is most welcome. Externally, the MECs office has been doing an admirable job trouble-shooting. However, there is still no evidence of a pro-active approach to communication. Internally, the ECDoE has failed to manage effective Communication. One understands the 2 new appointees are working on a comprehensive strategy to overhaul communications.
Challenge 5 :	DDG: Education Planning, Evaluation and Monitoring Although the DDG for the Planning Branch is designated in the ECDoE Organogram of January 2006, there has been no appointment to date despite extensive technical advisor support during 2006
Response to Challenge 5 :	In the interim the various Chief Directors in the Planning Branch are reporting to other Executive Management members.

Challenge 6 :	Continuity in Leadership at the Education Leadership Institute Despite huge financial investment in the facilities, no permanent appointments have been made at the ELI to ensure continuity and development of training programmes
Response to Challenge 6 :	Advertisements and interviews for many ELI positions (East London; Mthatha; Port Elizabeth) took place in the last quarter of 2006. An intern, seconded official from SAMDI (JHB), is expected to head up the Education Leadership in East London from April 2007.

Issues Requiring Ongoing Attention

- The work plan for 2006/7 utilizes Imbewu finances strategically. However, Output Activity Managers need to budget adequately for Imbewu-funded programmes that require ECDoE mainstreaming in 2007/8
- The integration of Imbewu outputs & activities into the ECDoE as part of an exit and sustainability strategy requires attention and dedicated departmental drivers are needed. The Imbewu Programme ends in November 2007.
- Communication within and without. The ECDoE has expressed commitment to the resuscitation of Umdibanisi (Official ECDoE Newsletter). However, this has not happened (only 1 issue printed) and requires leadership.







Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 3 | **REPORT OF THE AUDIT COMMITTEE**
VOTE 6 FOR THE YEAR ENDED 31 MARCH 2007



EXIT



SECTION 3 | REPORT OF THE AUDIT COMMITTEE

VOTE 6 • FOR THE YEAR ENDED 31 MARCH 2007

We are pleased to present our report for the financial year ended 31 March 2007.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met six (6) times as per approved terms of reference.

Name of Member	Number of meetings Attended
V. Nondabula (Chairperson)	6
L. Dudumashe	5
N. Nicholls	6
J. Godden	6
C. Maurice	5

3.1 Audit Committee Responsibility

The committee reports that it has complied with its responsibilities arising from Section 8 (1)(a) of the PFMA and Treasury Regulation 3.1.13.

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

3.2 Internal Audit

During the year under review internal audit was provided by an outsourced service provider. They reported

functionally to the audit committee and administratively to the Chief Financial Officer. An in-house internal auditor has been appointed and this function will be reinforced with further appointments and use of a co-sourced service provider. It is important to note that the division still needs to be strengthened by building performance audit capability internally that will be utilized to enhance service delivery processes.

The overall effectiveness of the internal audit during the current year was hampered to a degree by lack of appropriate implementation of the recommendations made. Limited implementation has resulted from human resource and infrastructure constraints. The consortium, which operates under a contract and an annual plan of activities approved by the audit committee, is winding down its work because their contract is coming to an end.

3.3 The effectiveness of internal control

Based on the work that was undertaken as SECTION of the annual internal audit plan, the system of internal controls in the main was found to be ineffective.

The material areas that are affected are the human resource administration, supply chain and asset management. The key root causes for these weaknesses are lack of appropriate capacity and expertise at correct levels, consistent changes at a senior level of administration, lack of appropriate policy framework for managing outsourcing arrangements and also lack of a proper document management system. The failure of the department to implement internal audit recommendations and delays in filling critical posts is slowing progress in addressing these matters. The Committee made several recommendations to management, that

include the improvement of the organizational structure, sourcing of the right skill for the critical posts, upskilling of administration staff and completion of the Registry project initiated to address the matters relating to incorrect human resource information and missing documentation for payroll related transactions. Management have formulated specific corrective action plans to address certain of these matters, and the audit committee is supportive of this process.

3.4 The quality of in year management and monthly /quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the timely submission of monthly and quarterly reports. But the committee is of the view that the quality and the content of these periodic reports can be improved to be more user-friendly and more tailored to meet the specific needs of key stakeholders in the department, including the audit committee. The Committee has provided its feedback to the relevant officials on how the quality of information and reporting can be improved.

3.5 Evaluation of Financial Statements

The Audit Committee has:

- 1 Reviewed and discussed the annual financial statements with management and provided its input;
- 2 Reviewed changes in accounting policies and practices;

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- 3 Confirmed from discussions with management that the annual financial statements were not complete as accruals and commitments were not all accounted for and that capital expenditure was not properly accounted for in accordance with the applicable accounting framework;
- 4 Reviewed and discussed the audit report with Auditor General and management, and recommended that matters raised in the report be appropriately contextualized to enhance understanding, where practical the true route causes and progress made should be highlighted;
- 5 We have agreed with management and the Auditor General that the Annual Financial Statements and the audit report, subject to recommended changes, are acceptable for submission to the Superintendent General for approval and inclusion in the annual report; and
- 6 The Auditor General has audited in accordance with a nationally prescribed methodology and has reported findings that are similar with previous years. In the opinion of this committee the contribution of the external audit process in improving governance and strengthening internal control within the department is impacted upon by the fact the Auditor General's recommendations have not been systematically implemented over the years and the progress made has also not been acknowledged on the report.

routine management tools and as such the management of the department needs to be audited and judged on this transitional achievement.

Likewise the Internal Audit effort must be focused on the transitional plan until the environment has sufficiently matured to gain value from a modern audit approach.



Signed on behalf of the audit committee by Acting Chairperson

Date: August 28, 2007

This department needs to correctly enhance severe infrastructure and Human Capital deficiencies before it can address risk management, governance and control as



Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 4 | **ANNUAL FINANCIAL STATEMENTS**

VOTE 6 • REPORT OF THE FINANCIAL ACCOUNTING OFFICER FOR THE YEAR ENDED
31 MARCH 2007





SECTION 4 | ANNUAL FINANCIAL STATEMENTS

VOTE 6 • REPORT OF THE FINANCIAL ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2007

4.1 Management Report

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Eastern Cape for the year ended 31st March 2007

4.1.1 General review of the state of financial affairs

The Department has continued to improve financial management by ensuring appointments in all districts of middle managers in the areas of supply chain management, finance and human resources. Already these appointments have relieved a lot of pressure from both districts and Head Office.

The Department has identified areas that need further investigation especially in the light of the negative press reporting mainly due to the School Nutrition Programme. A forensic investigation has been finalised and a report has been issued on the School Nutrition Programme. A performance investigation on infrastructure programme has been completed and a report has been issued.

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

- The implementation of no fee schools in respect of all schools under quintile 1 which are ranked the poorest
- The allocation of the recapitalisation conditional grant in order to address infrastructure, human resource and other issues in FET colleges

The Member of Executive Council resigned during the year under review and a new MEC took office in January

2007. A new Head of Department also took office during September 2006.

By March 2007 approximately 218 schools were completed under phase 3 as part of the IDT building programme, whilst a total of 161 projects have reached final stage of completion. A further group of 116 projects are under construction and 18 are on tender stage. Furthermore there were 57 mud structure projects identified of which 56 were approved. Of these, 37 are under construction, 2 under re-tender with 18 schools having reached completion.

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

	2006/07	%	2005/06	%
Actual expenditure	12, 872, 743	98.1	11,523,158	99.7
Budgeted Expenditure	13, 122, 087	100.0	11,557,189	100.0
Under/(over) expenditure	249,344	1.9	34, 031	0.3

The underspending is mainly attributable to the School Nutrition Programme and Infrastructure Programme. Virements within the discretion of the Accounting Officer have been made and approved by the Accounting Officer mainly to offset excesses reported in certain programmes.

The Department has overspent on the compensation of employees partly due to the payment of 1% pay progression for two financial years, 2004/05 and 2005/06 during the year under review. This was caused by the lack of systems to ensure the efficient evaluation of educators and the readiness of the department to deal with issues emanating from the collective agreement. The over expenditure is also

attributable to the double parking of educators within the system, the permanentisation costs of 3000 temporary educators that were only made permanent in the year under review and the carry through costs of the pay progression paid to educators from the past financial years. This is mainly due to the fact that the department was unable to accurately estimate and cost the pay progression and its carry through costs due to the late finalisation of the collective agreements and the lack of systems and delays in the collection of evaluation information from educators as indicated above.

The steps that are taken to address and prevent recurrence are the following:

- Line function managers must develop project plans to be implemented collaboratively with Districts.
- Close monitoring of project implementations.
- Being proactive in costing and soliciting funds to implement collective agreements during the relevant financial years to avoid backlogs.

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4.1.2 Services rendered by the department

- Education administration which includes financial management, supply chain management, education management, 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 funding to independent and special schools
- Provision of Further Education and Training
- Provision of Adult Basic Education and Training
- Provision of Early Childhood Development including training and development of practitioners
- Provision of Human Resource Management and Development across the system and External Examinations

4.1.3 Tariff policy

- Interest policy Department to the current gazetted rates
- Examination Fees R12.00 per lost certificates
- Boarding & Lodging R550.00 hostel fee per learner
- Boarding & Lodging R400.00 hostel fee per learner
- Commission 2.5% of pay-over value to insurance companies
- Garnishee 5% of the value deducted
- Telephone Recovery of personal calls and calls over the limit for cellular phone holders

4.1.4 Free Services

No free services are offered by the Department of Education.

4.1.5 Inventories

The Department had no inventory at the end of the financial year.

4.1.6 Capacity constraints

The Department had serious constraints in terms of staffing especially around the middle management. This has been addressed through filling of middle management posts at district level and at Head Office during the year under review.

4.1.7 Utilisation of donor funds

Donor funds utilised during the year under review were from SIDA –Swedish Development Agency and Imbewu II. SIDA funds namely Intsika, were utilised mainly to develop the organizational and managerial capacity required to secure the decentralization of education services. Imbewu funds were utilised mainly for the development and upgrading of the Leadership Institutes, Strategic Planning support, Policy research and survey and operationalisation of curriculum structures.

4.1.8 Trading entities and public entities

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

4.1.9 Organisations to whom transfer payments have been made

The Department makes transfer payments to Section 21 schools, Independent schools, Special schools, ECD Sites and

to designated Examinations centres. Refer to Annexure 1K for the details of the transfers. These transfers are effected in terms of the Schools Act and the Norms and Standards for School Funding. Schools are required to submit audited annual financial statements every year by June. In addition to this, the Department is in consultation with the South African Institute of Chartered Accountants is in the process of developing a framework for reporting in those audited financial statements in order to guide the process further in line with the Public Finance Management Act.

4.1.10 Public private partnerships (PPP)

The Department has no Public Private Partnerships during the year under review.

4.1.11 Corporate governance arrangements

The Audit Committee has held several meetings during the year under review. The main risk areas identified are in Human Resource, Procurement and Governance. The main challenges identified were lack of accountability, high vacancy rate and lack of skills to deal with the issues identified. Performance audits were done and recommendations made to senior management. In response to these the Department has filled most of the vacant deputy director posts both at Head Office and districts across HR, SCM and Finance during the year under review. During the next three years budget has been set aside to fill more. The lack of skills is being addressed through the placement of personnel to where they fit and through training using the skills levy funds. The Education Leadership Institute is geared to ensure that there is ongoing training of all employees. Members of the senior management service have signed performance agreements and declared their financial interests for the year under review.

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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 the main entrance. All offices have been declared gun and smoke free zones.

4.1.12 Continued activities/activities to be discontinued

The Department has not discontinued any of its activities during the year under review and there are no future plans to discontinue any of its activities.

4.1.13 New/proposed activities

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

4.1.14 Asset management

The Department has established an asset management unit. Presently a complete asset register is not in place, however it is currently being updated. The Department is in the process of updating the EFMS system which is an asset system for all the infrastructure of the Department. The vehicles used by the Department are leased from Fleet Africa.

4.1.15 Events after the reporting date

The CFO resigned in May 2007.

4.1.16 Performance information

The Department has made significant improvements in

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.

The department has appointed KPMG to monitor and evaluate projects in Finance, SCM and Human Resources.

4.1.17 SCOPA resolutions

No new resolutions have been made during the year under review.

4.1.18 Other

The Department has been involved in the transfer of the Mzimkhulu Education Services to Kwa-Zulu Natal during the year under review. A Memorandum of Understanding was signed between the Department and Education Department in Kwa-Zulu Natal in 2006 which resulted in the handing over of all education functions. The Matatiele issue was finalised later due to the Constitutional Court case which was still in progress. The most pertinent issues of the memorandum was:

- Agreement was reached that the Department would pay for all the personnel for the Mzimkhulu district during the year under review and transfer them to Kwa-Zulu Natal at the end of the financial year and the Matatiele personnel to be transferred to Eastern Cape Education Department at the beginning of the new financial year 1st April 2007.
- Due to differences in implementation levels around the following issues:
- Curriculum implementation as in catalogues for OBE

material and stationery

- Due to Kwa-Zulu Natal feeding up to Grade 7, unlike the Eastern Cape Department of Education which is feeding up to grade 4, it was agreed that the Kwa-Zulu Natal Department of Education should make own arrangements for the supply and delivery of LTSM, feeding of learners at Mzimkhulu schools and the office administration for the Mzimkhulu district and to submit a claims to the Eastern Cape Department of Education.

Approval

The Annual Financial Statements set out on pages 112 to 169 have been approved by the Accounting Officer.



Ms N V Mahanjana

Superintendent-General and Accounting Officer
Date:



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4.2 REPORT OF THE AUDITOR GENERAL

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REPORT OF THE AUDITOR-GENERAL TO EASTERN CAPE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 6 EASTERN CAPE DEPARTMENT OF EDUCATION FOR THE YEAR ENDED 31 MARCH 2007

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 statement of financial position as at 31 March 2007, appropriation statements, 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 notes, as set out on pages 112 to 169.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188(1)(a) of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.

Basis for adverse opinion *Compensation of employees*

9. The Personnel and Salary System has not been sufficiently updated to reflect staff movements. Approximately 1 455 employees had not been allocated to a specific payroll as at 31 March 2007. A process aimed at physically identifying these employees was conducted and at 2 July 2007, 130 of the 1 455 employees had not been verified by the department. Payments totalling R9,3 million were made to these 130 unverified employees during the current year. The process followed by the department may not be accurate and reliable as errors were identified and in certain cases documentation could not be provided for employees physically inspected.



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10. Employees that either had left the service or had died continued to receive salaries. Paypoint managers did not always certify the payrolls to confirm that employees listed thereon were employed at the relevant paypoints nor did they return certified payrolls to the district office to effect changes identified. Seven employees from one school had not been working at the department for the past seven years, but continued to receive salary payments. Payments to these employees totalled R958 000 in the current year. The department did not adequately manage the payroll and as a result did not maintain the integrity and reliability of payroll information.

11. The department could not provide adequate documentation required for the audit of housing allowances, motor vehicle allowances and overtime. Consequently, the scope of audit work that could be performed was restricted, resulting in it not being possible to determine the validity and accuracy of these payments. The total of such allowances included in note 5.1 to the annual financial statements was R48,8 million.

Expenditure

12. Material uncertainty existed, mainly due to a lack of documentation provided, regarding the validity of contracts awarded and the validity and accuracy of expenditure incurred. Expenditure incurred during the current year totalled R1,6 billion (excluding payments for capital assets and compensation of employees). The significance of the non-submission represented a limitation on the extent of audit work that could be performed.

Findings included the following:

- payment vouchers and other supporting documentation could not be provided for payments totalling R7,8 million.
- contracts and service level agreements could not be provided for tenders totalling R48,3 million.
- documentation confirming decisions taken in bid evaluation and adjudication meetings could not be provided for tenders totalling R9,5 million.
- the tax clearance certificate for a tender awarded by the Department of Public Works on behalf of the Department of Education totalling R14,2 million could not be provided.
- ex post facto approval was granted for contracts of R2,4 million as they were considered emergency cases, but did not appear to meet the definition of emergency cases.
- a payment of R4,3 million was made in terms of a lease agreement, which was due for payment eight years earlier.
- the department did not adequately evaluate the performance of suppliers. Consequently, it was not possible to confirm whether suppliers met the conditions or requirements included in their contracts. This was particularly evident in the School Nutrition Programme, which was the subject of a forensic investigation and which resulted in the suspension of five departmental employees. Refer to paragraph 87 below.
- payments of R6,8 million were made to a consortium, contracted to assist the department in the establishment and improvement of corporate service centres, during the year under review. Confirmation of the deliverables due and received from this consortium for the current

year could not be provided by the department.

13. The department has outsourced the procurement function for its School Building and School Furniture Programmes to implementing agents including the Department of Public Works. While the arrangements in place between the department and these implementing agents were considered to be valid, the department has relegated all control and accountability in respect of these programmes to the implementing agents and by so doing, has not complied with section 38(1)(a)(iii), (iv), (1)(b), (1)(d) and (1)(j) of the Public Finance Management Act, 1999. Consequently, payments to the implementing agents of R370,3 million that were spent during the year were regarded as irregular expenditure and should be disclosed as such. No irregular expenditure has been disclosed in the financial statements.

14. Payments for capital assets, which were disclosed in the statement of financial performance and also as additions in disclosure note 28 and 28.1 to the annual financial statements, totalled R524,4 million. Included in this expenditure was expenditure of R506,2 million for buildings and other fixed structures and R2,0 million for furniture and office equipment. Most of this expenditure represented payments made to implementing agents for the School Building Programme as discussed in paragraph 13 above. At 31 March 2007, approximately R124,3 million of this expenditure had not been spent by the various implementing agents. The funds that had not been spent by the implementing agents at year-end did not represent valid capital expenditure and were therefore incorrectly disclosed. These funds should have been



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recorded as an advance or repaid to the department and surrendered to the revenue fund, and application should have been made for rollover to the following financial year. Refer also to paragraph 54 below. These balances could not be reconciled with the individual projects completed and in progress, and the opening balance could also not be reconciled. The department did not adequately monitor infrastructure projects, which are managed by implementing agents. Consequently it was not possible to confirm the full extent of funds that should have been surrendered to the revenue fund.

15. The department could not provide adequate supporting documentation for payments made to meal servers involved in the School Nutrition Programme. It was therefore not possible to confirm the accuracy and validity of these payments. Payments to meal servers for the current year totalled R20,0 million and were included in the expenditure of R258,2 million in annexure 1A to the annual financial statements. This also constituted non-compliance with section 17(2)(b) of the Division of Revenue Act, 2006 (Act No. 2 of 2006).
16. Included in transfers and subsidies was an amount of R6,7 million relating to the write-off of staff debts. This amount should be disclosed separately in the annual financial statements as financial transactions in assets and liabilities in terms of the National Treasury Guide for the Preparation of Annual Reports for 2006-07.
17. Payments of R20,1 million made to section 20 no-fee schools were incorrectly classified as goods and services instead of transfer payments.

18. Expenditure incurred on leave gratuity payments was R63,4 million and was included correctly in note 8 under household expenditure. Significant leave discrepancies were however noted during the audit of leave gratuities and leave in general. It was therefore not possible to confirm the accuracy of leave gratuity payments made. Refer to paragraph 29 below. It was also not possible to identify salary overpayments in respect of employees who were not actually at work, but not recorded as being on leave.
19. The final appropriation for transfers and subsidies to provinces and municipalities was disclosed as R8,3 million in annexure 1E, instead of as R14,9 million.
20. The final appropriation for transfers and subsidies to households was disclosed as R70,1 million in annexure 1L, instead of R75,7 million.
21. The department did not comply with section 38(1)(j) of the Public Finance Management Act, 1999. Transfer payments of R381,8 million included in the appropriation statements, disclosed in note 8 and in annexure 1K to the annual financial statements were made to entities referred to in this section of the act. The department did not obtain the necessary written assurance from all these entities.

Property, plant and equipment

22. The department did not have an asset register, which included additions for the year as reflected in the statement of financial performance and in disclosure notes 28 to 30. A comparison performed between the fixed asset register for machinery and equipment

and the annual financial statements revealed an unreconciled difference of R337,2 million. It was therefore not possible to conduct sufficient audit procedures to confirm the valuation, completeness and existence of tangible assets of R2,6 billion disclosed in note 28 and intangible assets of R2,0 million disclosed in note 29. The departmental fixed asset register was maintained in electronic spreadsheet format, which was not considered an adequate asset management system.

23. Asset additions of R9,6 million were not included in the asset register and could not be physically inspected as their location was unknown.
24. Included in note 28 were improvements or additions to buildings of R506,2 million. The land on which the department was constructing these buildings did not belong to the department. The cost of these improvements or additions should therefore be transferred to the department that owns the land in terms of common law principles. Tangible assets were therefore overstated by this amount in the annual financial statements.
25. All capital work in progress is required to be deducted in note 29.1 for tangible assets under the column "capital work in progress current costs" until such time as the capital work is complete. The department did not deduct any capital work in progress in note 29.1. Construction work in progress was estimated at R132,9 million in the year under review. It was not possible to confirm the value of capital work in progress as all building projects were managed and undertaken by implementing agents. The department did not have



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reconciliations of current capital work in progress and was uncertain of the value of capital work that was completed and that still in progress. Refer to paragraphs 13 and 14 above.

26. Assets held under finance leases and donated assets have not been included in the fixed asset register of the department.

27. The department did not conduct a physical verification of its fixed assets in the current year.

28. Not all losses were accounted for at school, district and head office level.

Employee benefits and key management personnel

29. Included in disclosure note 23 to the annual financial statements were balances for leave entitlement and capped leave commitments of R51,9 million and R2,1 billion respectively. These balances have been prepared by using reports generated from the Personnel and Salary System. Leave records were found, generally, to be in an unsatisfactory state. Findings included the following:

- a significant backlog of leave forms existed that had not been captured on the Personnel and Salary System.
- inadequate documentation or inappropriately approved documentation was attached to leave gratuity payments and capped leave forms.
- errors were noted within the Personnel and Salary System whereby leave was captured incorrectly. In the absence of reliable leave records, it was not

possible to confirm the accuracy of the leave entitlement and capped leave commitments.

30. Included in disclosure note 23 to the annual financial statements was a balance of R648,6 million relating to 13th cheque accruals. This amount incorrectly represented the actual payments made to employees instead of the amount owing at 31 March 2007. This balance was overstated by approximately R298,0 million, however, the accuracy of this could not be confirmed due to a lack of reliable information on the Personnel and Salary System. Refer to paragraphs 9 and 10 above

31. Included in disclosure note 23 was a balance of R7,5 million relating to performance awards. It was not possible to confirm the accuracy of this amount as information and documentation used to calculate this amount could not be provided and alternative procedures could also not be performed.

32. Included in disclosure note 26 to the annual financial statements was remuneration of R9,3 million paid to key management personnel. In terms of the National Treasury Guide for the Preparation of Annual Reports for 2006-07 this note should include remuneration paid to close family members of key management personnel who are employed at the department. This information was omitted from the financial statements. Remuneration of key management personnel was understated by at least R3,9 million. The full extent of the misstatement could not be determined as information relating to close family members of key management personnel was incomplete.

Receivables

33. Unspent funds of at least R124,9 million held by implementing agents, was included in payments for capital assets. As these funds had not been spent by the implementing agents at year-end, they represented advances made by the department, which should be returned to the department and surrendered to the revenue fund and application made for the rollover of these funds to the following year. Prepayments and advances were therefore understated by at least R124,9 million and payments for capital assets overstated by the same amount. It was not possible to confirm the completeness of these unspent funds as the department did not reconcile the projects managed by the implementing agents and the extent of unspent funds. Refer to paragraphs 13, 14 and 25 above.

34. It was not possible to confirm the accuracy, validity and completeness of amounts owing to the department by other departments and entities totalling R1,2 million, disclosed in note 13 and annexure 4 of the annual financial statements. This was due to inadequate documentation attached to journals and incorrect journals processed. Refer to paragraph 44 below. External confirmations received from other departments also revealed significant differences.

35. It was not possible to confirm the accuracy and completeness of the debt account of R67,2 million disclosed in note 13.1 to the annual financial statements. This was due to a lack of adequate supporting documentation for debts raised. Evidence could not be obtained to confirm that debts were



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- properly managed on a regular basis. The follow up of long-outstanding balances was unsatisfactory. Many long-outstanding balances were carried over from previous years, without evidence that attempts had been made to recover the debts.
36. Note 27 of the annual financial statements relating to potentially irrecoverable debts reflected a balance of R10,9 million, while the age analysis included in note 13 reflected that 100% of the staff debts of R67,2 million were older than three years and 98% of inter-governmental receivables were older than three years. The accuracy of this age analysis could not be confirmed due to the lack of an audit trail. It was not possible to confirm the accuracy of this provision or assess whether the assumptions made in raising this provision were accurate as documentation could not be provided to support the amounts included in the provision.
37. The department did not disclose any receivables for departmental revenue in its disclosure notes to the annual financial statements. The department earned interest of at least R8,5 million, which had not been received by the end of the year. This interest was earned on funds held in bank accounts by implementing agents on behalf of the department. The accuracy and completeness of this recoverable revenue could not be determined as the department did not prepare reconciliations of funds paid to implementing agents and spent by implementing agents. Two dormant bank accounts, held by implementing agents with funds of R3,0 million, relating to completed projects, were identified. The unspent funds in these accounts had not been paid over to the department and were not disclosed as owing to the department. Receivables as well as recoverable revenue in respect of interest earned, are therefore understated
38. The salary reversal control account had a debit balance of R7,2 million and was included in note 13.1. It was not possible to confirm the accuracy and completeness of this balance. This was due to deficiencies identified in journals that were processed. Refer to paragraph 44 below.
- This balance together with other receivable accounts that had credit balances at year-end should have been disclosed as payables instead of receivables, hence receivables and payables were understated by R7,8 million.
39. The salary: tax debt account had a balance of R3,9 million and was included in note 13.1. This balance represented income tax receivable by the department. IRP 5 reconciliations have not been prepared by the department for the previous five tax years since 2002 and neither have incorrect IRP5s been corrected. Consequently, it was not possible to confirm the over- or underpayment of income tax in respect of these tax years. Refer to paragraph 42 below.
40. Certain receivable balances reported in point 4.4 of the audit report for the year ended 31 March 2006 have been carried forward to the current year and remain unreconciled or uncleared. These account balances were included in note 13 for receivables. Due to the lack of proper reconciliations, management review procedures and the processing of journals, these accounts have in certain cases been reconciled, but not investigated and cleared on a regular basis as prescribed by National Treasury Regulation 17.1. It was therefore not possible to confirm the existence, accuracy and completeness of receivables.
- ### Payables
41. The debt receivable interest account had a balance of R6,9 million and was included in note 17.1. This balance represented interest accrued on debt accounts. As a result of the departmental debt account not being properly reconciled and managed, it was not possible to confirm the validity of interest earned on the debt accounts. As the department operated on the cash basis of accounting, this interest was not reflected in the statement of financial performance until such time as the debt has been settled by the debtor.
42. The salary income tax account had a balance of R6,2 million and was included in note 17.1. This balance represented the income tax liability owed to the South African Revenue Services. IRP 5 reconciliations have not been prepared by the department for the previous five tax years since 2002 and neither have incorrect IRP5s been corrected. Consequently, it was not possible to confirm the over- or underpayment of income tax in respect of these tax years. Refer to paragraph 39 above.
43. Certain of the payable accounts reported in point 4.4 of the audit report for the year ended 31 March 2006 have been carried forward to the current year and remained unreconciled or uncleared. These account balances were included in note 17 for payables. Due to the lack of proper reconciliations, management review procedures and the processing of journals, these accounts have in certain cases been reconciled, but not investigated and cleared on a regular basis as



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prescribed by National Treasury Regulation 17.1. It was therefore not possible to confirm the existence, accuracy and completeness of payables.

Journals

44. The department did not have adequate controls in place regarding the processing of manual journal transactions on the Basic Accounting System (BAS). Deficiencies were identified that included:

- the department did not assign responsibility for the approval of manual journal transactions. Journals were therefore approved by officials without the necessary authority and were not reviewed by the appropriate level of management.
- inadequate supporting documentation was attached to journals totalling R35,6 million.
- supporting documentation could not be provided for journals totalling R14,9 million.
- journals were processed that lacked valid reason and logic. These journals were processed in an attempt to off-set balances, where there was no apparent relationship between the balances or the relationship could not be confirmed.

Manual journal transactions were processed across all account balances and classes of transactions within the Basic Accounting System (BAS). As a result, it was not possible to obtain reasonable assurance that the amounts disclosed in the annual financial statements of the department were accurate.

Commitments and accruals

45. Commitments of R876,9 million and accruals of R26,4 million were included in disclosure notes 22 and 23 to the annual financial statements, respectively. It was not possible to confirm the completeness and accuracy of commitments and accruals. Findings included the following:

- orders of R1,5 million were included in both commitments and accruals.
- accruals were understated by at least R7,3 million.
- supporting documentation for commitments of R593,9 million could not be provided, resulting in a limitation on the scope of audit work that could be performed.
- commitments of R579,2 million on the Basic Accounting System (BAS) and commitments on the Logistical Information System (LOGIS) could not be reconciled with commitments and accruals included in the financial statements.
- adequate supplier reconciliations were not performed.
- the department did not have adequate control mechanisms in place to identify, record and manage commitments and accruals.

Contingent liabilities and guarantees

46. Supporting documentation could not be provided for motor vehicle and housing loan guarantees. It was therefore not possible to confirm the valuation, completeness and existence of the contingent liabilities of R120,0 million disclosed in note 20 to the annual financial statements.

47. Claims against the department totalling R4,7 million

were not disclosed in note 20 to the annual financial statements. The department did not have adequate control mechanisms in place to identify, record and manage claims against the department. Consequently, it was not possible to confirm the completeness and accuracy of claims against the department.

48. Supporting documentation in respect of interdepartmental unconfirmed balances of R125,1 million disclosed in note 20 and annexure 5 to the annual financial statements could not be provided. It was therefore not possible to confirm the completeness, existence and accuracy of the amounts disclosed. Confirmations obtained from other departments revealed claims of R5,9 million that were not disclosed. The department did not have adequate control mechanisms in place to identify, record and manage intergovernmental claims.

49. Litigation claims of R36,2 million were presented to the department subsequent to the balance sheet date, but were not included in the accounting officer's report.

Material losses through fruitless and wasteful expenditure and irregular expenditure

50. Fruitless and wasteful expenditure of R11,0 million and irregular expenditure of R394,8 million was identified during the audit. No fruitless and wasteful or irregular expenditure was disclosed in the financial statements. The full extent of irregular, and fruitless and wasteful expenditure could not be determined.



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Borrowings

51. Paragraph 3(4) of the Borrowing Powers of Provincial Government Act, 1996 (Act No.48 of 1996) prescribed that bridging finance shall not be raised by a provincial government as a continuous and unlimited revolving credit, unless with the approval of the Member of the Executive Committee for Finance. Section 1(1) of the above act states that bridging finance includes overdrafts on bank accounts. The department's bank balance was in overdraft by R1,3 billion at 31 March 2007 according to the bank statement. This balance did not take into account outstanding payments, deposits or other reconciling items. An application requesting approval from the Member of the Executive Committee for Finance was submitted to the provincial treasury on 29 March 2007, but this approval was not granted. This overdraft arose in prior years when the department incurred unauthorised expenditure. The unauthorised expenditure referred to was currently receiving the necessary attention from the Standing Committee on Public Accounts.

Leases

52. Operating lease commitments of R5,6 million were disclosed in note 24 to the annual financial statements. This balance incorrectly represented actual payments in respect of leases and not the lease obligations that existed at year-end. It was not possible to confirm the completeness, accuracy and existence of both operating and finance lease obligations. Findings included:

- Lease obligations in respect of motor vehicles leased from Fleet Africa were not disclosed.
- The department did not have adequate control

mechanisms in place to identify, record and manage leases such as a lease register.

- Lease agreements for cellular phones; machinery and equipment; and land, buildings and other fixed structures could not be provided and lease agreements were also concluded by officials that did not have the necessary authority.

Funds to be surrendered

53. Departmental revenue to be surrendered was understated by at least R77,7 million. It was not possible to determine the full extent of the misstatement due to the lack of adequate control mechanisms in place for journals. Refer to paragraph 44 above. Consequently, not all revenue owing to the revenue fund was paid over during the current year.

54. Voted funds to be surrendered was understated by at least R119,1 million. It was not possible to determine the full extent of the misstatement due to the significant limitation of scope experienced and due to the lack of adequate control mechanisms in place for journals. Refer to paragraph 44 above.

Local and foreign aid assistance

55. Local and foreign aid assistance received in kind amounting to R30,9 million was omitted from annexure 1M to the annual financial statements.

Material non-compliance with legislation affecting the annual financial statements

56. The matters referred to in paragraphs 9 to 5 above

represented non-compliance with section 38(1) and section 40(1) of the Public Finance Management Act, 1999. Section 38(1) prescribes the general responsibilities of an accounting officer, while section 40(1) prescribes the reporting responsibilities of an accounting officer.

Adverse opinion

57. In my opinion, because of the significance of the matters described in the Basis for adverse opinion paragraphs, the financial statements do not present fairly, in all material respects, the financial position of the Department of Education as at 31 March 2007 and its financial performance and cash flows for the year then ended in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in accounting policy 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

EMPHASIS OF MATTERS

I draw attention to the following matters:

Highlight of a matter affecting the financial statements which is included in a note to the financial statements

58. Note 5 to the annual financial statements represented actual expenditure incurred on compensation of employees. This expenditure exceeded the annual appropriation by R258,8 million.



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59. Note 6 to the annual financial statements represented actual expenditure incurred on goods and service of R1,2 billion. The department failed to spend R388,810 million of the annual appropriation for this item.

60. Note 8 to the annual financial statements represented actual expenditure incurred on transfers and subsidies of R460,1 million. This expenditure exceeded the annual appropriation by R20,2 million.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Internal control

Control environment

61. The department did not have a well-defined and understood process for managing and dealing with employees and suppliers. Evidence of this was the lack of timeliness in the processing of employee and supplier payments as well as the lack of complaints and correspondence registers.

62. The department did not demonstrate a commitment to obtaining and maintaining competent personnel and to developing and implementing proper human capital policies and practices. Evidence of this was the human resource plan of the department, which was still in draft format and not yet approved by the accounting officer and the fact that clearly defined job descriptions and performance requirements were not specified for all posts within the department.

63. While the department's decentralised structure may be appropriate for its size and the nature of its operations, the district offices were not provided with the required human resources, technical and infrastructure support in order to operate effectively and maintain appropriate internal controls.

64. Management and officials have been mostly positive and supportive in their attitude towards and dealings with external audit. Despite this, management and officials of the department have not been able to provide the necessary documentation and explanations required for audit. Senior management has started taking steps to address this issue by making officials more aware of the role and function of external audit, as well as their responsibility to maintain and provide relevant documentation and explanations when necessary. This lack of adequate documentation and explanations resulted in a limitation of scope being placed on the audit.

65. The organisational structure for the department was updated, but the person-to-post matching was not completed on PERSAL. The high vacancy rate within the department, particularly within managerial positions and in the finance section, created a sense of instability within the department and greatly impaired the effectiveness of internal controls. Steps were being taken by the department to improve the situation.

66. Accountability and responsibility was not always assigned and delegated. This was evidenced by the lack of delegations established within the department for the approval of journals and transgressions identified from approved financial delegations.

67. There were inadequate mechanisms in the department to monitor and review operations and programmes. Evidence of this was the lack of management review for certain functions, an ineffective internal audit function as management have not responded to or implemented internal audit recommendations and the lack of accountability and managing of the infrastructure programme.

Control activities

68. The department did not employ adequate physical controls to secure and safeguard assets. The department did not have a disaster recovery plan in place; access to offices was not always restricted and controlled; and the department did not have a functioning system on which to record and manage moveable assets that had been barcoded. This was compounded by proper loss control processes not being implemented.

69. Access to resources and records was not adequately restricted and accountability for their custody was not adequately assigned. This was evident by the volumes of documentation that was not available, which resulted in a scope limitation being placed on the audit.

70. Control activities surrounding the information processing systems were not adequate to ensure that information processed was accurate and complete. General controls surrounding the Personnel and Salary System (PERSAL) and the Basic Accounting System (BAS) were not adequate and no reliance could be placed on these systems. Supervisory or independent reviews were not adequately performed before information was



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captured onto the computer system. This was evident from the number of misallocations processed and the journals required to correct these errors. Information on PERSAL was not updated in a timely manner, resulting in incorrect and outdated information existing on the system.

71. Control activities surrounding the information and processing system used to measure departmental performance against predetermined objectives (Education Management Information System (EMIS)) were not adequate. Information within this system was not current, independent reviews on the accuracy and completeness were inadequate, and information in support of reported performance measures, was not readily available.

Risk assessment

72. The department did not have an approved risk management strategy and fraud prevention plan. This has also hindered the effectiveness of internal audit efforts that were required to be driven by management's assessment of risks that could prevent the efficient and effective achievement of its predetermined objectives. The department was in the process of taking steps to approve and implement these.

Information and communication

73. Management has not established clear and effective systems and means of communication with both internal and external parties. Information from external parties, such as statements and confirmations, were not always obtained to assist the department in

confirming the accuracy and completeness of its financial information and budgetary commitments.

74. Management did not manage, develop and revise its information systems in an effort to continually improve the usefulness and reliability of its communication of information. This was evident by the lack of an internet reporting policy.

Monitoring of controls

75. Management did not have a strategy to ensure that ongoing monitoring was effective and will trigger separate evaluations where problems were identified or systems were critical and testing was periodically desirable. The department did not have the appropriate levels of supervision to enable an effective oversight of internal control functions.

76. Information recorded in financial systems was not adequately compared to the physical assets and discrepancies were not investigated. Adequate asset counts were not performed and significant discrepancies were identified between the asset registers and actual assets. Asset registers were also not updated for losses incurred.

77. The department did not have processes in place to ensure the prompt resolution of findings emanating from audits and other reviews. This was evident from the inadequate and sometimes even inappropriate or incomplete management comments received on external audit findings issued during the audit, as well as the number of matters reported in previous financial years that have once again been raised in this report.

Material non-compliance with applicable legislation

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

78. The department did not comply with section 31(2)(g) of the Public Finance Management Act, 1999 read in conjunction with National Treasury Regulation 6.4.1, relating to rollover applications made.

Findings were:

- the rollover application of R7,6 million relating to payments for capital assets for programme 1 exceeded the unspent funds by R1,8 million.
 - the rollover application of R97,1 million relating to current payments for programme 2 exceeded the 5% maximum allowed by R34,8 million.
 - the rollover application of R9,4 million relating to transfers and subsidies for programme 5 exceeded the unspent funds by R8,4 million.
 - the rollover application of R5,0 million relating to current payments for programme 7 exceeded the 5% maximum allowed by R4,7 million.
79. The department did not comply with section 36(5) of the Public Finance Management Act, 1999, in that a performance agreement was only concluded with the current accounting officer by 20 July 2007. The accounting officer assumed duties on 4 September 2006.



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80. The department did not comply with section 40(5) of the Public Finance Management Act, 1999, in that a report indicating the inability of the accounting officer to comply with sections 38(1) and 40(1) of this act, together with reasons, was not submitted to the relevant executive authority and treasury.

81. The department did not comply with section 43(2) of the Public Finance Management Act, 1999 as a virement applied to programme 6 exceeded the 8% limit by R2,0 million.

Division of Revenue Act, 2006 (Act No.2 of 2006)

82. The department did not comply with section 27(1) and (2) of the Division of Revenue Act, 2006. Certain monthly reports required by section 27 had not been submitted to the provincial treasury in respect of the National School Nutrition Programme allocation. The business plan for the Further Education and Training recapitalisation project was also not approved and aligned with the individual business plans of the Further Education and Training Colleges in the province.

83. The department did not comply with section 27(5) of the Division of Revenue Act, 2006 as performance reports regarding the HIV/AIDS and School Nutrition grants, were not submitted to the national Department of Education within two months after year-end. The performance report in respect of the Further Education and Training grant was submitted late.

Income Tax Act, 1962 (Act. No. 58 of 1962)

84. The department did not comply with paragraph 14(3) of schedule 4 of the Income Tax Act, 1962 as IRP5 reconciliations had not been prepared for the past five tax years since 2002.

Revised annual financial statements submitted for audit

85. Revised annual financial statements, prepared as a result of recommended audit adjustments, were submitted for audit on 14 August 2007. These financial statements were materially incorrect and were therefore not accepted for audit purposes.

Special investigations in progress or completed

Completed investigations

86. A review of infrastructure planning, implementation and management within the department and its implementing agents was performed during the year. The review revealed significant control environment and internal control weaknesses, non-compliance with legislation and a lack of accountability and responsibility for the programme. The report further resulted in the suspension of two key members of management. Until this matter is investigated further, collusion and fraud cannot be excluded.

Investigations in progress

87. A forensic investigation into alleged irregularities surrounding the procurement and payment process

within the School Nutrition Programme is being conducted. This investigation has not yet been completed, but has resulted in the suspension of five departmental officials. The effect that the findings of the investigation will have on the annual financial statements of the department could not be determined. Collusion and fraud cannot be excluded.

88. A forensic investigation into the general state of affairs of the financial administration of the department is being conducted. This investigation has not yet been completed. The effect that the findings of the investigation will have on the annual financial statements of the department could not be determined. Collusion and fraud cannot not be excluded.

Matters of governance

Personal gain from public business

89. Payments totaling R541 000 were made to suppliers who were also employees of the department. The employees concerned did not disclose their involvement in remunerated work outside of the public service and did not have the necessary approval to conduct business with the department.

Effectiveness of internal audit

90. The internal audit function, which was under the supervision of the audit committee, was required to assist the accounting officer in achieving the objectives of the department by evaluating and developing recommendations for the enhancing or improving of processes in order to accomplish departmental objectives. Unsatisfactory findings were identified in the



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quality of internal audit work performed; value for money received by the department; lack of implementation of internal audit recommendations and unsatisfactory annual financial statements, which questioned the effectiveness of the internal audit function.

Audit committee chairperson

91. During the year under review the current chairperson of the audit committee was found guilty of a fraudulent act committed while serving as the chairperson of the Eastern Cape Department of Public Works audit committee. The accounting officer of the department relieved the chairperson of his duties on 10 August 2007.

Chief Financial Officer

92. The chief financial officer was suspended and subsequently resigned after the balance sheet date. This fact was not included in the accounting officer's report.

Inappropriateness of related-party relationships or transactions

93. The department did not disclose any related-party relationships or transactions in its annual financial statements. Two related parties of the department, namely the Eastern Cape Province Schools Trust (IT5/200) and the Eastern Cape Education Development Trust (IT 14/1998) were identified. Inadequate documentation was provided for this office to be able to conclude on the appropriateness of the relationship and transactions between the parties and the department.

Value for money matters

Human resource management

94. The revised departmental organisational structure was still in the process of being implemented and the person-to-post matching was not completed on the Personnel and Salary System (PERSAL).

95. The human resource plan of the department was still in draft and not approved by the accounting officer.

96. According to the draft human resource plan the department had a 55% vacancy rate.

Delay in finalisation of audit

97. Due to the national public sector strike action during June 2007 the finalisation of the audit for the 2006-07 financial year was delayed until 31 August 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

98. I have audited the performance information as set out on pages 30 to 113

Responsibility of the accounting officer

99. The accounting officer has additional responsibilities as required by section 40(3)(a) of the Public Finance Management Act, 1999 to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of

the department.

Responsibility of the Auditor-General

100. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.

101. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

102. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Content of strategic plan

103. The strategic plan of the department, read in conjunction with the annual performance plan, did not include adequate measurable objectives, expected outcomes, programme outputs, indicators and targets for all the department's programmes as required by National Treasury Regulation 5.2.2(d).



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Lack of reporting on all predetermined objectives in the annual report

104. We draw attention to the fact that the department has not reported on all the predetermined objectives as required by section 40(3)(a) of the Public Finance Management Act, 1999. Nine objectives for programme 2 and one for programme 7 were reflected in the strategic plan, but were not included in the annual performance report.

Measurable objectives are materially inconsistent between the annual report and the annual performance plan

105. We draw attention to the fact that for the department certain measurable objectives reported in the annual report for programmes 1, 2 and 5 were materially inconsistent when compared to the predetermined objectives as per the strategic and annual performance plans.

Measurable objectives are materially inconsistent between the annual report and the budget

106. We draw attention to the fact that certain objectives reported in the annual report for programmes 1, 2, 4 and 5 were materially inconsistent when compared to the predetermined objectives as per the budget.

Lack of sufficient appropriate audit evidence

Lack of systems generating performance information

107. We were unable to obtain sufficient appropriate audit evidence regarding performance information of the department because the systems relevant for generating information on the targets included in the annual performance report were not adequate for purposes of the evaluation.

APPRECIATION

108. The assistance rendered by the staff of the Eastern Cape Department of Education during the audit is sincerely appreciated.

S M Ngqwala for Auditor-General

East London

31 August 2007

VOTE 6 | ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2007

4.3 Statement of the Accounting Policies and Related Matters

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. These approved rollover funds form part of retained funds in the annual financial statements. Amounts owing to the Provincial Revenue

Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.2 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

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2.2.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.5 Financial transactions in assets and liabilities

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

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

Forex gains are recognised on payment of funds.

2.2.6 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements. All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

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

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

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the statement of financial position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

3 Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

All other payments are classified as current expense.

Social contributions include the employer's contribution to

social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

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

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

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

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

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

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 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.

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year)

4 Assets

4.1 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

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4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Inventory

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

4.5 Capital assets

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

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 29 and 30 reflect the total movement in the asset register for the current financial year.

5 Liabilities

5.1 Payables

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

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

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

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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.

6 Net Assets

6.1 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.

VOTE 6 | **ACCOUNTING POLICIES** FOR THE YEAR ENDED 31 MARCH 2007

7 Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Appropriation per programme								
	2006/07						2005/06		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	923,328	-	(77,187)	846,141	826,206	19,935	97.6%	770,774	770,772
Transfers and subsidies	12,952	-	-	12,952	5,706	7,246	44.1%	7,020	7,018
Payment for capital assets	31,143	-	-	31,143	25,320	5,823	81.3%	18,754	17,644
2. Public Ordinary Schools									
Current payment	10,498,727	-	78,613	10,577,340	10,494,778	82,562	99.2%	9,536,538	9,509,406
Transfers and subsidies	181,450	-	-	181,450	226,017	(44,567)	124.6%	212,579	212,579
Payment for capital assets	489,165	-	21,090	510,255	432,052	78,203	84.7%	292,435	287,341
3. Independent School Subsidies									
Transfers and subsidies	27,770	-	-	27,770	25,130	2,640	90.5%	18,342	18,342
4. Public Special School Education									
Current payment	162,235	-	(1,426)	160,809	159,633	1,176	99.3%	146,197	146,197
Transfers and subsidies	52,896	-	-	52,896	52,381	515	99.0%	43,204	43,204
Payment for capital assets	97,070	-	(8,774)	88,296	37,374	50,922	42.3%	20,993	20,993
5. Further Education and Training									
Current payment	110,219	-	(7,406)	102,813	101,225	1,588	98.5%	128,592	128,592
Transfers and subsidies	99,650	-	-	99,650	98,660	990	99.0%	31,924	31,924
Payment for capital assets	36,659	-	(12,316)	24,343	22,445	1,898	92.2%	7,416	7,416
6. Adult Basic Education and Training									
Current payment	142,930	-	13,485	156,415	154,749	1,666	98.9%	135,745	135,745
Transfers and subsidies	139	-	-	139	73	66	52.5%	531	531
Payment for capital assets	-	-	-	-	980	(980)	0.0%	72	72
7. Early Childhood Development									
Current payment	6,753	-	-	6,753	1,484	5,269	22.0%	2,062	2,062
Transfers and subsidies	57,593	-	-	57,593	44,829	12,764	77.9%	34,761	34,761
Payment for capital assets	-	-	-	-	-	-	0.0%	2,000	2,000
8. Auxiliary and Associated Services									
Current payment	173,214	-	(6,079)	167,135	149,334	17,801	89.3%	135,058	134,367
Transfers and subsidies	7,430	-	-	7,430	7,292	138	98.1%	7,119	7,119
Payment for capital assets	10,044	-	-	10,044	6,200	3,844	61.7%	4,288	4,288
Sub total	13,121,367	-	-	13,121,367	12,871,868	249,499	98.1%	11,556,404	11,522,373
Statutory Appropriation									
Current payment	720	-	-	720	875	(155)	121.5%	785	785
TOTAL	13,122,087	-	-	13,122,087	12,872,743	249,344	98.1%	11,557,189	11,523,158
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				-				36,752	
Local and foreign aid assistance received				1,498				27,524	
Actual amounts per Statements of Financial Performance (Total revenue)				13,123,585				11,621,465	
Add:									
Local and foreign aid assistance					29,657				-
Actual amounts per Statements of Financial Performance (Total expenditure)					12,902,400				11,523,158

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Appropriation per economic classification									
	2006/07							2005/06	
	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	10,447,260	-	-	10,447,260	10,706,073	(258,813)	102.5%	9,915,205	9,915,205
Goods and services	1,570,146	-	-	1,570,146	1,181,336	388,810	75.2%	939,728	911,903
Financial transactions in assets and liabilities	-	-	-	-	-	-	0%	33	33
Transfers and subsidies									
Provinces and municipalities	14,915	-	-	14,915	8,252	6,663	55.3%	29,136	29,134
Non-profit institutions	349,306	-	-	349,306	381,766	(32,460)	109.3%	279,180	279,180
Households	75,659	-	-	75,659	70,070	5,589	92.6%	47,164	47,164
Payments for capital assets									
Buildings and other fixed structures	646,233	-	-	646,233	506,158	140,075	78.3%	279,402	279,402
Machinery and equipment	16,319	-	-	16,319	17,388	(1,069)	106.6%	64,237	59,141
Software and other intangible assets	1,529	-	-	1,529	825	704	54.0%	2,319	1,211
Total	13,121,367	-	-	13,121,367	12,871,868	249,499	98,1%	11,556,404	11,522,373

Statutory Appropriation									
Details of direct changes against the National/ Provincial Revenue Fund	2006/07							2005/06	
	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	720	-	-	720	875	(155)	121.5%	785	785
Total	720	-	-	720	875	(155)	121.5%	785	785

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Details for Programme 1 - Administration									
Programme per sub programme	2006/07							2005/06	
	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	5,627	-	-	5,627	4,722	905	83.9%	3,687	3,687
Transfers and subsidies	15	-	-	15	3	12	20.0%	10	10
Payment for capital assets	50	-	-	50	10	40	20.0%	135	135
1.2 Corporate Service									
Current payment	548,062	-	(77,187)	470,875	407,620	63,255	86.6%	470,696	470,696
Transfers and subsidies	9,647	-	-	9,647	2,959	6,688	30.7%	2,717	2,715
Payment for capital assets	28,845	-	-	28,845	24,325	4,520	84.3%	16,248	16,246
1.3 Education Management									
Current payment	345,901	-	-	345,901	402,797	(56,896)	116.4%	267,220	267,218
Transfers and subsidies	3,091	-	-	3,091	2,743	348	88.7%	4,293	4,293
Payment for capital assets	248	-	-	248	748	(500)	301.6%	840	840
1.4 Human Resource Development									
Current payment	13,193	-	-	13,193	2,933	10,260	22.2%	12,075	12,075
1.5 Conditional Gant									
Current payment	1,108	-	-	1,108	799	309	72.1%	17,096	17,096
Payment for capital assets	-	-	-	-	237	(237)	0.0%	1,531	423
1.6 EMIS									
Current payment	9,437	-	-	9,437	7,335	2,102	77.7%	-	-
Transfers and subsidies	199	-	-	199	1	198	0.5%	-	-
Payment for capital assets	2,000	-	-	2,000	-	2,000	0.0%	-	-
Total	967,423	-	(77,187)	890,236	857,232	33,004	96,3%	796,548	795,434

Details for Programme 1 - Administration (Continued)									
Economic Classification	2006/07							2005/06	
	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 payment									
Compensation of employees	655,896	-	-	655,896	635,960	19,936	97.0%	553,482	553,482
Goods and services	267,432	-	(77,187)	190,245	190,245	-	100.0%	217,259	217,257
Financial Transactions in Assets and Liabilities	-	-	-	-	-	-	-	33	33
Transfers and subsidies									
Provinces and municipalities	4,866	-	-	4,866	750	4,116	15.4%	1,784	1,782
Households	8,086	-	-	8,086	4,957	3,129	61.3%	5,236	5,236
Payment for capital assets									
Buildings and other fixed structures	21,500	-	-	21,500	13,064	8,436	60.8%	11,892	11,892
Machinery and equipment	8,114	-	-	8,114	11,431	(3,317)	140.9%	4,543	4,541
Software and other intangible assets	1,529	-	-	1,529	825	704	54.0%	2,319	1,211
Total	967,423	-	(77,187)	890,236	857,232	33,004	96,3%	796,548	795,434

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Details for Programme 2 - Public Ordinary School Education									
Programme per sub programme	2006/07							2005/06	
	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	3,576,088	-	-	3,576,088	3,333,548	242,540	93.2%	3,056,548	3,056,548
Transfers and subsidies	73,113	-	-	73,113	52,550	20,563	71.9%	48,306	48,306
Payment for capital assets	186,905	-	-	186,905	206,372	(19,467)	110.4%	206,627	206,627
2.2 Public Secondary Schools									
Current payment	6,539,133	-	78,613	6,617,746	6,888,916	(271,170)	104.1%	6,221,457	6,221,456
Transfers and subsidies	108,311	-	-	108,311	173,432	(65,121)	160.1%	164,257	164,257
Payment for capital assets	298,707	-	21,090	319,797	225,361	94,436	70.5%	80,471	80,471
2.3 Professional Services									
Current payment	51,622	-	-	51,622	42,894	8,728	83.1%	6,134	6,134
Payment for capital assets	145	-	-	145	319	(174)	220.0%	28	28
2.4 Human Resource Development									
Current payment	28,804	-	-	28,804	22,454	6,350	78.0%	13,773	13,773
2.5 In-school Sport and Culture									
Current payment	39,295	-	-	39,295	36,845	2,450	93.8%	-	-
2.6 Conditional Grants									
Current payment	263,785	-	-	263,785	170,121	93,664	64.5%	238,626	211,495
Transfers and subsidies	26	-	-	26	35	(9)	134.6%	16	16
Payment for capital assets	3,408	-	-	3,408	-	3,408	0.0%	5,309	215
Total	11,169,342	-	99,703	11,269,045	11,152,847	116,198	99,0%	10,041,552	10,009,326

Details for Programme 2 - Public Ordinary School Education (Continued)									
Economic Classification	2006/07							2005/06	
	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 payment									
Compensation of employees	9,332,100	-	-	9,332,100	9,619,423	(287,323)	103.1%	8,908,917	8,908,917
Goods and services	1,166,627	-	78,613	1,245,240	875,355	369,885	70.3%	627,621	600,489
Transfers and subsidies									
Provinces and municipalities	9,349	-	-	9,349	7,184	2,165	76.8%	25,821	25,821
Non-profit institutions	107,592	-	-	107,592	155,126	(47,534)	144.2%	147,286	147,286
Households	64,509	-	-	64,509	63,707	802	98.8%	39,472	39,472
Capital									
Buildings and other fixed structures	485,612	-	21,090	506,702	431,667	75,035	85.2%	235,111	235,111
Machinery and equipment	3,553	-	-	3,553	385	3,168	108%	57,324	52,230
Total	11,169,342	-	99,703	11,269,045	11,152,847	116,198	99,0%	10,041,552	10,009,326

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Details per Programme 3 - Independent School Subsidies									
Programme per sub programme	2006/07							2005/06	
	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									
Transfers and subsidies	14,028	-	2,205	16,233	14,795	1,438	91.1%	10,821	10,821
3.2 Secondary Phase									
Transfers and subsidies	13,742	-	(2,205)	11,537	10,335	1,202	89.6%	7,521	7,521
Total	27,770	-	-	27,770	25,130	2,640	90,5%	18,342	18,342

Details per Programme 3 - Independent School Subsidies									
Economic Classification	2006/07							2005/06	
	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	27,770	-	-	27,770	25,130	2,640	90.5%	18,342	18,342
Total	27,770	-	-	27,770	25,130	2,640	90,5%	18,342	18,342

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Detail per Programme 4 - Public Special School Education									
Programme per sub programme	2006/07							2005/06	
	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	158,560	-	(1,426)	157,134	157,820	(686)	100.4%	145,346	145,346
Transfers and subsidies	52,396	-	-	52,396	52,227	169	99.7%	43,204	43,204
Payment for capital assets	97,070	-	(8,774)	88,296	37,374	50,922	42.3%	20,993	20,993
4.2 Professional Service									
Current payment	3,150	-	-	3,150	1,575	1,575	50.0%	755	755
Transfers and subsidies	-	-	-	-	(346)	346	0.0%	-	-
4.3 Human Resource Development									
Current payment	525	-	-	525	238	287	45.3%	96	96
4.4 In-school Sport and Culture									
Transfers and subsidies	500	-	-	500	-	-	100.0%	-	-
Total	312,201	-	(10,200)	302,001	249,388	52,613	82,6%	210,394	210,394

Detail per Programme 4 - Public Special School Education (Continued)									
Economic Classification	2006/07							2005/06	
	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 payment									
Compensation of employees	158,560	-	-	158,560	157,384	1,176	99.3%	145,334	145,334
Goods and services	3,675	-	(1,426)	2,249	2,249	-	100.0%	863	863
Transfers and subsidies									
Provinces and municipalities	124	-	-	124	127	(3)	102.4%	490	490
Non-profit institutions	51,180	-	-	51,180	51,643	(463)	100.9%	41,322	41,322
Households	1,592	-	-	1,592	611	981	38.4%	1,392	1,392
Capital									
Buildings and other fixed structures	97,070	-	(8,774)	88,296	37,374	50,922	42.3%	20,993	20,993
Total	312,201	-	(10,200)	302,001	249,388	52,613	82,6%	210,394	210,394

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Detail per Programme 5 - Further Education and Training									
Programme per sub programme	2006/07							2005/06	
	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	109,694	-	(7,406)	102,288	101,024	1,264	98.8%	128,345	128,345
Transfers and subsidies	34,887	-	-	34,887	33,897	990	97.2%	31,924	31,924
Payment for capital assets	36,659	-	(12,316)	24,343	22,445	1,898	92.2%	7,416	7,416
5.2 Youth Colleges									
Current payment	-	-	-	-	1	(1)	0.0%	-	-
5.4 Human Resource Development									
Current payment	525	-	-	525	200	325	38.1%	247	247
5.5 In-college Sport and Culture									
Transfers and subsidies	3,763	-	-	3,763	3,763	-	100.0%	-	-
5.6 Conditional Grants									
Transfers and subsidies	61,000	-	-	61,000	61,000	-	100.0%	-	-
Total	246,528	-	(19,722)	226,806	222,330	4,476	98.0%	167,932	167,932

Detail per Programme 5 - Further Education and Training (Continued)									
Economic Classification	2006/07							2005/06	
	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 payment									
Compensation of employees	103,551	-	(7,406)	96,145	96,145	-	100.0%	127,914	127,914
Goods and services	6,668	-	-	6,668	5,080	1,588	76.2%	678	678
Transfers and subsidies									
Provinces and municipalities	434	-	-	434	61	373	14.1%	412	412
Non-profit institutions	97,871	-	-	97,871	97,871	-	100.0%	30,504	30,504
Households	1,345	-	-	1,345	728	617	54.1%	1,008	1,008
Capital									
Buildings and other fixed structures	36,659	-	(12,316)	24,343	22,445	1,898	92.2%	7,416	7,416
Total	246,528	-	(19,722)	226,806	222,330	4,476	98.0%	167,932	167,932

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Details per Programme 6 - Adult Basic Education and Training									
Programme per sub programme	2006/07							2005/06	
	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	142,405	-	13,485	155,890	154,644	1,246	99.2%	135,418	135,418
Transfers and subsidies	139	-	-	139	73	66	52.5%	531	531
Payment for capital assets	-	-	-	-	980	(980)	0.0%	72	72
6.4 Human Resource Development									
Current payment	525	-	-	525	105	420	20.0%	327	327
Total	143,069	-	13,485	156,554	155,802	752	99,5%	136,348	136,348

Details per Programme 6 - Adult Basic Education and Training									
Economic Classification	2006/07							2005/06	
	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 payment									
Compensation of employees	133,475	-	13,485	146,960	148,187	(1,227)	100.8%	130,472	130,472
Goods and services	9,455	-	-	9,455	6,563	2,892	69.4%	5,273	5,273
Transfers and subsidies									
Provinces and municipalities	139	-	-	139	136	3	97.8%	531	531
Households	-	-	-	-	(64)	64	0.0%	-	-
Capital									
Machinery and equipment	-	-	-	-	980	(980)	0.0%	72	72
Total	143,069	-	13,485	156,554	155,802	752	99,5%	136,348	136,348

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Details per Programme 7 - Early Childhood Development									
Programme per sub programme	2006/07							2005/06	
	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	2,710	-	-	2,710	-	2,710	0.0%	-	-
Transfers and subsidies	36,921	-	-	36,921	34,987	1,934	94.8%	28,287	28,287
7.2 Grade R in Community Centres									
Current payment	200	-	-	200	-	200	0.0%	-	-
Transfers and subsidies	10,172	-	-	10,172	5,275	4,897	51.9%	5,696	5,696
Payment for capital assets	-	-	-	-	-	-	0.0%	2,000	2,000
7.3 Pre-grade R									
Transfers and subsidies	10,500	-	-	10,500	4,567	5,933	43.5%	-	-
7.4 Professional Services									
Current payment	3,318	-	-	3,318	1,000	2,318	30.1%	2,062	2,062
7.5 Human Resource Development									
Current payment	525	-	-	525	484	41	92.2%	-	-
7.6 Conditional Gant									
Transfers and subsidies	-	-	-	-	-	-	0.0%	778	778
Total	64,346	-	-	64,346	46,313	18,033	72.0%	38,823	38,823

Details per Programme 7 - Early Childhood Development (Continued)									
Economic Classification	2006/07							2005/06	
	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 payment									
Goods and services	6,753	-	-	6,753	1,484	5,269	22.0%	2,062	2,062
Transfers and subsidies									
Non-profit institutions	57,593	-	-	57,593	44,829	12,764	77.8%	34,761	34,761
Capital									
Machinery and equipment	-	-	-	-	-	-	0.0%	2,000	2,000
Total	64,346	-	-	64,346	46,313	18,033	72.0%	38,823	38,823

VOTE 6 | 4.4 APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

Details per Programme 8 - Auxiliary and Associated Services									
Programme per sub programme	2006/07							2005/06	
	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	6,141	-	-	6,141	6,141	-	100.0%	8,361	8,361
8.2 Conditional Grants Projects									
Current payment	25,805	-	-	25,805	25,981	(176)	100.7%	31,971	31,280
Payment for Capital Assets	-	-	-	-	-	-	0.0%	22	22
8.4 External Examination									
Current payment	141,268	-	(6,079)	135,189	117,212	17,977	86.7%	94,726	94,726
Transfers and subsidies	7,430	-	-	7,430	7,292	138	98.1%	7,119	7,119
Payment for capital assets	10,044	-	-	10,044	6,200	3,844	61.7%	4,266	4,266
Total	190,688	-	(6,079)	184,609	162,826	21,783	88,2%	146,465	145,774

Details per Programme 8 - Auxiliary and Associated Services									
Economic Classification	2006/07							2005/06	
	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 payment									
Compensation of employees	63,678	-	(6,079)	57,599	48,974	8,625	85.0%	49,086	49,086
Goods and services	109,536	-	-	109,536	100,360	9,176	91.6%	85,972	85,281
Transfers and subsidies									
Provinces and municipalities	3	-	-	3	(6)	9	(200.0%)	98	98
Non-profit institutions	7,300	-	-	7,300	7,167	133	98.2%	6,965	6,965
Households	127	-	-	127	131	(4)	103.1%	56	56
Payment for capital assets									
Buildings and other fixed structures	5,392	-	-	5,392	1,608	3,784	29.8%	3,990	3,990
Machinery and equipment	4,652	-	-	4,652	4,592	60	98.7%	298	298
Total	190,688	-	(6,079)	184,609	162,826	21,783	88,2%	146,465	145,774

VOTE 6 | 4.5 NOTES TO THE APPROPRIATION STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

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

Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A-L) 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 note 7 (Debts written off) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%

Programme 1

Administration	890,956	858,107	32,849	4%
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The above is inclusive of the Statutory Appropriation. Of the R32,849 million underexpenditure, R802 thousand is in respect of subprogramme 1.1 Office of the MEC; R74,463 million is in respect of subprogramme 1.2 Corporate Services; (R57,048 million) is in respect of sub-programme 1.3 Education Management; R10,260 million is in respect of sub-programme 1.4 HRD; R72 thousand is in respect of the FMQE Conditional Grant and R4,3 million is in respect of EMIS. The under expenditure is attributable to delays in procurement in the case of EMIS and HRD.

Programme 2

Public Ordinary School Education	11,269,045	11,152,847	116,198	1%
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VOTE 6 | 4.5 NOTES TO THE APPROPRIATION STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Of the R116,198 million under expenditure under the programme, R243,636 million is in respect of sub-programme 2.1 Public Primary; (R241,855 million) is in respect of sub-programme 2.2 Public Secondary; R8,554 million is in respect of sub-programme 2.3 Professional Services; R6,350 million is in respect of sub-programme 2.4 Human Resource Development; R2,450 million is in respect of sub-programme 2.5 In School Sport and Culture and R97,063 million is in respect of sub-programme 2.6 SNP Conditional Grant. The under-expenditure under the programme is mainly attributed to the SNP conditional grant of R97,063 million and infrastructure amounting to R75,035 million. A rollover has been requested in respect of these funds. The balance is as a result of non-spending in LTSM, school furniture and maintenance budgets.

Programme 3

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Independent School Subsidies	27,770	25,130	2,640	10%

Of the R2,640 million under-expenditure, R1,528 million is in respect of sub-programme 3.1 Primary Phase and R1,112 million is in respect of sub-programme 3.2 Secondary Phase. The whole amount relates to transfers to the Independent Schools. 17 schools did not receive any funds due to them not having entities or not having submitted their Annual Financial Statements to the Department in terms of the South African School's Act.

Programme 4

Public Special School Education	302,001	249,388	52,613	17%
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Of the R52,613 million under-expenditure, R50,405 million is in respect of sub-programme 4.1 Schools; R1,921 million in respect of sub-programme 4.2 Professional services and R287 thousand is in respect of sub-programme 4.3 HRD. In terms of economic classification R59,696 is in respect of Buildings and is for the building of the youth center which was initially supposed to have started in June/ July 2006. The site meeting was on 8 February 2007. A roll over has been applied for this.

Programme 5

Further Education and Training	226,806	222,330	4,476	2%
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VOTE 6 | 4.5 NOTES TO THE APPROPRIATION STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Of the R4,476 million under-expenditure, R4,152 million is in respect of sub-programme 5.1 Public Institutions and R325 thousand is in respect of sub-programme 5.4 HRD. In terms of economic classification, R1,588 million is in respect of goods and services, R990 thousand in respect of transfers and subsidies and R1,898 million is in respect of buildings and other fixed structures. The under expenditure is attributable to budget which was to be utilised for rental of East Cape Midlands where the requested budget had included rental for the first two months of the next financial year. Also included in the goods and services budget are the unspent funds under HRD amounting to R325 thousand.

Programme 6

Adult Basic Education and Training	156,554	155,802	752	0%
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The under-expenditure is in sub-programme 6.1 Public Centres (R332 thousand) and sub-programme 6.4 HRD (R420 thousand) and is mostly in respect of current payments or goods and service in respect of HRD due to the training of principals not having been done.

Programme 7

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Early Childhood Development	64,346	46,313	18,033	28%

Of the R18,033 million under-expenditure, R4,644 million is in respect of subprogramme 7.1 Grade R in Public schools, R5,097 million is in respect of subprogramme 7.2 Grade R in Community Centres, R5,933 million is in respect of subprogramme 7.3 Pre-grade R, R2,318 million is in respect of subprogramme 7.4 Professional Services and R41 thousand is in respect of subprogramme 7.5 HRD. In terms of economic classification, R5,269 million has been unspent under goods and services and this is for procuring LTSM for Grade R in Public schools and installing outdoor equipment, these funds are committed as at 31 March 2007. R12,764 million reflected as under-expenditure in transfers to non-profit institutions is for stipends for the Social Development pre grade R sites and for training of Pre-Grade R and Grade R practitioners and the tender for the training has been awarded. A rollover of the committed funds has been requested.

Programme 8

Auxiliary and Associated Services	184,609	162,826	21,783	12%
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The full under expenditure relates to External Examinations sub-programme 8.4. Of the R21,783 million, R14,704 million is in respect of compensation of employees, R3,097 million is for goods and services and R3,784 million is in respect of buildings. Under compensation of employees, funds were requested in the Adjustment Estimate in anticipation of over-expenditure in respect of marking fees and this was not fully utilised. For Goods and services there was an error in the Adjustment Estimate. For payments to capital assets, the examinations building was delayed due to tender problems. This has now been awarded and a roll over has been applied for as this was committed before end of March 2007.

VOTE 6 | 4.5 NOTES TO THE APPROPRIATION STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

4.2 Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure	12,018,126	11,887,284	130,842	1
Compensation of employees	10,454,069	10,705,948	(251,879)	(2.41)
Goods and services	1,564,057	1,181,336	382,721	24.47
Transfers and subsidies	439,880	460,296	(20,416)	(4.64)
Provinces and municipalities	14,915	15,123	(208)	(1.39)
Non-profit institutions	349,306	381,766	(32,460)	(9.29)
Households	75,659	63,407	12,252	16.19
Payments for capital assets	664,081	524,371	139,710	21.04
Buildings and other fixed structures	646,233	506,158	140,075	21.68
Machinery and equipment	16,319	17,388	(1,069)	(6.55)
Software and other intangible assets	1,529	825	704	46.04

VOTE 6 | 4.6 STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	13,121,367	11,556,404
Statutory appropriation	2	720	785
Departmental revenue	3	-	36,752
Local and foreign aid assistance	4	1,498	27,524
TOTAL REVENUE		13,123,585	11,621,465
EXPENDITURE			
Current expenditure			
Compensation of employees	5	10,706,948	9,915,990
Goods and services	6	1,181,336	911,903
Financial transaction in assets and liabilities	7	-	33
Local and foreign aid assistance	4	29,657	-
Total current expenditure		11,917,941	10,827,926
Transfers and subsidies	8	460,088	355,478
Expenditure for capital assets			
Buildings and other fixed structures	9	506,158	279,402
Machinery and equipment	9	17,388	59,141
Software and other intangible assets	9	825	1,211
Total expenditure for capital assets		524,371	339,754
TOTAL EXPENDITURE		12,902,400	11,523,158
SURPLUS			
Add back fruitless and wasteful expenditure	11	-	739
SURPLUS FOR THE YEAR		221,185	99,046

VOTE 6 | **4.6 STATEMENT OF FINANCIAL PERFORMANCE (continued)**
 FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
Reconciliation of Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund	14	249,344	34,770
Departmental Revenue to be surrendered to the Revenue Fund	15	-	36,752
Local and foreign aid assistance	4	(28,159)	27,524
SURPLUS FOR THE YEAR		<u>221,185</u>	<u>99,046</u>

VOTE 6 | 4.7 STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets			
		1,392,402	1,478,178
Unauthorised expenditure	10	1,252,447	1,252,447
Fruitless and wasteful expenditure	11	12,445	12,445
Prepayments and advances	12	62,395	68,842
Receivables	13	65,115	144,444
TOTAL ASSETS		1,392,402	1,478,178
LIABILITIES			
Current liabilities			
		1,392,402	1,478,178
Voted funds to be surrendered to the Revenue Fund	14	38,502	34,771
Departmental revenue to be surrendered to the Revenue Fund	15	6,939	13,574
Bank overdraft	16	1,293,779	1,375,506
Payables	17	51,684	24,670
Local and foreign aid assistance repayable	4	1,498	29,657
TOTAL LIABILITIES		1,392,402	1,478,178
NET ASSETS		-	-

VOTE 6 | 4.8 STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
Recoverable Revenue			
Opening balance		-	280
Transfers:		-	(280)
Closing balance		-	-
Total			
Opening balance		-	280
Transfers:		-	(280)
Debts recovered (including departmental receipts)		-	(280)
Transfers:		-	-
Closing balance		-	-
Total		-	-

VOTE 6 | 4.9 CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		12,943,151	11,650,938
Annual appropriated funds received	1.1	12,910,521	11,556,404
Statutory appropriated funds received		720	785
Departmental revenue received		30,412	66,225
Local and foreign aid assistance received	4	1,498	27,524
Net decrease/increase in working capital		112,790	4,538
Surrendered to Revenue Fund		(71,814)	(853,482)
Current payments		(11,917,941)	(10,827,187)
Transfers and subsidies paid		(460,088)	(355,478)
Net cash flow available from operating activities	18	<u>606,098</u>	<u>(380,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(524,371)	(339,754)
Net cash flows from investing activities		<u>(524,371)</u>	<u>(339,754)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		-	(280)
Net cash flows from financing activities		<u>-</u>	<u>(280)</u>
Net increase/(decrease) in cash and cash equivalents		81,727	(720,705)
Cash and cash equivalents at the beginning of the period		(1,375,506)	(654,801)
Cash and cash equivalents at end of period	19	<u><u>(1,293,779)</u></u>	<u><u>(1,375,506)</u></u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

1 Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2005/06
	R'000	R'000	R'000	R'000
Administration	890,236	-	890,236	796,548
Public Ordinary Schools	11,269,045	-	11,269,045	10,041,552
Independent School Subsidies	27,770	-	27,770	18,342
Public Special School Education	302,001	-	302,001	210,394
Further Education and Training	226,806	-	226,806	167,932
Adult Basic Education and Training	156,554	-	156,554	136,348
Early Childhood Development	64,346	-	64,346	38,823
Auxiliary and Associated Services	184,609	-	184,609	146,465
Total Received	-	12,910,521	(12,910,521)	-
Total	13,121,367	12,910,521	210,846	11,556,404

1.2 Conditional Grants

Refer to the Notes to the Appropriation Statements

	Note	2006/07	2005/06
		R'000	R'000
Total grants received	Annex 1A	258,173	261,324
Provincial grants included in Total Grants received		258,173	261,324

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

2 Statutory Appropriation

	2006/07	2005/06
	R'000	R'000
Member of executive committee	720	785
Total	<u>720</u>	<u>785</u>
Actual Statutory Appropriation received	<u>720</u>	<u>785</u>

3 Departmental revenue to be surrendered to revenue fund

Descriptions	Note	2006/07	2005/06
		R'000	R'000
Sales of goods and services other than capital assets	3.1	30,542	30,032
Fines, penalties and forfeits		37	4
Interest, dividends and rent on land	3.2	15,536	298
Financial transactions in assets and liabilities	3.3	<u>(15,703)</u>	<u>35,891</u>
Total revenue collected		30,412	66,225
Less: Departmental Revenue Budgeted	15	<u>30,412</u>	<u>29,473</u>
Total		<u><u>-</u></u>	<u><u>36,752</u></u>

3.1 Sales of goods and services other than capital assets

	2006/07	2005/06
	R'000	R'000
Sales of goods and services produced by the department	30,542	30,032
Sales by market establishment	<u>30,542</u>	<u>30,032</u>
Total	<u><u>30,542</u></u>	<u><u>30,032</u></u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

3.2 Interest, dividends and rent on land and buildings

	2006/07	2005/06
	R'000	R'000
Interest	15,536	298
Total	<u>15,536</u>	<u>298</u>

3.3 Financial transactions in assets and liabilities Nature of recovery

	2006/07	2005/06
	R'000	R'000
Stale cheques written back	145	-
Other Receipts including Recoverable Revenue	(15,848)	35,891
Total	<u>(15,703)</u>	<u>35,891</u>

4 Local and foreign aid assistance

4.1 Assistance received in cash from RDP

	2006/07	2005/06
	R'000	R'000
Local		
Opening Balance	2,133	2,133
Expenditure	2,133	-
Current	<u>2,133</u>	<u>-</u>
Closing Balance	<u>-</u>	<u>2,133</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

4.2 Assistance received in cash: Other

	2006/07 R'000	2005/06 R'000
Local		
Opening Balance	27,524	-
Revenue	1,498	27,524
Expenditure	27,524	-
Current	27,524	-
Closing Balance	1,498	27,524
Total		
Opening Balance	29,657	2,133
Revenue	1,498	27,524
Expenditure	29,657	-
Current	29,657	-
Closing Balance	1,498	29,657
Analysis of balance		
Local and foreign aid payable to RDP fund/donors	1,498	29,657
Closing balance	1,498	29,657

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

5 Compensation of employees

5.1 Salaries and Wages

	2006/07	2005/06
	R'000	R'000
Basic salary	8,023,871	7,451,384
Performance award	43,895	39,628
Service Based	209,142	123,708
Compensative/circumstantial	60,278	55,631
Periodic payments	147,838	146,322
Other non-pensionable allowances	648,596	606,366
Total	<u>9,133,620</u>	<u>8,423,039</u>

5.2 Social contributions

	2006/07	2005/06
	R'000	R'000
5.2.1 Employer contributions		
Pension	1,016,441	934,490
Medical	555,046	556,619
UIF	-	(3)
Bargaining council	639	645
Official unions and associations	1,202	1,200
Total	<u>1,573,328</u>	<u>1,492,951</u>
Total compensation of employees	<u>10,706,948</u>	<u>9,915,990</u>
Average number of employees	<u>67,060</u>	<u>77,460</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

6 Goods and Services

	Note	2006/07	2005/06
		R'000	R'000
Advertising		3,390	1,247
Attendance fees (including registration fees)		87	92
Bank charges and card fees		2,125	3,099
Bursaries (employees)		6,831	32,478
Communication		28,595	25,099
Computer services		18,164	17,656
Consultants, contractors and special services		45,431	64,359
Courier and delivery services		4,562	3,260
Entertainment		2,141	12,735
External audit fees	6.1	6,660	7,846
Equipment less than > R5000		23,491	18,096
Freight service		29	-
Inventory	6.2	651,516	511,433
Legal fees		12,797	6,415
Maintenance, repairs and running costs		102,274	24,964
Operating leases		13,090	7,423
Photographic services		690	713
Plant flowers and other decorations		297	114
Printing and publications		2,166	585
Professional bodies and membership fees		4	3
Resettlement costs		4,155	3,991
Subscriptions		1,789	1,696
Owned leasehold property expenditure		41,104	60,411
Transport provided as part of the departmental activities		41,325	13,730
Travel and subsistence	6.3	147,926	81,440
Venues and facilities		-	135
Protective, special clothing & uniforms		52	(4)
Training & staff development		20,645	12,887
Total		1,181,336	911,903

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

6.1 External audit fees

	2006/07	2005/06
	R'000	R'000
Regulatory audits	6,660	7,846
Total	<u>6,660</u>	<u>7,846</u>

6.2 Inventory

	2006/07	2005/06
	R'000	R'000
Domestic consumables	10,072	5,587
Agricultural	722	723
Learning and teaching support material	365,482	230,093
Food and Food supplies	198,022	209,058
Laboratory consumables	-	1,491
Parts and other maintenance material	110	2,515
Stationery and printing	77,108	61,966
Total	<u>651,516</u>	<u>511,433</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

6.3 Travel and Subsistence

	2006/07	2005/06
	R'000	R'000
Local	146,145	81,133
Foreign	1,781	307
Total	<u>147,926</u>	<u>81,440</u>

7 Financial transaction in assets and liabilities

	Note	2006/07	2005/06
		R'000	R'000
Debts written off	7.1	-	33
Total		<u>-</u>	<u>33</u>

7.1 Debts written off

	2006/07	2005/06
	R'000	R'000
Nature of debts written off		
Transfer to debts written off	-	33
Total	<u>-</u>	<u>33</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

8 Transfers and subsidies

		2006/07	2005/06
		R'000	R'000
	Note		
Provinces and municipalities	Annex 1E	8,252	29,134
Non-profit institutions	Annex 1K	381,766	279,180
Households	Annex 1L	70,070	47,164
Total		<u>460,088</u>	<u>355,478</u>

9 Expenditure for capital assets

		2006/07	2005/06
		R'000	R'000
Buildings and other fixed structures	28	506,158	279,402
Machinery and equipment	28	17,388	59,141
Software and other intangible assets		825	1,211
Computer software	29	809	1,211
Other Intangibles	29	16	-
Total		<u>524,371</u>	<u>339,754</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

10 Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	2006/07	2005/06
	R'000	R'000
Opening balance	1,252,447	1,252,447
Unauthorised expenditure awaiting authorisation	<u>1,252,447</u>	<u>1,252,447</u>

11 Fruitless and wasteful expenditure

11.1 Reconciliation of fruitless and wasteful expenditure

	2006/07	2005/06
	R'000	R'000
Opening balance	12,445	11,729
Fruitless and wasteful expenditure – current year	-	739
Current	<u>-</u>	<u>739</u>
Transfer to receivables for recovery (not condoned)	-	(23)
Fruitless and wasteful expenditure awaiting condonement	<u>12,445</u>	<u>12,445</u>

12 Repayments and advances

	2006/07	2005/06
	R'000	R'000
Staff advances	-	104
Prepayments	62,395	68,738
Total	<u>62,395</u>	<u>68,842</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

13 Receivables

	Note				2006/07	2005/06
		Less than one year	One to three years	Older than three years	R'000 Total	R'000 Total
Staff debtors	13.1	-	-	63,854	63,854	68,737
Intergovernmental receivables	Annex 4	-	30	1,231	1,261	75,707
Total		-	30	65,085	65,115	144,444

13.1 Staff Debtors

	2006/07	2005/06
	R'000	R'000
Debt Account	67,177	52,308
Salary: Disallowance Account	(31)	3,317
Income Tax Debt Cat 32	3,867	4,155
Salary Reversal Account	(7,204)	2,749
Salary Other	45	6,208
Total	63,854	68,737

13.2 Other debtors

	2006/07	2005/06
	R'000	R'000
Intergovernmental receivables	1,261	75,707
Total	1,261	75,707

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

14 Voted funds to be surrendered to the Revenue Fund

	Note	2006/07 R'000	2005/06 R'000
Opening balance		34,771	759,889
Transfer from Statement of Financial Performance		249,344	34,770
Voted funds not requested/not received	14.1	(210,846)	-
Paid during the year		(34,767)	(759,888)
Closing balance		38,502	34,771

14.1 Voted funds not requested/not received

	2006/07 R'000	2005/06 R'000
Funds not to be requested	(210,846)	-
	(210,846)	-

15 Departmental revenue to be surrendered to the Revenue Fund

	Note	2006/07 R'000	2005/06 R'000
Opening balance		13,574	40,943
Transfer from Statement of Financial Performance		-	36,752
Departmental revenue budgeted	3	30,412	29,473
Paid during the year		(37,047)	(93,594)
Closing balance		6,939	13,574

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

16 Bank overdraft

	2006/07	2005/06
	R'000	R'000
Consolidated Paymaster General Account	1,293,779	1,375,506
Total	<u>1,293,779</u>	<u>1,375,506</u>

17 Payables – current

		2006/07			2005/06
		R'000			R'000
	Notes	30 Days	30+ Days	Total	Total
Amounts owing to other entities	Annex 5	-	79	79	9,478
Clearing accounts	17.1	-	51,814	51,814	-
Other payables	17.2	-	(209)	(209)	15,192
Total		-	51,684	51,684	<u>24,670</u>

17.1 Clearing accounts

	2006/07	2005/06
	R'000	R'000
Description		
Sal: ACB Recalls	9,358	-
Debt: Receivable Income	11,457	-
Sal: Fin Institut Study Loan	1	-
Sal: Reg Service Council: CI-Other	(12)	-
Sal: Official Unions	(4)	-
Sal: Garnishee Order	667	-
Sal: Medical Aid	238	-
Sal: Housing	53	-
Sal: Finance Other Institution	32	-

VOTE 6 | **4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)**
 FOR THE YEAR ENDED 31 MARCH 2007

	2006/07	2005/06
	R'000	R'000
Debt Receivable Interest	6,899	-
Sal: Insurance Deduction-other	7,751	-
Sal: Pension Fund	8,831	-
Housing Loan Guarantee	422	-
Sal: Income Tax: CL Other	6,200	-
Less: Annexure 5 Inter – Departmental Payables	(79)	-
Total	<u>51,814</u>	<u>-</u>

17.2 Other payables

	2006/07	2005/06
	R'000	R'000
Sundry Payables	(209)	15,192
Total	<u>(209)</u>	<u>15,192</u>

VOTE 6 | 4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

18 Net cash flow available from operating activities

	2006/07	2005/06
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	221,185	99,046
Add back non cash/cash movements not deemed operating activities	384,913	(479,717)
(Increase)/decrease in receivables – current	79,329	32,880
(Increase)/decrease in prepayments and advances	6,447	18,255
(Increase)/decrease in other current assets	-	(716)
Increase/(decrease) in payables – current	(27,014)	(45,881)
Expenditure on capital assets	524,371	339,754
Surrenders to Revenue Fund	(71,814)	(853,482)
Voted funds not requested/not received	(210,846)	-
Other non-cash items	30,412	29,473
Net cash flow generated by operating activities	606,098	(380,671)

VOTE 6 | **4.10 NOTES ON THE ANNUAL FINANCIAL STATEMENTS (continued)**
 FOR THE YEAR ENDED 31 MARCH 2007

19 Reconciliation of cash and cash equivalents for cash flow purposes

	2006/07	2005/06
	R'000	R'000
Consolidated Paymaster General account	(1,293,779)	(1,375,506)
Total	<u>(1,293,779)</u>	<u>(1,375,506)</u>

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

4.11 Disclosure Notes to the Annual Financial Statements

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

20 Contingent liabilities

Liable to	Nature	Note	2006/07	2005/06
			R'000	R'000
Motor vehicle guarantees	Employees	Annex 3A	247	459
Housing loan guarantees	Employees	Annex 3A	119,796	138,385
Claims against the department		Annex 3B	9,417	7,195
Other departments (interdepartmental unconfirmed balances)		Annex 5	125,147	129,235
Total			254,607	275,274

21 Commitments

	2006/07	2005/06
	R'000	R'000
Current expenditure		
Approved and contracted	288,189	-
Capital expenditure		
Approved but not yet contracted	588,703	-
Total Commitments	876,892	-

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINICIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

22 Accruals

	2006/07			2005/06
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of employees	-	9,252	9,252	-
Goods and services	-	15,280	15,280	567
Buildings and other fixed structures	-	1,254	1,254	-
Machinery and equipment	-	655	655	-
Total	-	26,441	26,441	567
Listed by programme level				
Programme 1	-	2,993	2,993	374
Programme 2	-	19,227	19,227	188
Programme 4	-	33	33	-
Programme 5	-	4,135	4,135	-
Programme 6	-	38	38	-
Programme 7	-	7	7	-
Programme 8	-	8	8	5
Total	-	26,441	26,441	567
Confirmed balances with other departments		Annex 5	79	9,478
			79	9,478

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINICIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

23 Employee benefits

	2006/07	2005/06
	R'000	R'000
Leave entitlement	51,987	50,648
Thirteenth cheque	648,586	323,905
Performance awards	7,482	-
Capped leave commitments	2,073,594	766,838
Total	<u>2,781,649</u>	<u>1,141,391</u>

24 Lease Commitments

24.1 Operating leases

2006/2007

Later than 1 year and not later than 5 years

Total present value of lease liabilities

Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	
-	3,494	2,122	5,616
-	<u>3,494</u>	<u>2,122</u>	<u>5,616</u>

2005/2006

Not later than 1 year

Later than 1 year and not later than 5 years

Total present value of lease liabilities

Land	Buildings and other fixed structures	Machinery and equipment	Total
-	-	462	462
41	4,749	2,170	6,960
<u>41</u>	<u>4,749</u>	<u>2,632</u>	<u>7,422</u>

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINICIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

25 Irregular expenditure

25.1 Reconciliation of irregular expenditure

	2006/07	2005/06
	R'000	R'000
Opening balance	31,356	31,356
Irregular expenditure awaiting condonement	<u>31,356</u>	<u>31,356</u>

25.2 Analysis of irregular expenditure awaiting condonement per age clasification

Opening balance	31,356	31,356
Irregular expenditure awaiting condonement	<u>31,356</u>	<u>31,356</u>

26 Key management personnel

Description	No. of Individuals	2006/07	2005/06
		R'000	R'000
Political office bearers	1	875	755
Officials: Level 15 to 16	3	2,400	2,269
Level 14	11	6,022	6,743
Total		<u>9,297</u>	<u>9,767</u>

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

The department appointed a new Superintendent – General with effect 1 September 2006. There was a change in the political office with the Member of the Executive Council being appointed in January 2007.

27 Provisions

	2006/07	2005/06
	R'000	R'000
Potential irrecoverable debts		
Staff debtors	10,889	-
Total	10,889	-

28 Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance		Current Year Adjustments to prior year balances		Additions		Disposals		Closing Balance	
	Cost	R'000	Cost	R'000	Cost	R'000	Cost	R'000	Cost	R'000
BUILDING AND OTHER FIXED STRUCTURES										
Non-residential buildings	1,698,305		-		506,158		-		2,204,463	
	1,698,305		-		506,158		-		2,204,463	
MACHINERY AND EQUIPMENT										
Computer equipment	420,161		-		17,397		-		437,558	
Furniture and office equipment	5,303		-		15,389		-		20,692	
Other machinery and equipment	414,610		-		2,008		-		416,618	
	248		-		-		-		248	
TOTAL TANGIBLE ASSETS	2,118,466		-		523,555		-		2,642,021	

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINICIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

28.1

ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	506,158	-	-	-	506,158
Non-residential buildings	506,158	-	-	-	506,158
MACHINERY AND EQUIPMENT	17,388	-	-	9	17,397
Computer equipment	15,380	-	-	9	15,389
Furniture and office equipment	2,008	-	-	-	2,008
TOTAL	523,546	-	-	9	523,555

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

28.2

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	1,418,903	279,402	-	1,698,305
Non-residential buildings	1,418,903	279,402	-	1,698,305
MACHINERY AND EQUIPMENT	389,997	60,254	30,090	420,161
Computer equipment	1,050	4,253	-	5,303
Furniture and office equipment	388,947	55,753	30,090	414,610
Other machinery and equipment	-	248	-	248
TOTAL TANGIBLE ASSETS	1,808,900	339,656	30,090	2,118,466

29 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
Computer software	1,211	-	809	-	2,020
Other Intangibles	-	-	16	-	16
TOTAL INTANGIBLE ASSETS	1,211	-	825	-	2,036

VOTE 6 | 4.11 DISCLOSURE NOTES TO THE ANNUAL FINICIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

29.1

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash		Non-Cash		(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)		Total	
	Cost	R'000	Fair Value	R'000		Cost	R'000		Cost
Computer software		809		-		-		-	809
Other intangibles		16		-		-		-	16
TOTAL		825		-		-		-	825

29.2

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	-	1,211	-	1,211
TOTAL	-	1,211	-	1,211

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2005/06	
	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
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Early Childhood Development	-	-	-	-	-	-	-	0.0%	778	778
Financial Management and Quality Enhancement	-	1,108	-	-	1,108	1,036	1,036	93.5%	17,519	17,519
School Nutrition	233,882	32,225	-	-	266,107	170,156	170,156	63.9%	211,726	211,726
FET Recapitalisation	61,000	-	-	-	61,000	61,000	61,000	100%	-	-
HIV/AIDS	25,113	692	-	-	25,805	25,981	25,981	100.7%	31,301	31,301
	319,995	34,025	-	-	354,020	258,173	258,173	-	261,324	261,324

VOTE 6 | **4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**
 FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1E
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Province and Municipalities	8,252	-	-	8,252	8,252	100%	8,252	-	0%	29,136
	8,252	-	-	8,252	8,252		8,252	-		29,136

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1K STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Section 21	107,592	-	-	107,592	155,126	144.2%	147,286
Independent Schools	27,770	-	-	27,770	25,130	90.5%	18,342
Special Schools	51,180	-	-	51,180	51,643	100.9%	41,322
FET Colleges	97,871	-	-	97,871	97,871	100.0%	30,504
ECD Sites	57,593	-	-	57,593	44,829	77.8%	34,761
Marking Centres	7,300	-	-	7,300	7,167	98.2%	6,965
	349,306	-	-	349,306	381,766		279,180

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

**ANNEXURE 1L
STATEMENT OF TRANSFERS AND SUBSIDIES TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	RollOvers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Social Benefits	70,070	-	-	70,070	70,070	100%	47,164
	70,070	-	-	70,070	70,070		47,164

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1M STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Received in kind			
Digital Partnership South Africa	Computer Equipment	2	-
Department of Agriculture	Garden Equipment	9	-
Marist Brothers	Computer Equipment	16	-
Dr. B. Tom	Photocopy Machine	6	-
Telkom Foundation	21 Computer Sets	150	-
Old Mutual Insurance Company	Computer Equipment	20	-
Total		203	-
Received in kind			
SAP Services	Computer equipment	200	-
Legae-La-SARS	Computer equipment	32	-
Municipality of Mbashe-Dutywa	Plastic tables & chairs	2	-
Maskew Miller Longman	Computer equipment	25	-
Langa Spar	Alarm System	4	-
Hella of SA	Plastic tables & chairs and wooden library box	37	-
Dept of Agriculture	Garden Tools	20	-
Nelson Mandela Metro	Plastic water tank	65	-
Shuttleworth Foundation	Computer equipment	130	-
Bellingham and Smith, Thornhill	Computer equipment	24	-
De Mart & Olen Productions	Computer equipment	10	-
Active School Projects	Office equipment	9	-
National Business Initiative E.L	School utensils	159	-
USAID/AURORA	Computer equipment	12	-
Gqebera Development Trust	Computer equipment	7	-
Standard Bank Greenacres	Computer equipment	7	-
African Bank P.E	Computer equipment	80	-
St. Terese Primary Washington University U.S.A	Computer equipment	176	-
Calabash Trust P.E	Office equipment	20	-
Ubuntu Education Fund P.E	Computer equipment	100	-
Subtotal		1119	4812
Total		1322	4812

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 1N
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
European Union	Classroom Building	29,657	1,498	29,657	1,498
Total		29,657	1,498	29,657	1,498

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 3A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Motor vehicles	459	459	-	-	-	-	-	-
	Housing								
ABSA	Housing	30,603	33,538	3,500	-	-	37,038	-	-
BOE Bank	Housing	17,178	184	-	48	-	136	-	-
First National Bank	Housing	-	3831	-	275	-	3,556	-	-
Company Unique Finance Ltd	Housing	-	655	352	-	-	1,007	-	-
ECDC	Housing	3	3	-	-	-	3	-	-
First Rand Bank	Housing	7,617	9,494	3,493	-	-	12,987	-	-
GBS Mutual Bank	Housing	245	190	-	14	-	176	-	-
Greenstart Home Loans	Housing	50	51	-	-	-	51	-	-
Ithala Ltd	Housing	-	87	135	-	-	222	-	-
Meeg Bank Ltd	Housing	2,236	197	-	12	-	185	-	-
Nedbank	Housing	6,902	2,984	13,722	-	-	16,706	-	-
Old Mutual	Housing	-	12,118	904	-	-	13,022	-	-
Peoples Bank	Housing	11,778	22,072	-	14,906	-	7,166	-	-
Permanent Bank	Housing	4,304	-	-	-	-	-	-	-
Saambou	Housing	9	-	-	-	-	-	-	-
Santam Bank	Housing	829	10	-	-	-	10	-	-
Standard Bank	Housing	42	23,322	467	-	-	23,789	-	-
African Bank	Housing	49	-	-	-	-	-	-	-
TNBS	Housing	12	712	10	-	-	722	-	-
Trust Building Society	Housing	42	12	-	-	-	12	-	-
United Building Society	Housing	-	36	-	-	-	46	-	-
SA Homeloans Pty Ltd	Housing	-	28,800	-	25,917	-	2,883	-	-
Investec	Housing	-	79	-	-	-	79	-	-
Subtotal		81,899	138,385	22,583	41,172	-	119,796	-	-
Total		82,358	138,844	22,583	41,384	-	120,043	-	-

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable(Provide details hereunder)	Closing Balance 31/03/2007
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
153 legal cases against the Department still pending, the outcome of which is still uncertain at year end	7,195	2,961	739		2,222
There is a further 173 unqualified cases against the department of which 151 relates to personnel claims.					
Total	7,195	2,961	739	-	2,222

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 4 INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Education (KZN)	222	114	-	-	222	114
Department of Education (NC)	93	93	-	-	93	93
Department of Education (WC)	974	728	-	-	974	728
Department of Education (GP)	388	611	-	-	388	611
Department of Education (FS)	30	35	-	-	30	35
Departments – National	33	34	-	-	33	34
Departments – EC	(479)	74,092	-	-	(479)	74,092
Total	1,261	75,707	-	-	1,261	75,707

VOTE 6 | 4.12 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Current						
Department of Home Affairs	12	-	-	40	12	40
Provincial Treasury	67	67	-	-	67	67
National Department of Education	-	-	121,656	120,656	121,656	120,656
Department of Roads and Public Works	-	192	3,416	6,693	3,416	6,885
Department of Justice	-	9,219	-	-	-	9,219
Department of Education – Gauteng	-	-	66	1,648	66	1,648
SAPS – Pretoria	-	-	11	1,648	11	1,648
Department of Transport - Gauteng	-	-	9	198	9	198
Total	79	9,478	125,147	129,235	125,226	138,713





Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 5 | **HUMAN RESOURCE MANAGEMENT**

OVERSIGHT REPORT APRIL 2006 TO MARCH 2007





SECTION 5 | HUMAN RESOURCE MANAGEMENT

5. Human resource management

5.1 Service delivery

5.1.1 Main services provided and standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against standards
1. Delivery of LTSM (Learning and Teaching Support materials) to all public schools	All educators and learners in public schools	All educators and learners in public schools	LTSM delivered to all public schools before the commencement of each year.	It is reported that an estimated 85 % of LTSM was delivered on time to non-section 21 schools in 2006. The target is set for the situation to improve to 100 % in 2009.
2. Providing all vulnerable learners in Grades R – 7 in quintiles 1 and 2 with one nutritious, balanced meal per school day	All vulnerable learners in Grades R – 7 in all public schools in quintiles 1 and 2.	All vulnerable learners in public schools.	Provide all vulnerable learners with one nutritious, balanced meal per school day by 10 am each day	The report from the School Nutrition programme in the Annual Performance Plan 2007/8 of the ECDoE indicates the following achievements under School Nutrition. 948,574 learners in grades R -4 and in the case of quintile 1, 2 and 3, grades R -7 benefited from this programme. 3 hot cooked meals per week provided and 2 bread and soup provided per week.
3. Elimination of all public schools that are mud structures to be replaced by more suitable structures.	School communities that have public schools which are classified as mud structures.	All school communities should have public school structures that are conducive to quality teaching and learning.	Eliminate mud structures by 2010 at the rate of 20 % per annum.	Physical Resourcing indicates that of the 6181 schools there are 486 schools classified as pure mud structures; 832 schools have mud structures as SECTION of their campus buildings; In 2006/7 24 schools are/have being/ been built. The EMIS information – Quantitative Overview of Education in the Eastern Cape 2005/6 identifies 1347 schools as mud structures by the nature of the walls being made of mud.

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against standards
4. School Governing Bodies and School Management Teams are empowered through programmes that strengthen leadership and governance to promote effective schools	SGB's and SMT's of public schools who have received limited or no training at all	All SGB's and SMT's in all public schools should have knowledge and skills upgraded on a regular basis as situations/conditions change.	30% of SGB's and SMT's are annually exposed to empowerment programmes over the next three years.	Institutional Management and Governance have inducted all newly elected SGB's they have been trained on their roles and responsibilities. In addition to this EDO's are being trained using EMD modules to prepare them to train school managers.
5. Established and Trained Health and Safety Committees in all public schools	All Public schools	All Public schools	Ensure that 30 % of schools have established and trained Health and Safety Committees per annum over the next three years.	The HIV and AIDS Directorate had contracted service providers to train 496 Health Advisory Committees (HAC) committees from 496 schools. This training is now complete. 496 of the 6181.
6. Increase the intake in (FET) colleges to provide more career or work orientated opportunities for learners	Learners/Students in the province who are not in the public academic school system.	All learners/students in the province who are not age appropriate in the public academic school system	Increase the intake in (FET) colleges by 12 % per annum with a view to enrolling 100 000 full-time learners/ students by 2014.	The Annual Performance Plan 2007/8 of the DoE states that there are 14,444 full time equivalent students for 2006/7 and this is expected to increase to 15.912 in 2007/8.
7. Provide opportunities to upgrade educators in public schools in the province who are under-qualified or unqualified.	Educators in public schools who are unqualified or under-qualified.	Educators in public schools who are unqualified or under-qualified.	Upgrade the qualifications of 3 053 educators, who are still under-qualified or unqualified by 2010.	Professional Development and Support provided the following information – 1 114 educators are currently (2007) in their second and final year of study in the NPDE programme at five HEI's in the Eastern Cape. These students are being supported financially by the ECDoE. 1900 educators are in their first year of study in the NPDE course.
8. Improve mathematics, science and technology education by improving the teaching of these subjects/learning areas	Under- qualified or unqualified mathematics, science or technology educators in public schools.	Under- qualified or unqualified mathematics, science or technology educators in public schools.	Bridge the content knowledge gap by training 1 000 mathematics, science and technology educators annually over the next three years.	The Maths, Science and Technology Directorate reported that uUp to April 2007 217 Maths and Science educators have been trained. The target for 2007 is 360.

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against standards
9. Provide curriculum support structures at provincial, district and cluster level to support and improve the quality of teaching and learning	All public schools and curriculum support structures at Provincial, district and cluster level.	All public schools and curriculum support structures at Provincial, district and cluster level.	Establish curriculum support structures at provincial, district and cluster level to improve the quality of teaching and learning by June 2008.	Information from the Curriculum Directorate is that 75 % of the curriculum support structures have been set up and this process should be complete by June 2007.
10. Improve the matric (grade 12) pass rate.	All grade 12 learners and educators at public schools.	All grade 12 learners and educators at public schools.	Improve the matric (grade 12) pass rate by 5 % per annum.	This standard can only be judged after the November 2007 final examination. June results of schools could be used as an indicator when they become available. For benchmarking purposes the average annual % improvement in pass rate for the last 5 years (2002 – 2006) has been 1%. 2002 – 51%; 2003 – 60 %; 2004 – 51%; 2005 – 53%; 2006 – 56%.
11. Improve the promotion rate and upward mobility of learners between grades from grades 1 – 11.	All learners in public schools from grades 1 – 11.	All learners in public schools from grades 1 – 11.	Improve the throughput rate in all grades by 5 % per annum.	This can only be measured after the completion of the assessment period in November if all promotion schedules are submitted to districts and head office.
12. Improve the administration of public schools by introducing Information Technology Systems in schools.	All public schools that do not have Electronic School Administration systems.	All public schools that do not have Electronic School Administration systems.	Implement the School Administration System (SAMS) in 1275 school over the next three years.	The SAMS system was introduced into 811 schools in the 2006/7 year. The service provider responsible said that the plan was to do 1500 schools by the end of 2008.
13. Ensure effective schools through regular monitoring and support by district based officials.	All public schools.	All public schools.	Ensure that all public schools are visited at least twice per quarter/term by Education Development Officers (EDO's) or Circuit Managers who will focus on monitoring and supporting the functioning of schools.	No information available at the time of submission.
14. Ensure that regular bulletins advertising vacant posts are issued so that posts can be filled.	All educators in public schools.	All educators in public schools.	Issue quarterly bulletins to ensure timeous filling of vacancies in schools.	A bulletin for principals has been issued. The first bulletin for teachers for 2007 is in print. To be issued.

5.1.2 Consultation arrangements with customers

Type of arrangement	Actual customers	Potential Customers	Actual Achievements
Public Perception Surveys (2003 and 2007)	Business, Religious leaders, Local Government, Unions, Traditional leaders, Tertiary Institutions, Parents, Service Providers to the ECDoE, Parents, Newspapers, NGO's, Officials in the ECDoE are all included in this survey.	All end users of the public education system in the Province of the Eastern Cape.	Public Perception Surveys successfully completed in 2003 and 2007.
Education Summit	Members of Provincial Legislature, Education stakeholders and social partners	Members of Provincial Legislature, Education stakeholders and social partners	This summit occurs annually.
Workshops/Training Sessions with Internal Customers (Publics) relating to Service Standards/ Service Delivery	Middle managers at District and Provincial Head Office level to act as champions and promoters of Service Standards.	All employees of the Eastern Cape Department of Education.	Training sessions/workshops will take place in July and September.

5.1.3 Service Delivery Access Strategy

Access Strategy	Actual Achievements
1. Standard relating to the supply of LTSM to all public schools – the means of access is completing school based forms.	It is reported that an estimated 85 % of LTSM was delivered on time to non-section 21 schools in 2006. The target is set for the situation to improve to 100 % in 2009.
2. Standard relating to supplying all vulnerable learners in grades R – 7 with one balanced meal per day – the means of access is the annual rating of schools in accordance with criteria, poverty index. Declaration of quintiles	The report from the School Nutrition programme in the Annual Performance Plan 2007/8 of the ECDoE indicates the following achievements under School Nutrition. 948,574 learners in grades R -4 and in the case of quintile 1, 2 and 3, grades R -7 benefited from this programme. 3 hot cooked meals per week provided and 2 bread and soup provided per week.
3. Eliminate all mud structures by 2010 at the rate of 20 % per annum – access is in accordance with the 10 year researched and negotiated infrastructure plan	Physical Resourcing indicates that of the 6181 schools there are 486 schools classified as pure mud structures; 832 schools have mud structures as SECTION of their campus buildings; In 2006/7 24 schools are/have being/been built. The EMIS information – Quantitative Overview of Education in the Eastern Cape 2005/6 identifies 1347 schools as mud structures by the nature of the walls being made of mud.
4. 30 % of all SGB's and SMT's are annually exposed to empowerment programmes. The access strategy is the identification through district offices and the Provincial Training Plan. At present EDO's are undergoing EMD training to transfer skills top schools.	Institutional Management and Governance have inducted all newly elected SGB's they have been trained on their roles and responsibilities. In addition to this EDO's are being trained using EMD modules to prepare them to train school managers.
5. 30 % of schools have established and trained safety and health committees per annum over the next three years. Access through whole school community strategy. School Development Planning, HIV/AIDS and Life Skills Directorate have training programmes for schools.	The HIV and AIDS Directorate had contracted service providers to train 496 Health Advisory Committees (HAC) committees from 496 schools. This training is now complete. 496 of the 6181.

Access Strategy	Actual Achievements
6. Increase the intake in FET colleges by 12 % per annum with a view to enrolling 100, 000 full – time learners/students by 2014. Access is through application through District offices. Learnerships in partnership with the business sector.	The Annual Performance Plan 2007/8 of the DoE states that there are 14,444 full time equivalent students for 2006/7 and this is expected to increase to 15.912 in 2007/8.
7. Upgrade the qualifications of 3053 educators who are still unqualified or under - qualified by 2010. Access through the educators being identified through surveys via district offices and access to NPDE funded courses through HEI's. Professional Development and Support are currently updating information on the number of unqualified and under-qualified educators in line with the requirements of the new and revised curriculum and ABET.	Professional Development and Support provided the following information – 1114 educators are currently (2007) in their second and final year of study in the NPDE programme at five HEI's in the Eastern Cape. These students are being supported financially by the ECDoE. 1900 educators are in their first year of study in the NPDE course.
8. Bridge the content knowledge gap by training 1 000 mathematics, science and technology educators annually over the next three years. Identification and application through district offices.	The Maths, Science and Technology Directorate reported that uUp to April 2007 217 Maths and Science educators have been trained. The target for 2007 is 360.
9. Establish curriculum support structures at provincial, district and cluster level to improve the quality of teaching and learning by June 2008. Access through school based subject heads/champions.	Information from the Curriculum Directorate is that 75 % of the curriculum support structures have been set up and this process should be complete by June 2007.
10. Improve the matric (grade 12) pas rate by 5 % per annum. Access through enrolment at an accredited institution.	This standard can only be judged after the November 2007 final examination. June results of schools could be used as an indicator when they become available. For benchmarking purposes the average annual % improvement in pass rate for the last 5 years (2002 – 2006) has been 1%. 2002 – 51%; 2003 – 60 %; 2004 – 51%; 2005 – 53%; 2006 – 56%.
11. Improve the throughput rate in all grades by 5 % per annum. Access through EMIS, Annual Quantitative Survey and Longitudinal Dropout and Repetition Rate studies. Distribution of findings to planners at various levels.	This can only be measured after the completion of the assessment period in November if all promotion schedules are submitted to districts and head office.
12. Implement the School Administration System (SAMS) IN 1275 schools over the next three years. Access through roll out plan in place for incremental training and the annual updating of statistics in line with analysis of Annual Return.	The SAMS system was introduced into 811 schools in the 2006/7 year. The service provider responsible said that the plan was to do 1500 schools by the end of 2008.
13. Ensure that all public schools are visited at least twice per quarter/term by Education Development Officers (EDO's) or Circuit Managers who will focus on monitoring and supporting the functioning of schools. Access through the information being included in the Annual District Development Plan and Transport for all EDO's.	No information available at the time of submission.
14. Issue quarterly bulletins to ensure timeous filling of vacancies in schools. Access through submission of vacancies through EDO's. Bulletin published on Education web-site.	A bulletin for principals has been issued. The first bulletin for teachers for 2007 is in print. To be issued.

5.1.4 Service Information Tool

Types of Information Tool	Actual Information
Umdibanisi Newsletter being revived	Reports on service based activities at Provincial and District level. What work is being done and what achievements have been reached
Poster providing information about Service Delivery Standards	Poster includes the Vision and Mission Statement as well as the Service Standards set for the Education Department for 2007/8. This is in line with the Batho Pele Principles.
Z folders containing information about Standards	Same information as included in the poster.
Newspaper adverts and Radio presentations relating to Standards	These adverts and presentations will focus on and spell out the Service Standards in line with the Batho Pele Principles.
Service Charter	This is a detailed document including a wide variety of information which would be of relevance and interest to the internal and external publics who have an interest in and are served by the Education Department. This document is in line with the Batho Pele Principles.

5.1.5 Complaints Mechanism

Complaints Mechanism	Actual Achievements
Customer Care Unit – Complaints Box. The focal receiving point for complaints is the Customer Care Unit.	From June 2004 – April 2007 1 993 complaints have been received. 1 270 have been finalized. 723 still in process.

5.2 Expenditure

5.2.1 Personnel costs by Programme, 2006/07

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)
Pr1: Administration	890,956	636,835	4,030	21,647	71.5%	9
Pr2: Public ordinary schl educ	11,269,045	9,619,423	8,218	2,606	85.4%	130
Pr3: Independent schl subsidies	27,770	0	0	0	0.0%	0
Pr4: Public special school educ	302,001	157,384	451	0	52.1%	2
Pr5: Further educ & training	226,806	96,145	201	0	42.4%	1
Pr6: Adult basic educ	156,554	148,187	105	233	94.7%	2
Pr7: Early childhood dev	64,346	0	1,484	0	0.0%	0
Pr8: Auxilliary & assoc serv	184,609	48,974	6,155	20,945	26.5%	1
Theft and losses	0	0	0	0	0.0%	0
Z=Total as on Financial Systems (BAS)	13,122,087	10,706,948	20,644	45,431	81.6%	144

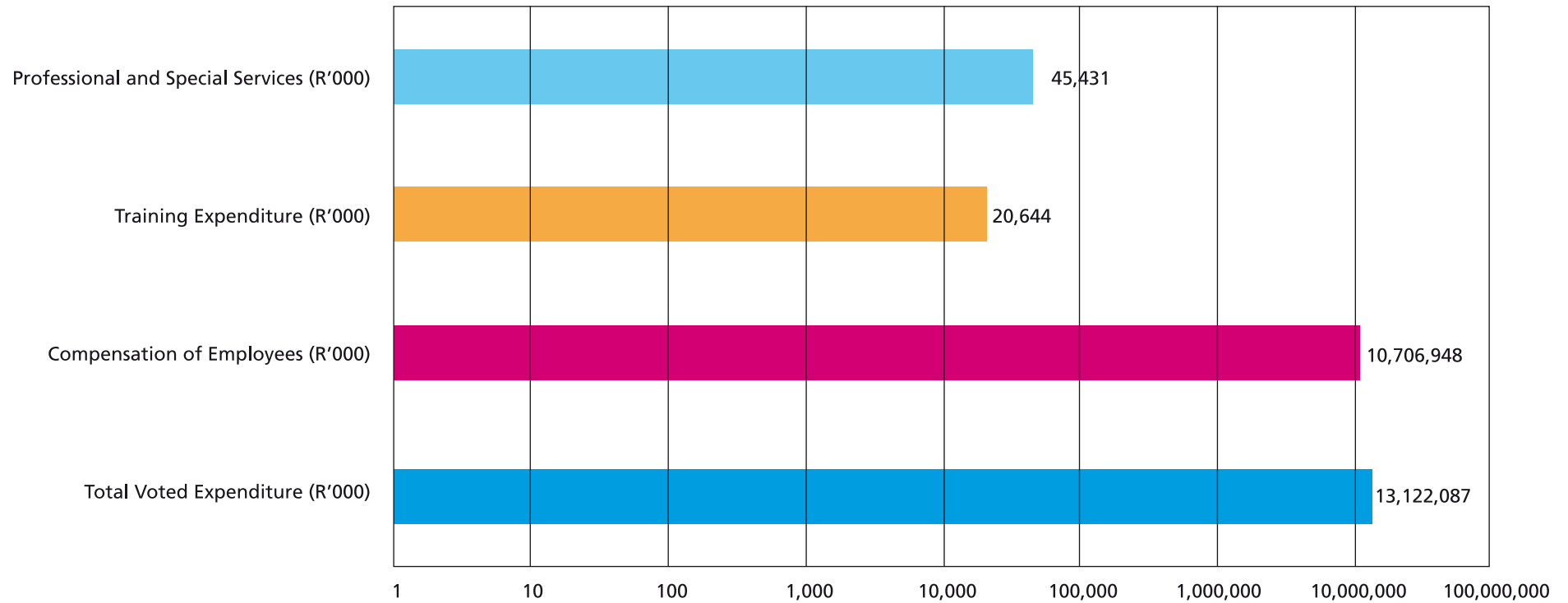
5.2.2 Personnel costs by Salary Band, 2006/07

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	256,148	2.4	34,217
Skilled (Levels 3-5)	321,254	3	103,330
Highly skilled production (Levels 6-8)	7,978,128	74.2	144,838
Highly skilled supervision (Levels 9-12)	1,938,177	18	228,720
Senior management (Levels 13-16)	36,094	0.3	530,792
Other	13,625	0.1	6,812,650
Contract (Levels 1-2)	815	0	40,742
Contract (Levels 3-5)	1,670	0	72,594
Contract (Levels 6-8)	904	0	180,764
Contract (Levels 6-12)	2,681	0	536,294
Contract (Levels 13-16)	2,051	0	683,531
Periodical Remuneration	148,130	1.4	25,748
Abnormal Appointment	7,272	0.1	4,033
TOTAL	10,706,948	100	130,837

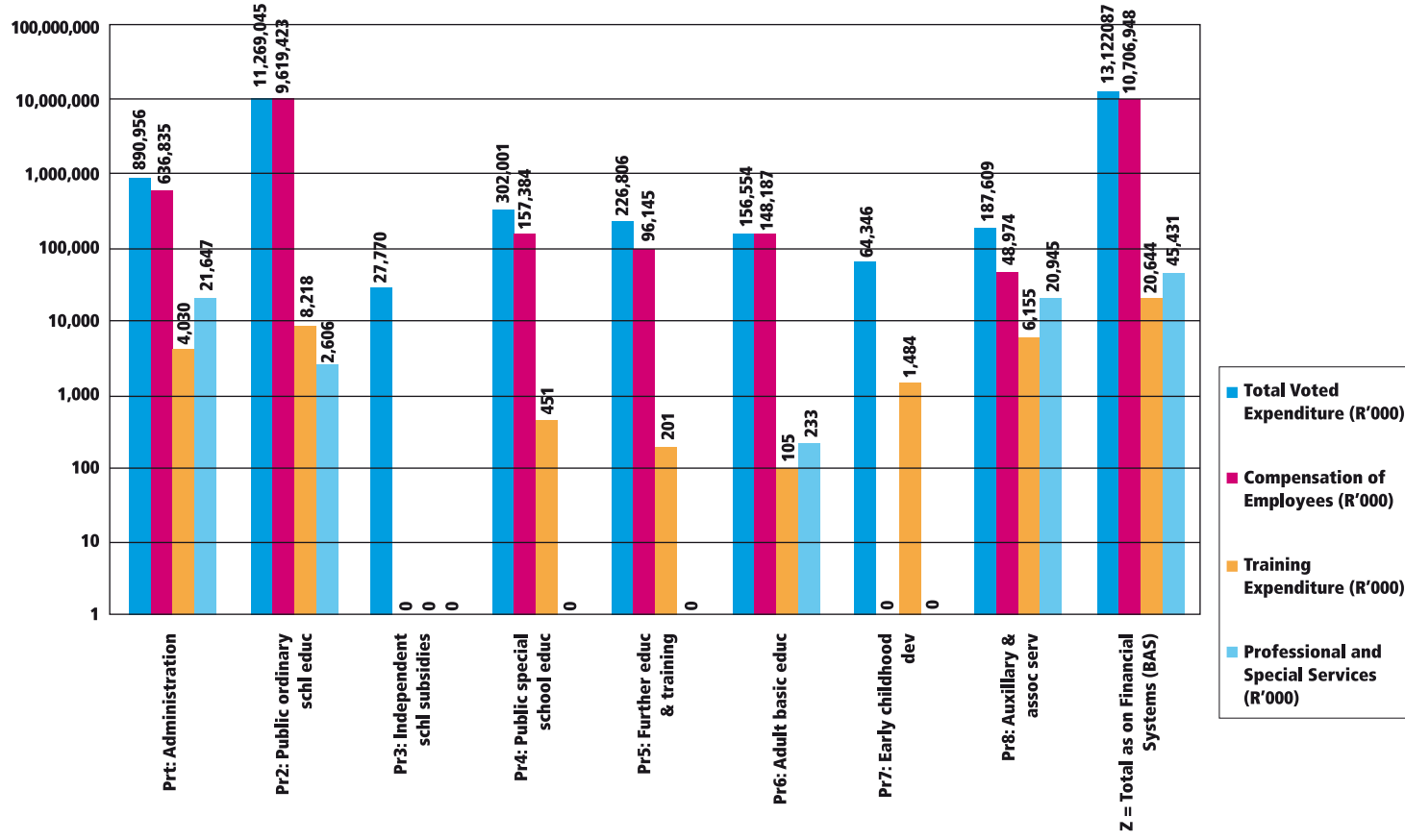
5.2.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme, 2006/07

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Salaries Amount (R'000)	Salaries as % of Personnel Cost	Overtime Amount (R'000)	Overtime as % of Personnel Cost	HOA Amount (R'000)	HOA as % of Personnel Cost	Medical Ass. Amount (R'000)	Medical Ass. as % of Personnel Cost
Pr1: Administration	439,706	69	4,118	0.6	11,558	1.8	29,429	4.6
Pr2: Pub ordin sch edu	7,371,744	76.6	364	0	144,622	1.5	512,529	5.3
Pr4: Pub spec sch educ	117,959	74.9	0	0	2,624	1.7	8,661	5.5
Pr5: Further educ & training	79,738	82.9	61	0.1	1,879	2	5,647	5.9
Pr6: Adult basic edu & train	3,523	2.4	0	0	13	0	92	0.1
Pr8: Aux & assoc services	10,390	21.2	246	0.5	235	0.5	794	1.6
TOTAL	8,023,060	74.9	4,789	0	160,931	1.5	557,152	5.2

Personnel Cost



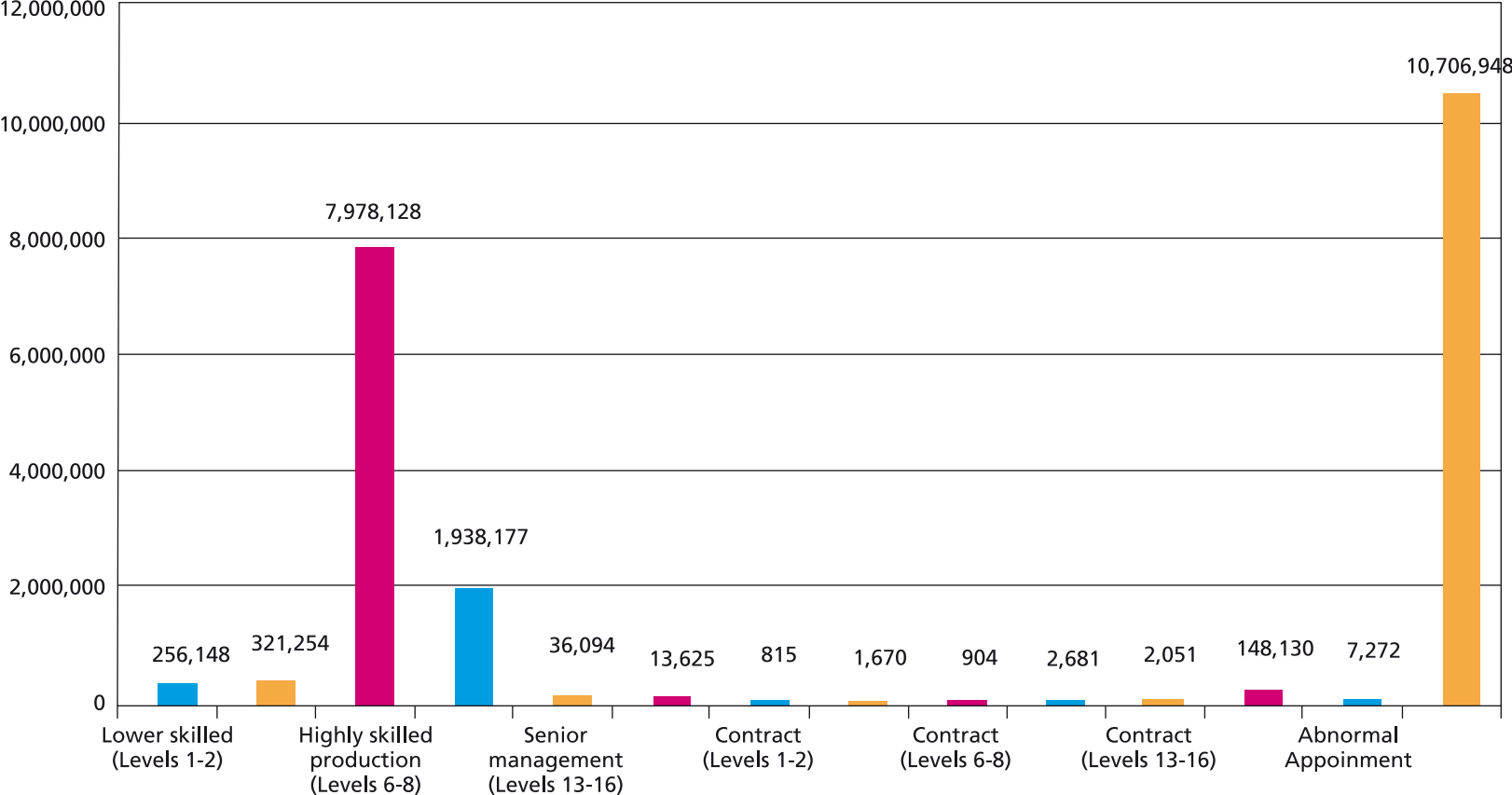
Personnel Cost by Programme



5.2.4 Salaries, Overtime, Home Owners and Medical Aid by Salary Band, 2006/07

Salary bands	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
Lower skilled (Levels 1-2)	187,535	72.7	128	0	6,058	2.3	20,627	8
Skilled (Levels 3-5)	243,767	75.3	490	0.2	5,968	1.8	21,485	6.6
Highly skilled production (Levels 6-8)	6,080,656	75.7	1,840	0	123,687	1.5	436,952	5.4
Highly skilled supervision (Levels 9-12)	1,474,224	75.5	1,994	0.1	23,459	1.2	76,427	3.9
Senior management (Levels 13-16)	21,776	59.9	0	0	1,260	3.5	953	2.6
Other	9,369	68.3	34	0.2	391	2.8	530	3.9
Contract (Levels 1-2)	685	83.4	5	0.6	4	0.5	6	0.7
Contract (Levels 3-5)	1,245	74	116	6.9	1	0.1	72	4.3
Contract (Levels 6-8)	647	71.1	66	7.3	0	0	38	4.2
Contract (Levels 6-12)	1,903	70.5	116	4.3	23	0.9	46	1.7
Contract (Levels 13-16)	1,256	60.8	0	0	80	3.9	16	0.8
Periodical Remuneration	-7	0	0	0	0	0	0	0
Abnormal Appointment	4	0.1	0	0	0	0	0	0
TOTAL	8,023,060	74.4	4,789	0	160,931	1.5	557,152	5.2

Personnel Expenditure (R '000)

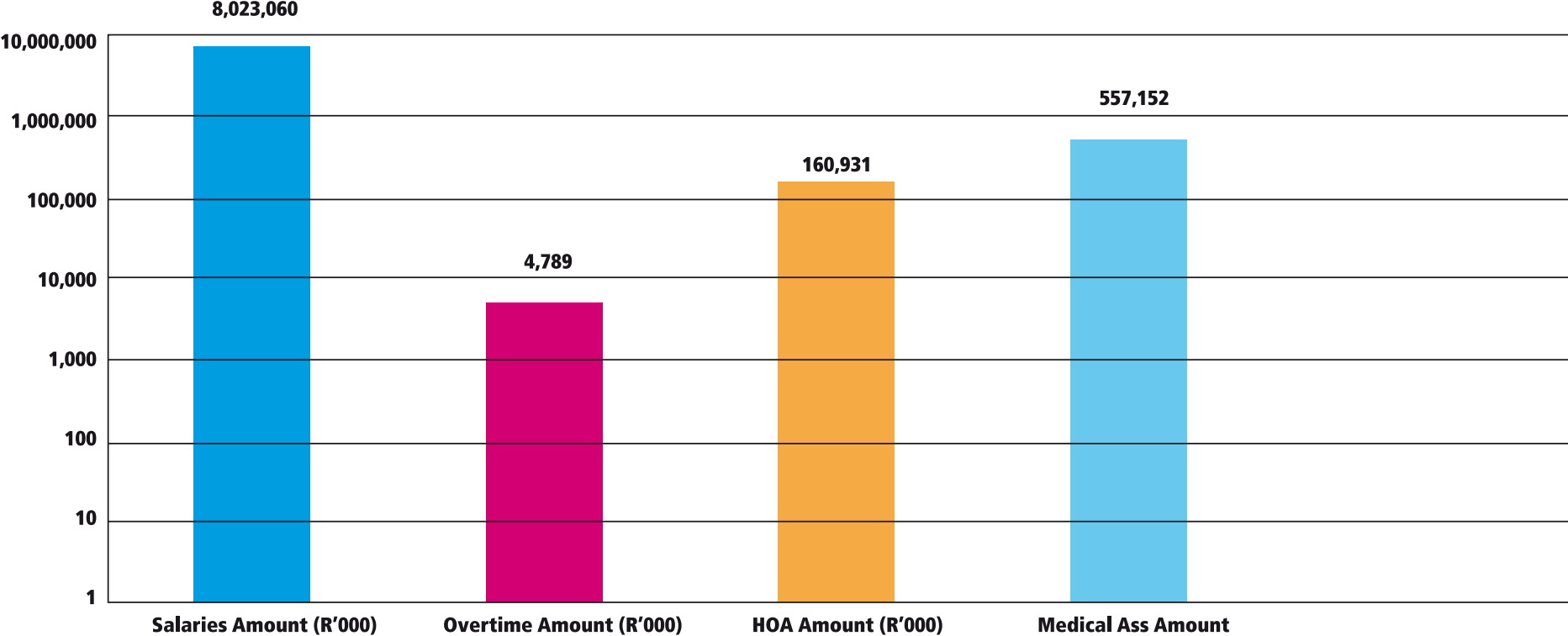


5.3 Employment and vacancies

5.3.1 Employment and vacancies by programme, 31 March 2007

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Pr1: Administration, Permanent	6,963	3,822	45.1	367
Pr2: Pub ordin sch edu, Permanent	71,524	65,221	8.8	8,064
Pr2: Pub ordin sch edu, Temporary	71	55	22.5	10
Pr4: Pub spec sch educ, Permanent	1,597	1,252	21.6	296
Pr4: Pub spec sch educ, Temporary	2	2	0	1
Pr5: Further educ & training, Permanent	1,692	704	58.4	268
Pr5: Further educ & training, Temporary	1	1	0	0
Pr6: Adult basic edu & train, Permanent	60	34	43.3	28
Pr7: Early childhood development, Permanent	3,860	3,092	19.9	3,092
Pr8: Aux & assoc services, Permanent	1,496	95	93.6	72
TOTAL	87,266	74,278	14.9	12,198

Salaries, Overtime, Home Owners, Medical



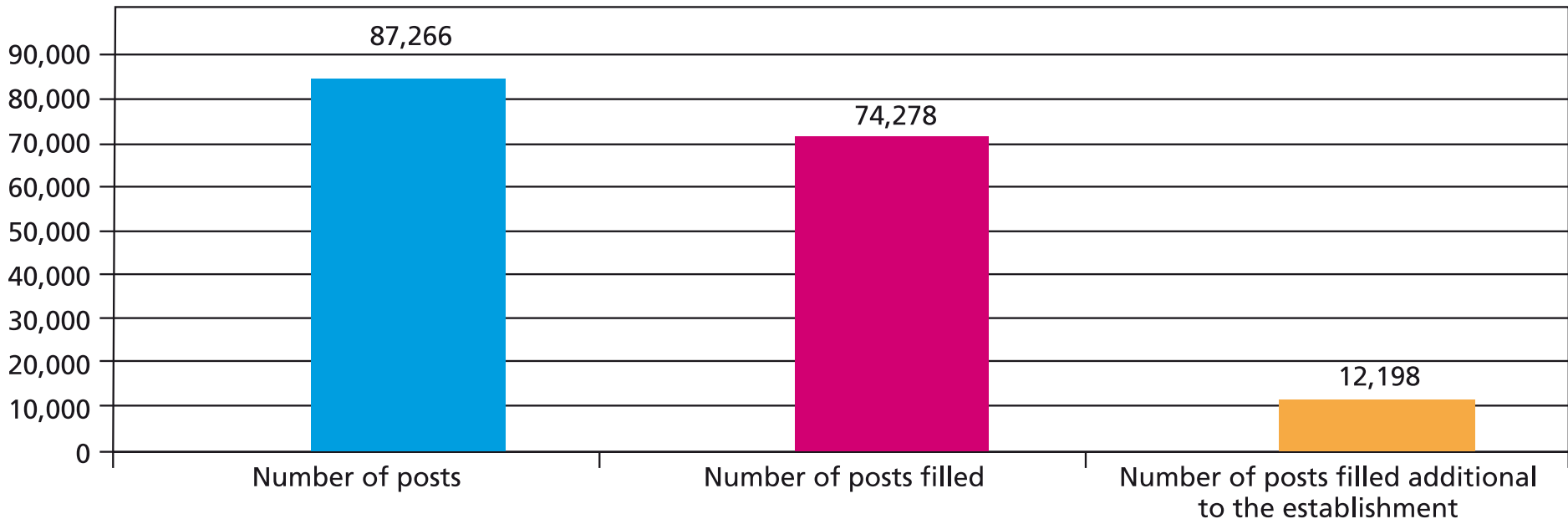
5.3.2 Employment and vacancies by Salary Bands, 31 March 2007

Salary Band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	10,480	7,730	26.2	4,686
Skilled (Levels 3-5), Permanent	12,779	1,922	85	548
Skilled (Levels 3-5), Temporary	35	28	20	7
Highly skilled production (Levels 6-8), Permanent	55,680	51,430	7.6	5,406
Highly skilled production (Levels 6-8), Temporary	30	30	0	4
Highly skilled supervision (Levels 9-12), Permanent	8,125	13,068	-60.8	1,544
Senior management (Levels 13-16), Permanent	137	70	48.9	3
TOTAL	87,266	74,278	14.9	12,198

5.3.3 Employment and vacancies by Critical Occupation, 31 March 2007

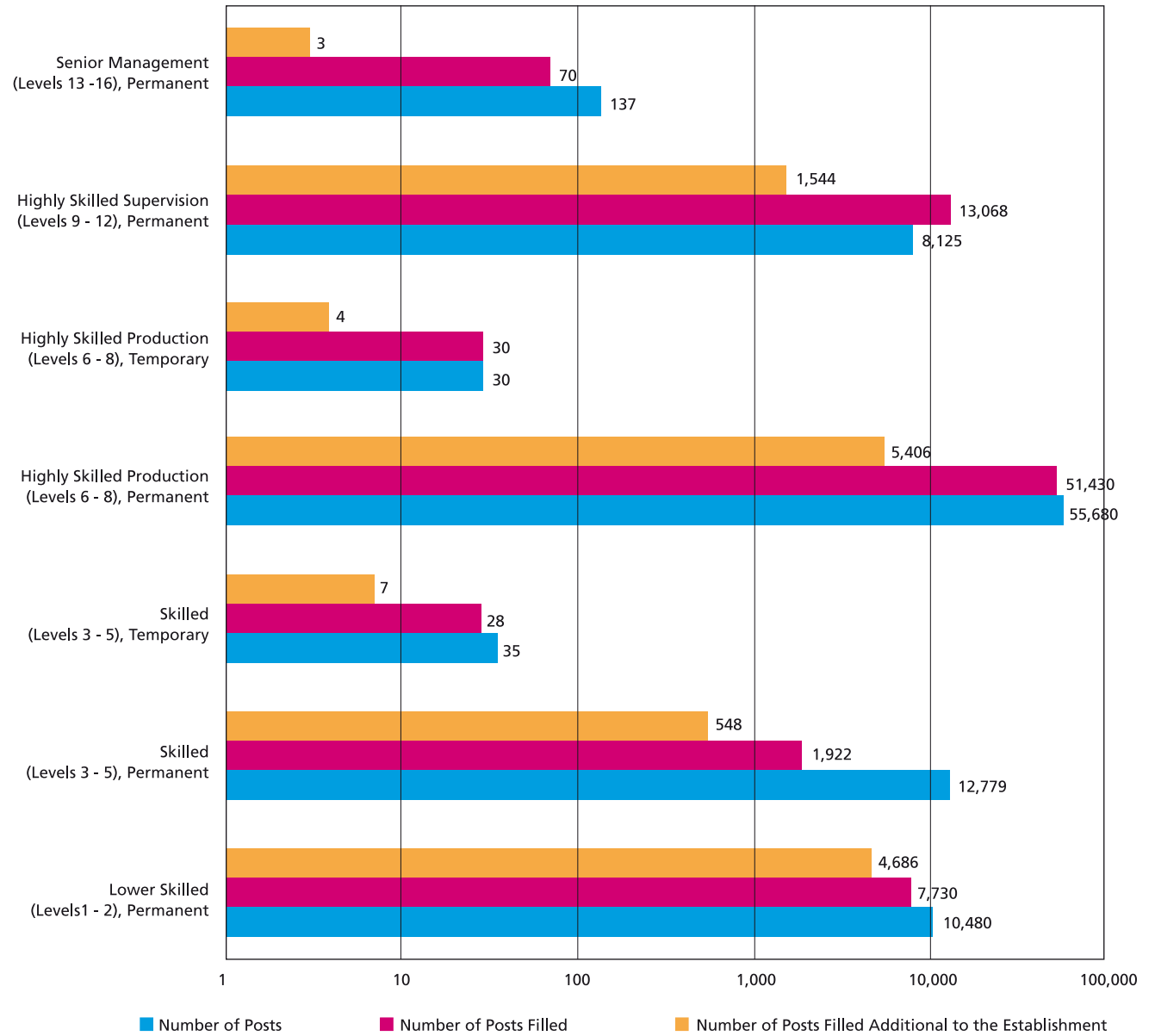
Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	318	88	72.3	5
All artisans in the building metal machinery etc., Permanent	9	9	0	6
Appraisers-valuers and related professionals, Permanent	1	0	100	0
Artisan project and related superintendents, Permanent	17	1	94.1	0
Building and other property caretakers, Permanent	210	111	47.1	18
Bus and heavy vehicle drivers, Permanent	10	8	20	4
Cartographic surveying and related technicians, Permanent	1	0	100	0
Cleaners in offices workshops hospitals etc., Permanent	4,828	3,509	27.3	1,112
Cleaners in offices workshops hospitals etc., Temporary	11	8	27.3	1
Client inform clerks(switchboard receipt inform clerks), Permanent	35	13	62.9	2
Dental practitioners, Permanent	1	0	100	0
Educationists., Permanent	8	0	100	0
Farm hands and labourers, Permanent	2	2	0	0
Farming forestry advisors and farm managers, Permanent	3	2	33.3	0
Finance and economics related, Permanent	94	61	35.1	0
Financial and related professionals, Permanent	198	78	60.6	1
Financial clerks and credit controllers, Permanent	674	217	67.8	3
Food services aids and waiters, Permanent	148	125	15.5	91
Handcraft instructors, Permanent	1	1	0	1
Head of department/chief executive officer, Permanent	2	1	50	0
Horticulturists foresters agricul.& forestry techn, Permanent	1	1	0	1
Household and laundry workers, Permanent	665	399	40	117
Housekeepers laundry and related workers, Permanent	5	3	40	2

Employment and Vacancies



Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Human resources & organisat developm & relate prof, Permanent	218	64	70.6	0
Human resources clerks, Permanent	676	331	51	35
Human resources clerks, Temporary	2	2	0	2
Human resources related, Permanent	161	58	64	1
Inspectors of apprentices works and vehicles, Permanent	79	24	69.6	1
Librarians and related professionals, Permanent	3	1	66.7	0
Library mail and related clerks, Permanent	232	139	40.1	8
Light vehicle drivers, Permanent	47	24	48.9	7
Logistical support personnel, Permanent	202	94	53.5	14
Material-recording and transport clerks, Permanent	903	369	59.1	11
Material-recording and transport clerks, Temporary	3	3	0	0
Messengers porters and deliverers, Permanent	143	100	30.1	8
Motor vehicle drivers, Permanent	2	2	0	2
Motorised farm and forestry plant operators, Permanent	2	0	100	0
Occupational therapy, Permanent	12	25	-108.3	2
Other administrat & related clerks and organisers, Permanent	1,496	702	53.1	86
Other administrat & related clerks and organisers, Temporary	36	32	11.1	6
Other administrative policy and related officers, Permanent	520	262	49.6	55
Other occupations, Permanent	59,236	53,517	9.7	9,648
Other occupations, Temporary	4	4	0	1
Physiotherapy, Permanent	3	2	33.3	2
Printing and related machine operators, Permanent	3	2	33.3	2
Professional nurse, Permanent	7	5	28.6	1
Professional nurse, Temporary	1	1	0	0
Rank: Administration clerk grade i, Permanent	6	0	100	0
Rank: Administration clerk grade i, Temporary	1	1	0	0
Rank: Administrative officer, Permanent	1	1	0	0
Rank: Cleaner i., Permanent	6	1	83.3	1

Employment and Vacancies by Salary Band



Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Rank: Cleaner i., Temporary	1	1	0	0
Rank: Education specialist (feti), Permanent	51	2	96.1	0
Rank: Education specialist (office-based), Permanent	2	1	50	0
Rank: Education specialist (school-based), Permanent	1,789	1,500	16.2	160
Rank: Education specialist additional (office-based), Permanent	1	0	100	0
Rank: Education specialist deputy chief (feti), Permanent	64	51	20.3	51
Rank: Education specialist senior (feti), Permanent	3	2	33.3	0
Rank: Education specialist senior (office-based), Permanent	2	1	50	0
Rank: Education therapist (ther/psyc), Permanent	1	1	0	0
Rank: Educational specialist: first (o), Permanent	1	0	100	0
Rank: Foreman: caretaking services, Permanent	1	0	100	0
Rank: General foreman, Permanent	22	3	86.4	0
Rank: General worker i (labourer-delivery), Permanent	4	4	0	0
Rank: General worker i (stores assistant), Permanent	2	1	50	0
Rank: Head of department (s), Permanent	15	7	53.3	7
Rank: Lecturer (c), Permanent	73	42	42.5	10
Rank: Lecturer (feti), Permanent	26	7	73.1	0
Rank: Lecturer (t), Permanent	2	0	100	0
Rank: Lecturer: senior (c), Permanent	21	9	57.1	7
Rank: Management and general support personnel sr1, Permanent	17	13	23.5	13
Rank: Principal (p2), Permanent	22	14	36.4	4
Rank: Principal (p3s3t3ss3), Permanent	89	45	49.4	13
Rank: Principal (p4s4t4ss4), Permanent	57	34	40.4	10
Rank: Principal (t3), Permanent	3	1	66.7	0
Rank: Principal deputy (feti), Permanent	4	1	75	0
Rank: Principal deputy (school-based), Permanent	701	520	25.8	215
Rank: Principal gr10, Permanent	331	132	60.1	30
Rank: Principal gr7, Permanent	111	58	47.7	2
Rank: Principal gr8, Permanent	180	102	43.3	4

Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Rank: Principal gr9, Permanent	637	365	42.7	58
Rank: Principal: deputy (s), Permanent	8	2	75	2
Rank: Principal: senior deputy (t), Permanent	1	1	0	1
Rank: Rector (c6), Permanent	3	0	100	0
Rank: Specialized auxiliary services assistant, Permanent	1	0	100	0
Rank: Teacher (school-based), Permanent	10,804	10,466	3.1	248
Rank: Teacher (school-based), Temporary	4	4	0	0
Regulatory inspectors, Permanent	1	0	100	0
Secretaries & other keyboard operating clerks, Permanent	401	162	59.6	23
Secretaries & other keyboard operating clerks, Temporary	2	2	0	1
Security guards, Permanent	345	200	42	58
Security officers, Permanent	66	39	40.9	12
Senior managers, Permanent	133	69	48.1	3
Social work and related professionals, Permanent	1	1	0	1
Speech therapy and audiology, Permanent	1	0	100	0
Trade labourers, Permanent	14	11	21.4	7
Trade trainers, Permanent	1	1	0	1
TOTAL	87,266	74,278	14.9	12,198

5.4 Job evaluation

5.4.1 Job Evaluation, 1 April 2006 to 31 March 2007

Salary Band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	10,480	0	0	0	0	0	0
Skilled (Levels 3-5)	12,814	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	55,710	0	0	0	0	1	0
Highly skilled supervision (Levels 9-12)	8,125	0	0	0	0	0	0
Senior Management Service Band A	111	3	2.7	0	0	0	0
Senior Management Service Band B	18	3	16.7	0	0	0	0
Senior Management Service Band C	6	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	87,266	6	0	0	0	1	16.7

5.4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

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

5.4.3 Employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Total Number of Employees whose salaries exceeded the grade determined by job evaluation in 2006/07	None
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5.4.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (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

5.5 Employment changes

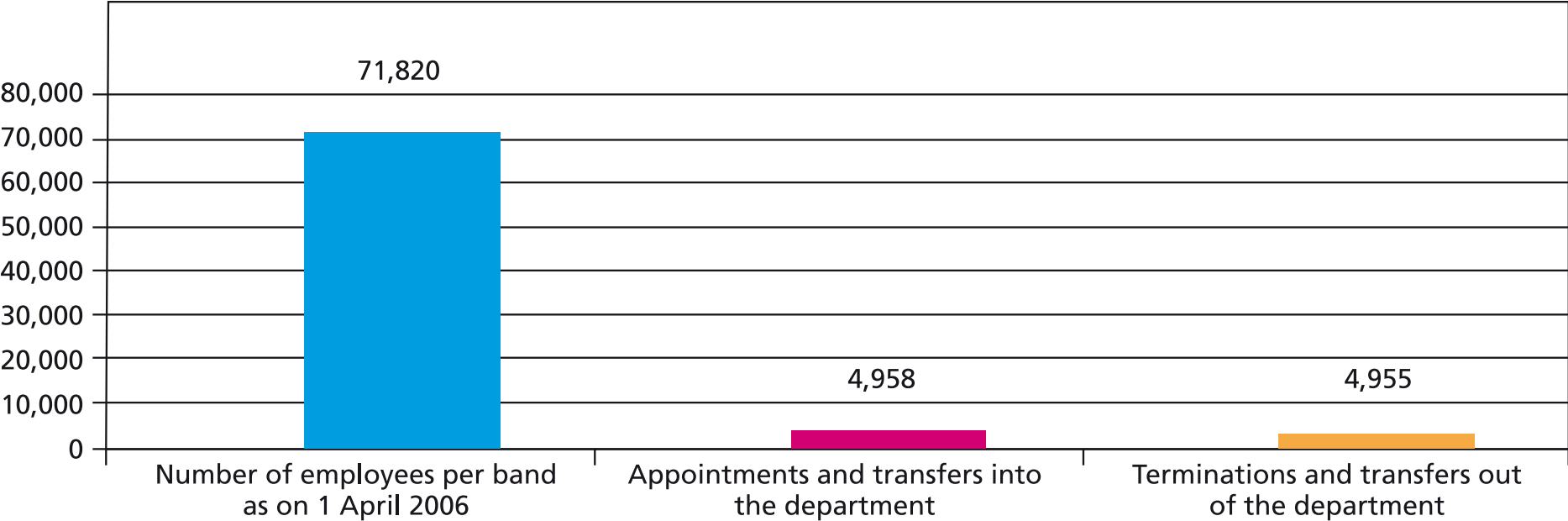
5.5.1 Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary Band	Number of employees per band as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2), Permanent	4,689	4	246	5.2
Lower skilled (Levels 1-2), Temporary	5	0	0	0
Skilled (Levels 3-5), Permanent	3,605	250	517	14.3
Skilled (Levels 3-5), Temporary	17	0	1	5.9
Highly skilled production (Levels 6-8), Permanent	55,161	4,614	3,805	6.9
Highly skilled production (Levels 6-8), Temporary	39	0	3	7.7
Highly skilled supervision (Levels 9-12), Permanent	8,156	16	327	4
Senior Management Service Band A, Permanent	56	5	5	8.9
Senior Management Service Band B, Permanent	11	0	0	0
Senior Management Service Band C, Permanent	1	0	0	0
Senior Management Service Band D, Permanent	1	0	1	100
Other, Permanent	9	1	0	0
Other, Temporary	1	0	0	0
Contract (Levels 1-2), Permanent	18	31	17	94.4
Contract (Levels 3-5), Permanent	27	28	17	63
Contract (Levels 6-8), Permanent	7	1	3	42.9
Contract (Levels 9-12), Permanent	14	7	11	78.6
Contract (Levels Band A), Permanent	1	1	1	100
Contract (Levels Band B), Permanent	1	0	1	100
Contract (Levels Band C), Permanent	1	0	0	0
Contract (Levels Band D), Permanent	0	1	0	
TOTAL	71,820	4,958	4,955	6.9

5.5.2 Annual turnover rates by salary critical occupation for the period 1 April 2006 to 31 March 2007

Occupation	Number of employees per occupation as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Administrative related, Permanent	115	7	12	10.4
All artisans in the building metal machinery etc., Permanent	170	0	18	10.6
Artisan project and related superintendents, Permanent	2	0	0	0
Building and other property caretakers, Permanent	171	0	11	6.4
Bus and heavy vehicle drivers, Permanent	17	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	2,674	11	161	6
Cleaners in offices workshops hospitals etc., Temporary	3	0	0	0
Client inform clerks (switchboard reception inform clerks), Permanent	13	0	0	0
Conservation labourers, Permanent	286	0	9	3.1
Custodian personnel, Permanent	7	0	0	0
Educationists., Permanent	1	0	0	0
Farm hands and labourers, Permanent	201	0	7	3.5
Farming forestry advisors and farm managers, Permanent	2	0	1	50
Finance and economics related, Permanent	22	0	0	0
Financial and related professionals, Permanent	66	3	4	6.1
Financial clerks and credit controllers, Permanent	220	5	11	5
Fire fighting and related workers, Permanent	7	0	0	0
Food services aids and waiters, Permanent	153	0	8	5.2
Head of department/chief executive officer, Permanent	16	0	0	0
Horticulturists foresters agricul. & forestry techn, Permanent	1	0	0	0
Household and laundry workers, Permanent	446	0	35	7.8
Housekeepers laundry and related workers, Permanent	0	1	1	0
Human resources & organisat developm & relate prof, Permanent	60	0	2	3.3
Human resources clerks, Permanent	466	12	13	2.8
Human resources clerks, Temporary	1	0	0	0
Human resources related, Permanent	18	6	2	11.1
Inspectors of apprentices works and vehicles, Permanent	14	0	0	0
Librarians and related professionals, Permanent	1	0	0	0

Annual Turnover



Occupation	Number of employees per occupation as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Library mail and related clerks, Permanent	51	44	2	3.9
Light vehicle drivers, Permanent	38	0	2	5.3
Logistical support personnel, Permanent	147	1	6	4.1
Material-recording and transport clerks, Permanent	418	1	9	2.2
Material-recording and transport clerks, Temporary	6	0	0	0
Messengers porters and deliverers, Permanent	53	1	2	3.8
Motor vehicle drivers, Permanent	65	0	4	6.2
Motorised farm and forestry plant operators, Permanent	1	0	1	100
Occupational therapy, Permanent	3	0	0	0
Other administrat & related clerks and organisers, Permanent	777	24	46	5.9
Other administrat & related clerks and organisers, Temporary	40	0	4	10
Other administrative policy and related officers, Permanent	200	1	3	1.5
Other occupations, Permanent	63,986	4,800	4,535	7.1
Other occupations, Temporary	10	0	0	0
Physiotherapy, Permanent	2	0	0	0
Printing and related machine operators, Permanent	8	0	0	0
Professional nurse, Permanent	3	0	0	0
Professional nurse, Temporary	1	0	0	0
Rank: Teacher (school-based), Permanent	18	0	1	5.6
Rank: Unknown, Permanent	49	0	0	0
Risk management and security services, Permanent	1	0	0	0
Road workers, Permanent	3	0	1	33.3
Secretaries & other keyboard operating clerks, Permanent	137	34	14	10.2
Secretaries & other keyboard operating clerks, Temporary	1	0	0	0
Security guards, Permanent	494	0	20	4
Security officers, Permanent	58	0	2	3.4
Senior managers, Permanent	67	7	8	11.9
Social work and related professionals, Permanent	1	0	0	0
Trade labourers, Permanent	29	0	0	0
TOTAL	71,820	4,958	4,955	6.9

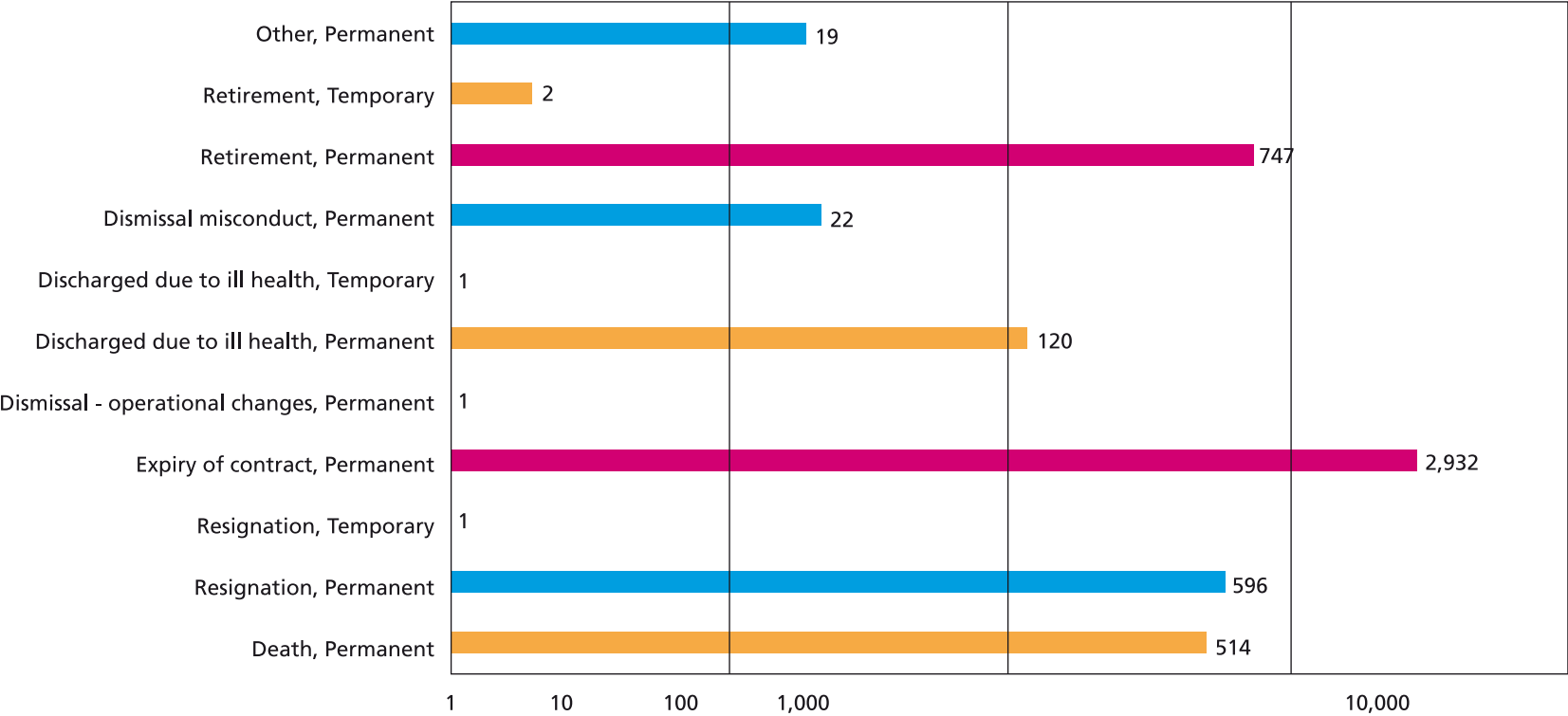
5.5.3 Reasons why staff are leaving the Department

Termination Type	Number	% of total
Death, Permanent	514	10.4
Resignation, Permanent	596	12
Resignation, Temporary	1	0
Expiry of contract, Permanent	2,932	59.2
Dismissal-operational changes, Permanent	1	0
Discharged due to ill health, Permanent	120	2.4
Discharged due to ill health, Temporary	1	0
Dismissal-misconduct, Permanent	22	0.4
Retirement, Permanent	747	15.1
Retirement, Temporary	2	0
Other, Permanent	19	0.4
TOTAL	4,955	100
Total number of employees who left as a % of the total employment		6.9

5.5.4 Promotion by critical occupation

Occupation	Employees as at 1 April 2006	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	115	22	19.1	58	50.4
All artisans in the building metal machinery etc.	170	0	0	52	30.6
Artisan project and related superintendents	2	0	0	2	100
Building and other property caretakers	171	0	0	73	42.7
Bus and heavy vehicle drivers	17	0	0	8	47.1
Cleaners in offices workshops hospitals etc.	2,677	0	0	1,595	59.6
Client inform clerks(switchboard receipt inform clerks)	13	1	7.7	9	69.2
Conservation labourers	286	0	0	14	4.9
Custodian personnel	7	2	28.6	5	71.4
Educationists.	1	0	0	0	0
Farm hands and labourers	201	0	0	19	9.5
Farming forestry advisors and farm managers	2	0	0	0	0
Finance and economics related	22	12	54.5	20	90.9
Financial and related professionals	66	8	12.1	59	89.4
Financial clerks and credit controllers	220	16	7.3	183	83.2
Fire fighting and related workers	7	0	0	1	14.3
Food services aids and waiters	153	0	0	82	53.6
Head of department/chief executive officer	16	1	6.3	13	81.3
Horticulturists foresters agricul.& forestry techn	1	0	0	0	0
Household and laundry workers	446	0	0	292	65.5
Human resources & organisat developm & relate prof	60	5	8.3	50	83.3
Human resources clerks	467	17	3.6	328	70.2
Human resources related	18	19	105.6	12	66.7
Inspectors of apprentices works and vehicles	14	0	0	10	71.4
Librarians and related professionals	1	0	0	1	100
Library mail and related clerks	51	2	3.9	45	88.2
Light vehicle drivers	38	0	0	16	42.1

Reasons why staff are leaving the department



Occupation	Employees as at 1 April 2006	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Logistical support personnel	147	1	0.7	119	81
Material-recording and transport clerks	424	4	0.9	322	75.9
Messengers porters and deliverers	53	2	3.8	28	52.8
Motor vehicle drivers	65	0	0	5	7.7
Motorised farm and forestry plant operators	1	0	0	0	0
Occupational therapy	3	0	0	0	0
Other administrat & related clerks and organisers	817	1	0.1	517	63.3
Other administrative policy and related officers	200	6	3	151	75.5
Other occupations	63,996	372	0.6	53,445	83.5
Physiotherapy	2	0	0	2	100
Printing and related machine operators	8	0	0	6	75
Professional nurse	4	0	0	3	75
Rank: Teacher (school-based)	18	0	0	20	111.1
Rank: Unknown	49	0	0	0	0
Risk management and security services	1	0	0	1	100
Road workers	3	0	0	0	0
Secretaries & other keyboard operating clerks	138	12	8.7	90	65.2
Security guards	494	0	0	118	23.9
Security officers	58	0	0	33	56.9
Senior managers	67	0	0	1	1.5
Social work and related professionals	1	0	0	0	0
Trade labourers	29	0	0	11	37.9
TOTAL	71,820	503	0.7	57,819	80.5

5.5.5 Promotion by salary band

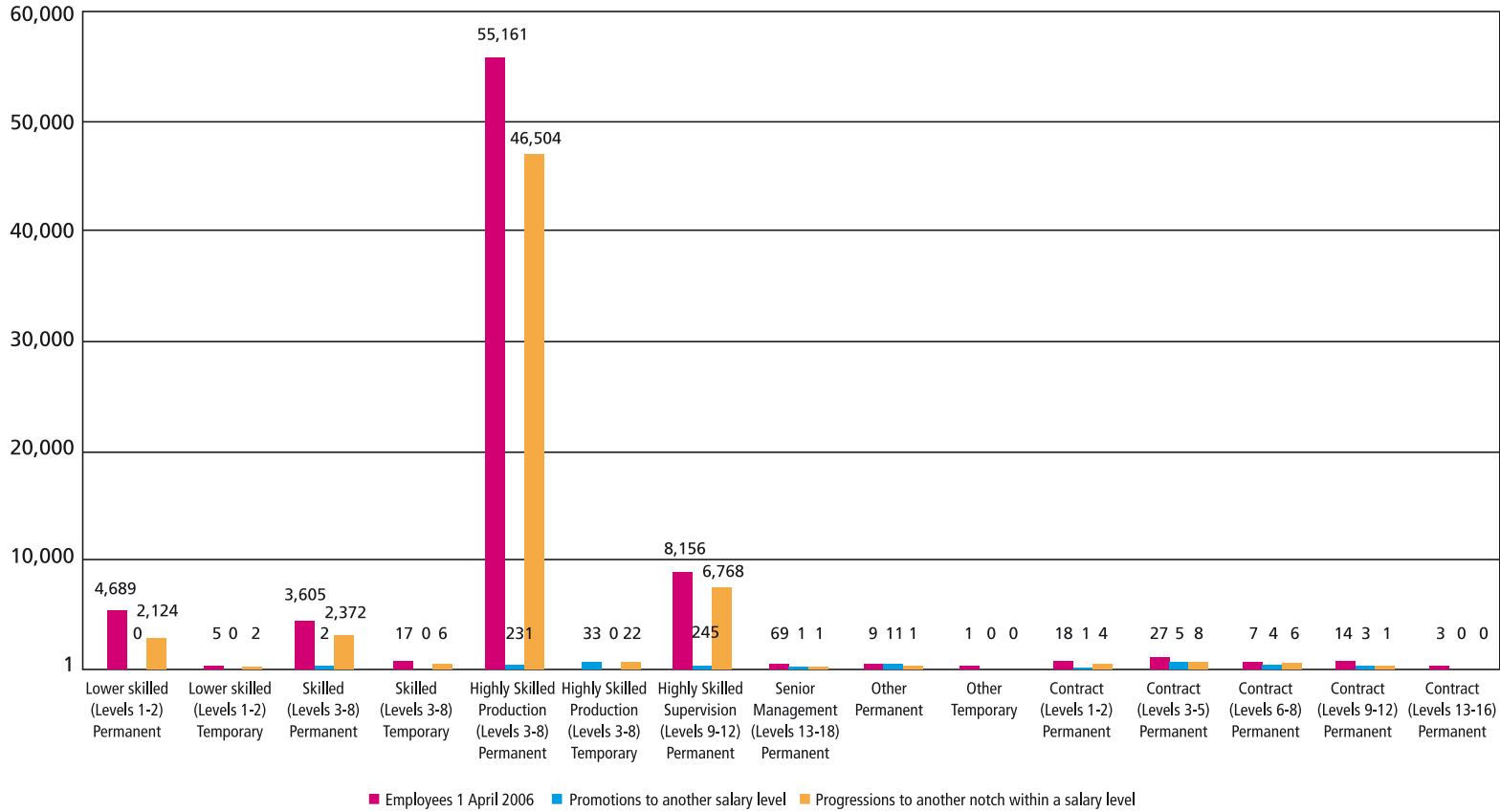
Salary Band	Employees 1 April 2006	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2), Permanent	4,689	0	0	2,124	45.3
Lower skilled (Levels 1-2), Temporary	5	0	0	2	40
Skilled (Levels 3-5), Permanent	3,605	2	0.1	2,372	65.8
Skilled (Levels 3-5), Temporary	17	0	0	6	35.3
Highly skilled production (Levels 6-8), Permanent	55,161	231	0.4	46,504	84.3
Highly skilled production (Levels 6-8), Temporary	39	0	0	22	56.4
Highly skilled supervision (Levels 9-12), Permanent	8,156	245	3	6,768	83
Senior management (Levels 13-16), Permanent	69	1	1.4	1	1.4
Other, Permanent	9	11	122.2	1	11.1
Other, Temporary	1	0		0	
Contract (Levels 1-2), Permanent	18	1	5.6	4	22.2
Contract (Levels 3-5), Permanent	27	5	18.5	8	29.6
Contract (Levels 6-8), Permanent	7	4	57.1	6	85.7
Contract (Levels 9-12), Permanent	14	3	21.4	1	7.1
Contract (Levels 13-16), Permanent	3	0	0	0	0
TOTAL	71,820	503	0.7	57,819	80.5

5.6 Employment equity

5.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2007

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	40	5	2	3	24	1	0	6	81
Professionals, Permanent	16,329	1,662	171	977	39,976	2,478	173	2,284	64,050
Professionals, Temporary	0	0	0	0	0	1	0	5	6
Clerks, Permanent	364	37	1	11	1,208	183	2	207	2,013
Clerks, Temporary	0	0	0	0	0	7	0	39	46
Service and sales workers, Permanent	413	68	0	1	38	0	0	1	521
Craft and related trades workers, Permanent	125	6	0	2	71	0	0	0	204
Plant and machine operators and assemblers, Permanent	107	6	0	0	4	1	0	0	118
Elementary occupations, Permanent	1,588	277	0	47	1,761	339	0	104	4,116
Elementary occupations, Temporary	0	0	0	0	0	3	0	3	6
Other, Permanent	12	3	0	0	3,000	82	1	19	3,117
TOTAL	18,978	2,064	174	1,041	46,082	3,095	176	2,668	74,278
Employees with disabilities	2	0	0	1	2	0	0	1	6

Promotions by Salary Band

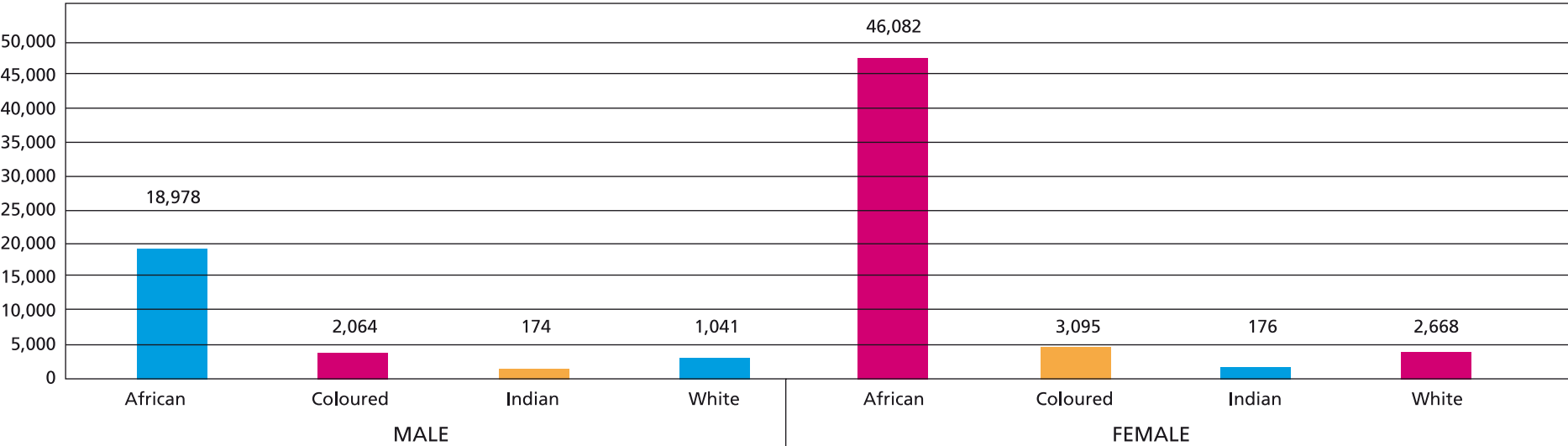


5.6.2 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2007

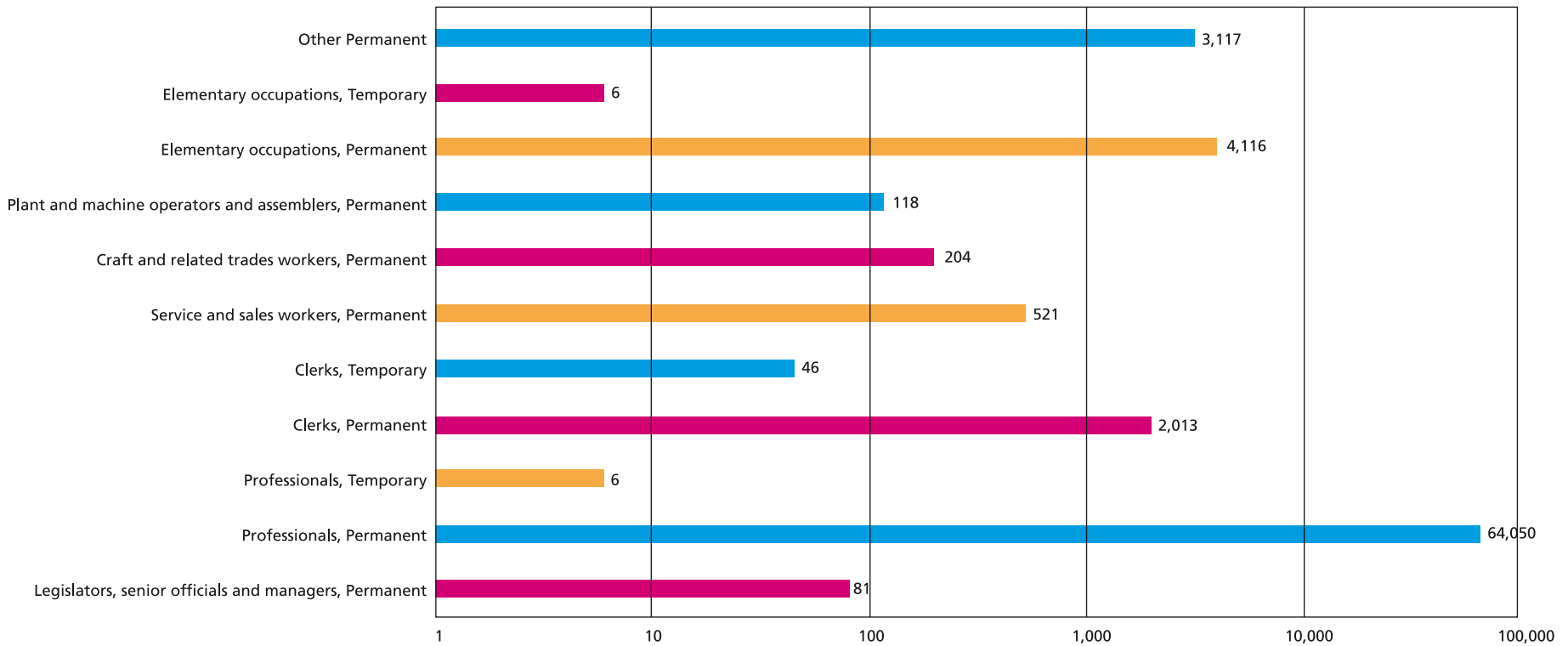
Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	1	0	0	0	0	2
Senior Management, Permanent	35	6	2	2	16	1	0	4	66
Professionally qualified and experienced specialists and mid-management, Permanent	3,658	470	42	466	3,352	164	23	295	8,470
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	12,334	1,253	129	517	36,145	2,363	150	2,140	55,031
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	5	0	33	38
Semi-skilled and discretionary decision making, Permanent	813	64	1	52	1,828	175	2	155	3,090
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	1	0	14	15
Unskilled and defined decision making, Permanent	2,103	268	0	3	1,709	298	0	5	4,386
Unskilled and defined decision making, Temporary	0	0	0	0	0	5	0	0	5
Not Available, Permanent	14	3	0	0	3,000	82	1	19	3,119
Contract (Top Management), Permanent	0	0	0	0	1	0	0	1	2
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	4	0	0	0	1	0	0	0	5
Contract (Skilled technical), Permanent	0	0	0	0	5	0	0	0	5
Contract (Semi-skilled), Permanent	7	0	0	0	14	0	0	2	23
Contract (Unskilled), Permanent	9	0	0	0	10	1	0	0	20
TOTAL	18,978	2,064	174	1,041	46,082	3,095	176	2,668	74,278

Promotions by Salary Band



Employment by Occupational Category



5.6.3 Recruitment for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	2	0	0	1	2	0	0	0	5
Professionally qualified and experienced specialists and mid-management, Permanent	8	1	0	3	2	1	1	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	997	79	5	52	3,025	180	12	264	4,613
Semi-skilled and discretionary decision making, Permanent	85	5	0	2	113	28	0	17	250
Unskilled and defined decision making, Permanent	0	1	0	0	1	2	0	0	4
Not Available, Permanent	0	0	0	0	1	0	0	0	1
Contract (Top Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	3	0	0	0	4	0	0	0	7
Contract (Skilled technical), Permanent	0	0	0	0	1	0	0	0	1
Contract (Semi-skilled), Permanent	10	0	0	0	17	0	0	1	28
Contract (Unskilled), Permanent	13	0	0	0	18	0	0	0	31
TOTAL	1,118	86	5	58	3,186	211	13	282	4,958
Employees with disabilities	0	0	0	0	0	0	0	0	0

5.6.4 Promotions for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	2,993	407	37	339	2,879	143	19	224	7,041
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10,424	1,131	104	365	30,934	2,081	131	1,575	46,745
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	4	0	18	22
Semi-skilled and discretionary decision making, Permanent	618	47	1	35	1,417	149	2	105	2,374
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	1	0	5	6
Unskilled and defined decision making, Permanent	668	204	0	2	1,011	234	0	5	2,124
Unskilled and defined decision making, Temporary	0	0	0	0	0	2	0	0	2
Not Available, Permanent	2	2	0	0	8	0	0	0	12
Contract (Professionally qualified), Permanent	2	0	0	0	2	0	0	0	4
Contract (Skilled technical), Permanent	1	0	0	0	9	0	0	0	10
Contract (Semi-skilled), Permanent	5	0	0	0	8	0	0	0	13
Contract (Unskilled), Permanent	3	0	0	0	1	1	0	0	5
TOTAL	14,718	1,791	142	741	36,269	2,615	152	1,932	58,360
Employees with disabilities	0	0	0	0	2	0	0	1	3

5.6.5 Terminations for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	1	0	0	0	0	1
Senior Management, Permanent	3	0	1	1	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management, Permanent	129	16	2	17	133	7	2	21	327
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	800	88	13	50	2,371	210	14	259	3,805
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	3	3
Semi-skilled and discretionary decision making, Permanent	114	10	0	6	318	33	0	36	517
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	1	0	0	1
Unskilled and defined decision making, Permanent	117	21	0	0	86	22	0	0	246
Contract (Senior Management), Permanent	0	0	0	1	1	0	0	0	2
Contract (Professionally qualified), Permanent	3	1	0	0	7	0	0	0	11
Contract (Skilled technical), Permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-skilled), Permanent	6	0	0	0	11	0	0	0	17
Contract (Unskilled), Permanent	7	0	0	0	10	0	0	0	17
TOTAL	1,180	136	16	76	2,939	273	16	319	4,955
Employees with disabilities	0	0	0	0	0	0	0	0	0

5.6.6 Disciplinary action for the period 1 April 2006 to 31 March 2007

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	67	11	0	2	50	3	1	0	134

5.6.7 Skills development for the period 1 April 2006 to 31 March 2007

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	13	2	2	2	32	1	0	2	54
Professionals	531	13	11	0	636	170	132	0	1,493
Technicians and Associate Professionals	183	22	15	0	394	0	0	0	614
Clerks	656	17	2	0	2,338	0	7	0	3,020
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	184	24	5	0	760	15	0	0	988
TOTAL	1,567	78	35	2	4,160	186	139	2	6,169
Employees with disabilities	13	0	0	0	0	0	0	0	13

5.7 Performance rewards

5.7.1 Performance Rewards by race, gender and disability (1 April 2006 to 31 March 2007)

	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, Male	839	18,978	4.4	1,905	2,271
African, Female	1,707	46,082	3.7	3,541	2,074
Asian					
Asian, Male	4	174	2.3	31	7,750
Asian, Female	3	176	1.7	6	2,000
Coloured					
Coloured, Male	231	2,064	11.2	477	2,065
Coloured, Female	255	3,095	8.2	508	1,992
White					
White, Male	68	1,041	6.5	228	3,353
White, Female	292	2,668	10.9	816	2,795
Employees with a disability	1	6	16.7	2	2,000
TOTAL	3,399	74,278	4.6	7,512	2,210

5.7.2 Performance Rewards by salary bands for personnel below senior management services (1 April 2006 to 31 March 2007)

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	935	7,730	12.1	868	928	0.01%
Skilled (Levels 3-5)	857	1,948	44	1,209	1,411	0.01%
Highly skilled production (Levels 6-8)	1,134	51,460	2.2	3,150	2,778	0.03%
Highly skilled supervision (Levels 9-12)	473	13,068	3.6	2,285	4,831	0.02%
TOTAL	3,399	74,206	4.6	7,512	2,210	0.07%

5.7.3 Performance Rewards by critical occupations (1 April 2006 to 31 March 2007)

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of Employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	55	110	50	248	4,509
All artisans in the building metal machinery etc.	24	189	12.7	31	1,292
Artisan project and related superintendents	1	2	50	2	2,000
Building and other property caretakers	35	158	22.2	33	943
Bus and heavy vehicle drivers	6	17	35.3	7	1,167
Cleaners in offices workshops hospitals etc.	713	2,520	28.3	683	957
Client inform clerks (switchboard reception clerks)	9	13	69.2	14	1,556
Conservation labourers	5	259	1.9	4	800
Custodian personnel	4	8	50	30	7,500
Farm hands and labourers	7	187	3.7	6	857
Farming forestry advisors and farm managers	0	2	0	0	0
Finance and economics related	23	30	76.7	150	6,522
Financial and related professionals	52	73	71.2	220	4,231
Financial clerks and credit controllers	173	206	84	378	2,185

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of Employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Fire fighting and related workers	0	7	0	0	0
Food services aids and waiters	64	145	44.1	59	922
Head of department/chief executive officer	12	14	85.7	43	3,583
Horticulturists foresters agricul.& forestry techn	0	1	0	0	0
Household and laundry workers	136	398	34.2	161	1,184
Housekeepers laundry and related workers	0	1	0	0	0
Human resources & organisat developm & relate prof	48	62	77.4	147	3,063
Human resources clerks	314	425	73.9	708	2,255
Human resources related	23	39	59	108	4,696
Information technology related	0	1	0	0	0
Inspectors of apprentices works and vehicles	8	13	61.5	26	3,250
Librarians and related professionals	1	1	100	2	2,000
Library mail and related clerks	40	96	41.7	84	2,100
Light vehicle drivers	14	35	40	15	1,071
Logistical support personnel	99	129	76.7	312	3,152
Material-recording and transport clerks	312	404	77.2	668	2,141
Messengers porters and deliverers	21	49	42.9	19	905
Motor vehicle drivers	4	58	6.9	4	1,000
Occupational therapy	0	2	0	0	0
Other administrat & related clerks and organisers	441	741	59.5	851	1,930
Other administrative policy and related officers	129	196	65.8	387	3,000
Other occupations	418	63,761	0.7	1,789	4,280
Physiotherapy	0	2	0	0	0
Printing and related machine operators	4	8	50	4	1,000
Professional nurse	2	4	50	4	2,000
Rank: Education specialist deputy chief (office-based)	2	0	0	3	1,500
Rank: Teacher (school-based)	0	16	0	0	0
Rank: Unknown	0	3,117	0	0	0
Risk management and security services	0	1	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of Employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Road workers	0	2	0	0	0
Secretaries & other keyboard operating clerks	96	163	58.9	184	1,917
Security guards	64	459	13.9	58	906
Security officers	29	53	54.7	60	2,069
Social work and related professionals	0	1	0	0	0
Trade labourers	11	28	39.3	10	909
TOTAL	3,399	74,206	4.6	7,512	2,210

5.7.4 Performance Rewards (cash bonus) salary bands for senior management Services

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average Cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	52	0	0	0	0.00%
Band B	0	14	0	0	0	0.00%
Band C	0	3	0	0	0	0.00%
Band D	0	1	0	0	0	0.00%
TOTAL	0	70	0	0	0	0.00%

5.8 Foreign workers

5.8.1 Foreign Workers, 1 April 2006 to 31 March 2007, by salary band

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% of total
Skilled (Levels 3-5)	7	1.25%	6	1.03%	-1	-4.35%
Highly skilled production (Levels 6-8)	452	81.00%	487	83.82%	35	152.17%
Highly skilled supervision (Levels 9-12)	95	17.03%	84	14.46%	-11	-47.83%
Periodical Remuneration	4	0.72%	4	0.69%	0	0.00%
TOTAL	558	100%	581	100%	23	100%

5.8.2 Foreign Workers, 1 April 2006 to 31 March 2007, major occupation

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% of total
Elementary occupations	1	0.18%	1	0.17%	0	0.00%
Rank: principal gr10	557	99.82%	580	99.83%	23	100.00%
TOTAL	558	100%	581	100%	23	100%

5.9 Leave utilization for the period 1 January 2006 to 31 December 2006

5.9.1 Sick leave, 1 January 2006 to 31 December 2006

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)	8,439	86.3	1,159	4.6	7	1,324
Skilled (Levels 3-5)	9,905	84.2	1,258	5	8	2,223
Highly skilled production (Levels 6-8)	130,261	80.4	19,400	77.7	7	50,833
Highly skilled supervision (Levels 9-12)	21,116	84.1	3,110	12.5	7	13,673
Senior management (Levels 13-16)	167	80.2	29	0.1	6	311
Other	5	0	3	0	2	2
Contract (Levels 1-2)	39	94.9	3	0	13	6
Contract (Levels 3-5)	23	56.5	7	0	3	4
Contract (Levels 6-8)	29	100	2	0	15	8
Contract (Levels 9-12)	37	94.6	4	0	9	32
Contract (Levels 13-16)	10	80	2	0	5	23
Not Available	15	100	1	0	15	8
TOTAL	170,046	81.4	24,978	100	7	68,447

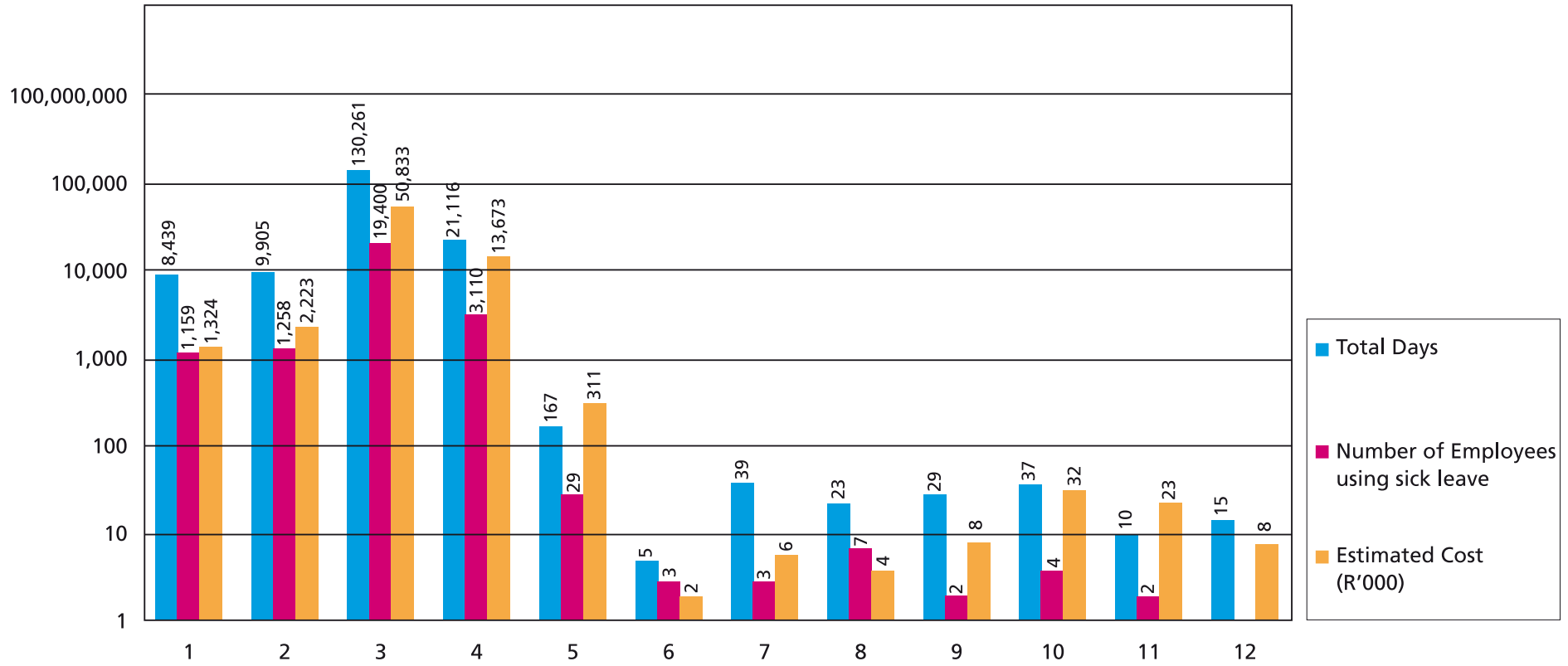
5.9.2 Disability leave (temporary and permanent), 1 January 2006 to 31 December 2006

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)	2,274	99.1	66	5.1	34	354
Skilled (Levels 3-5)	3,418	99.8	80	6.2	43	806
Highly skilled production (Levels 6-8)	41,414	99.7	985	76.1	42	17,047
Highly skilled supervision (Levels 9-12)	7,495	99.9	162	12.5	46	4,984
Senior management (Levels 13-16)	4	100	1	0.1	4	7
TOTAL	54,605	99.7	1,294	100	42	23,198

5.9.3 Annual leave, 1 January 2006 to 31 December 2006

Salary Band	Total Days Taken	Average per Employee
Lower skilled (Levels 1-2)	22,460.41	14
Skilled (Levels 3-5)	17,856.81	14
Highly skilled production (Levels 6-8)	58,751.40	6
Highly skilled supervision (Levels 9-12)	22,846	10
Senior management (Levels 13-16)	1,204	18
Other	34	9
Contract (Levels 1-2)	139	17
Contract (Levels 3-5)	32	5
Contract (Levels 6-8)	27	7
Contract (Levels 9-12)	25	4
Contract (Levels 13-16)	39	8
TOTAL	123,414.62	8

Sick Leave Utilized



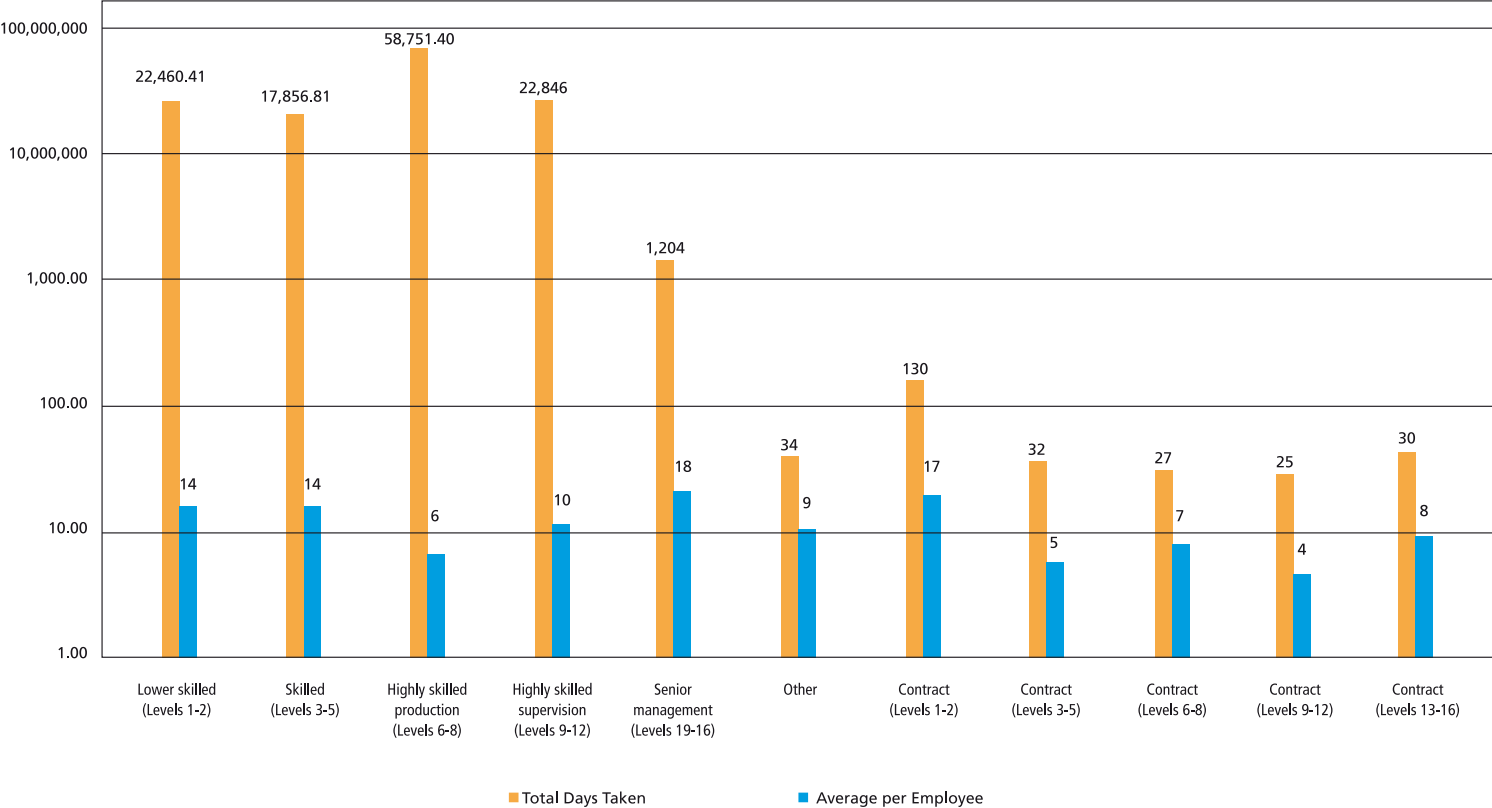
5.9.4 Capped leave, 1 January 2006 to 31 December 2006

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	790	10	77
Skilled (Levels 3-5)	1,296	5	74
Highly skilled production (Levels 6-8)	33,319	4	74
Highly skilled supervision (Levels 9-12)	6,994	5	101
Senior management (Levels 13-16)	45	11	121
Contract (Levels 1-2)	5	5	120
TOTAL	42,449	4	78

5.9.5 Leave payouts, 1 April 2006 to 31 March 2007

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle			
Capped leave payouts on termination of service for 2006/07	12,254	2,634	4,652
Current leave payout on termination of service for 2006/07	5	3	1,667
TOTAL	12,259	2,637	4,649

Annual Leave Taken



5.10 HIV and AIDS & health promotion programmes

5.10.1 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
Learners	HIV and Aids is part of the curriculum and learners are taught all aspects of prevention. Department is in Process of intergrating HIV and Aids in and across the curriculum. Curriculum intergration material has been developed and in process of being printed.
Staff	<ul style="list-style-type: none">• Advocacy, ceremonial services and provision of condoms. Wellness day established as well as a Steering Committee regular lunch time programmes.• 100 Office based employees trained in Peer Educations.
Educators	5,400 Educators have been trained in the Prevention, Care and Treadment Access (PCTA) programme.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		The Director HIV and Aids and Social Planning has been appointed
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Core business of Directorate is Life Skills HIV and Aids for learners. Two staff members have been working closely with HR. There is a budget of R 1 million from the Office of the Premier, another R 8 million has been set aside by the department.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	√		<ul style="list-style-type: none"> • Two people have been appointed • 5,400 Educators trained in the PCTA Programme. • 100 Office based employees trained in Peer Education.
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.	√		List of Steering Committees: 1. HIV and Aids and Social Planning Directorate. 2. Chief Directorate HRM and D. 3. Imbewu. 4. Office of the Premier (OTP). 5. Eastern Cape Aids Council (ECAC). 6. Eastern Cape Aids Ambassador. 7. Labour (Unions). 8. NGOs
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		<ul style="list-style-type: none"> • Employment Equity Policy Document. • Draft Integrated HIV and Aids policy in circulation for input.
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.	√		600 Educators have been trained in Basic Counselling Skills
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		700 People attended the Wellness Day hosted and 167 employees went for VCT.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	√		Assessment of all programmes has been conducted.

5.11 Labour relations

5.11.1 Collective agreements, 1 April 2006 to 31 March 2007

Total collective agreements	None
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5.11.2 Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcomes of disciplinary hearing	Number	% of total
Acquitted	6	4.48%
Case withdrawn	9	6.72%
Counseling, final written warning and upheld one month suspension without pay	1	0.75%
Debt recovered	8	5.97%
Demoted	2	1.49%
Demoted and final written warning	2	1.49%
Discharged	22	16.42%
Employee resigned	3	2.24%
Final written warning	22	16.42%
Final written warning and counseling	2	1.49%
Fine and final warning	7	5.22%
Fine and written warning	1	0.75%
Fine not exceeding one month's salary and final written warning	1	0.75%
Fine of one month's salary and final written warning	1	0.75%
Fine of one month's salary, final written warning and counseling	2	1.49%
Fine of R 2,000.00 and final written warning	1	0.75%
Fine of R 5,000.00 and final written warning	1	0.75%
Fine of R 500.00 and final written warning	6	4.48%
Fine of R 6,000.00, final written warning and counseling	1	0.75%
Fine of R 6,000.00, written warning and counseling	1	0.75%
Fine, counseling and final written warning	1	0.75%
One month suspension without pay	8	5.97%

Outcomes of disciplinary hearing	Number	% of total
One month suspension without pay and final written warning	12	8.96%
One month suspension without pay and refund monies owed	1	0.75%
Three months suspension without pay	1	0.75%
Three months suspension without pay and final written warning	3	2.24%
Two months suspension without pay and final written warning	5	3.73%
Two months suspension without pay, final written warning and counseling	1	0.75%
Written warning	3	2.24%
Grand Total	134	100%

5.11.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absenteeism	42	31.34%
Assault	6	4.48%
Committed a common law offence	3	2.24%
Damage state property	1	0.75%
Dishonesty	2	1.49%
Dishonesty (Social Development)	18	13.43%
Failure to comply with an act, regulation or legal obligation	8	5.97%
Falsified records and inflated learner numbers	15	11.19%
Financial mismanagement	12	8.96%
Fraud	7	5.22%
Insolent behaviour	9	6.72%
Insubordination	2	1.49%
Misuse of state property	5	3.73%
Negligence	1	0.75%
Prejudiced the Department	1	0.75%
Sexual harassment	1	0.75%
Sexual relationship with a learner	1	0.75%
Grand Total	134	100.00%

5.11.4 Grievances lodged for the period, 1 April 2006 to 31 March 2007

	Number	% of total
Number of grievances resolved	15	15%
Number of grievances not resolved	3	3%
Number of grievances pending	82	82%
Total number of grievances lodged	100	100%

5.11.5 Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007

	Number	% of total
Dispute dismissed	13	23.21%
Dispute in progress	35	62.50%
Dispute settled	3	5.36%
Dispute upheld	3	5.36%
Dispute withdrawn	2	3.57%
Total number of disputes lodged	56	100%

5.11.6 Strike actions for the period 1 April 2006 to 31 March 2007

Total number of person working days lost	2,700
Total cost(R'000) of working days lost	R 746,683.73
Amount (R'000) recovered as a result of no work no pay	R 746,683.73

5.11.7 Precautionary suspensions for the period 1 April 2006 to 31 March 2007

Number of people suspended	5
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	162
Cost (R'000) of suspensions	R 177,756

5.12 Skills development

5.12.1 Training needs identified 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	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	31	0	35	15	50
	Male	50	0	12	9	21
Professionals	Female	4,081	3	1,020	0	1,023
	Male	4,906	0	555	0	555
Technicians and associate professionals	Female	40,836	0	375	24	399
	Male	14,233	0	205	20	225
Clerks	Female	1,646	0	1,045	0	1,045
	Male	413	0	705	0	705
Service and sales workers	Female	39	0	0	0	0
	Male	482	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	71	0	0	0	0
	Male	133	0	0	0	0
Plant and machine operators and assemblers	Female	5	0	0	0	0
	Male	113	0	0	0	0
Elementary occupations	Female	5,312	0	644	0	644
	Male	1,927	0	405	0	405
Sub Totals	Female	52,021	3	3,119	39	3,161
	Male	22,257	0	1,882	29	1,911
Total		74,278	3	5,001	68	5,072

5.12.2 Training provided 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	20	15	35
	Male	50	0	10	9	19
Professionals	Female	4,081	0	938	0	938
	Male	4,906	0	555	24	579
Technicians and associate professionals	Female	40,836	0	370	20	390
	Male	14,233	0	200	0	200
Clerks	Female	1,646	0	2,345	0	2,345
	Male	413	0	675	0	675
Service and sales workers	Female	39	0	0	0	0
	Male	482	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	71	0	0	0	0
	Male	133	0	0	0	0
Plant and machine operators and assemblers	Female	5	0	0	0	0
	Male	113	0	0	0	0
Elementary occupations	Female	5,312	0	775	0	775
	Male	1,927	0	213	0	213
Sub Totals	Female	52,021	0	4,448	35	4,483
	Male	22,257	0	1,653	33	1,686
Total		74,278	0	6,101	68	6,169

5.13 Injury on duty

1.17.1 Injury on duty, 1 April 2006 to 31 March 2007

Nature of injury on duty	Number	% of total
Required basic medical attention only	167	97.7
Temporary Total Disablement	2	1.2
Permanent Disablement	0	0
Fatal	2	1.2
TOTAL	171	100%

5.14 Utilisation of consultants

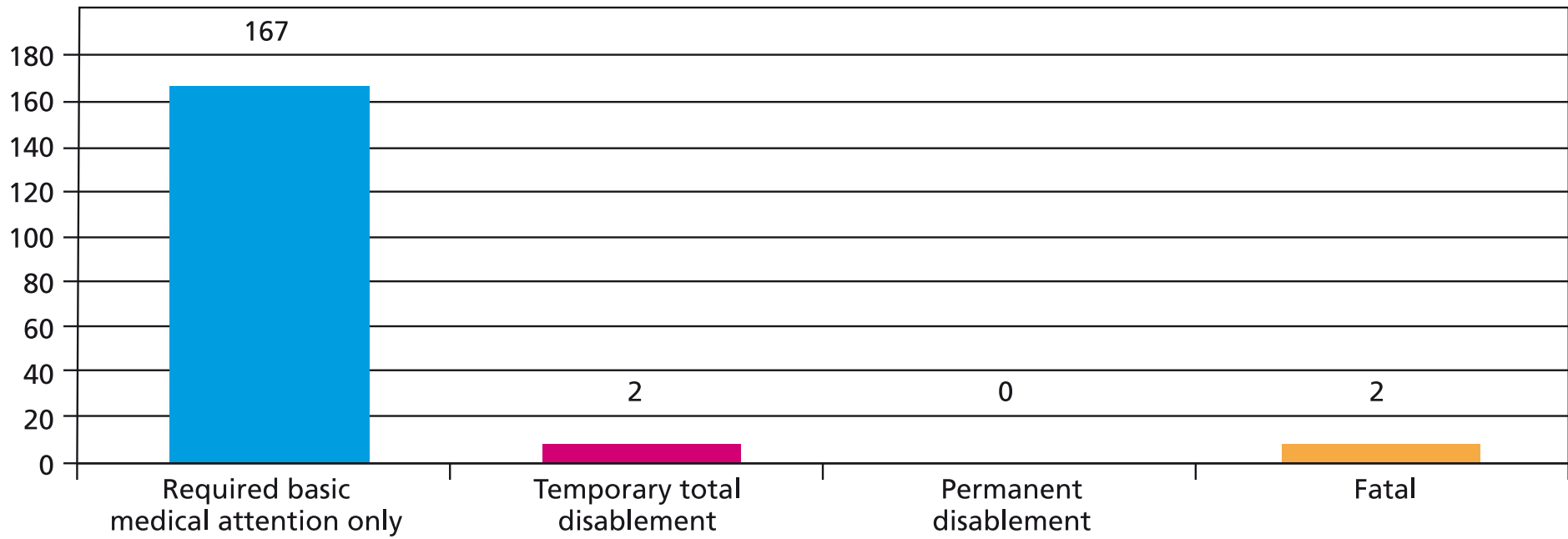
5.14.1 Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
LMD AFRICA / ERNST & YOUNG CONSORTIUM (Internal Audit Services)	23	720	R 2,949,500
ELCB Information Services Projects	118	1,015	R 1,490,510
PYTRON INFORMATION HOLDING			R 7,784,871
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
4	141	1,735	R 12,224,881

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
LMD AFRICA	LMD = 99% E&YOUNG = 40%	LMD = 83% E&YOUNG = 55%	
PYTRON	100%	100%	
ELCB	57%	33%	HDI = 96 OTHER = 22

Injury on duty

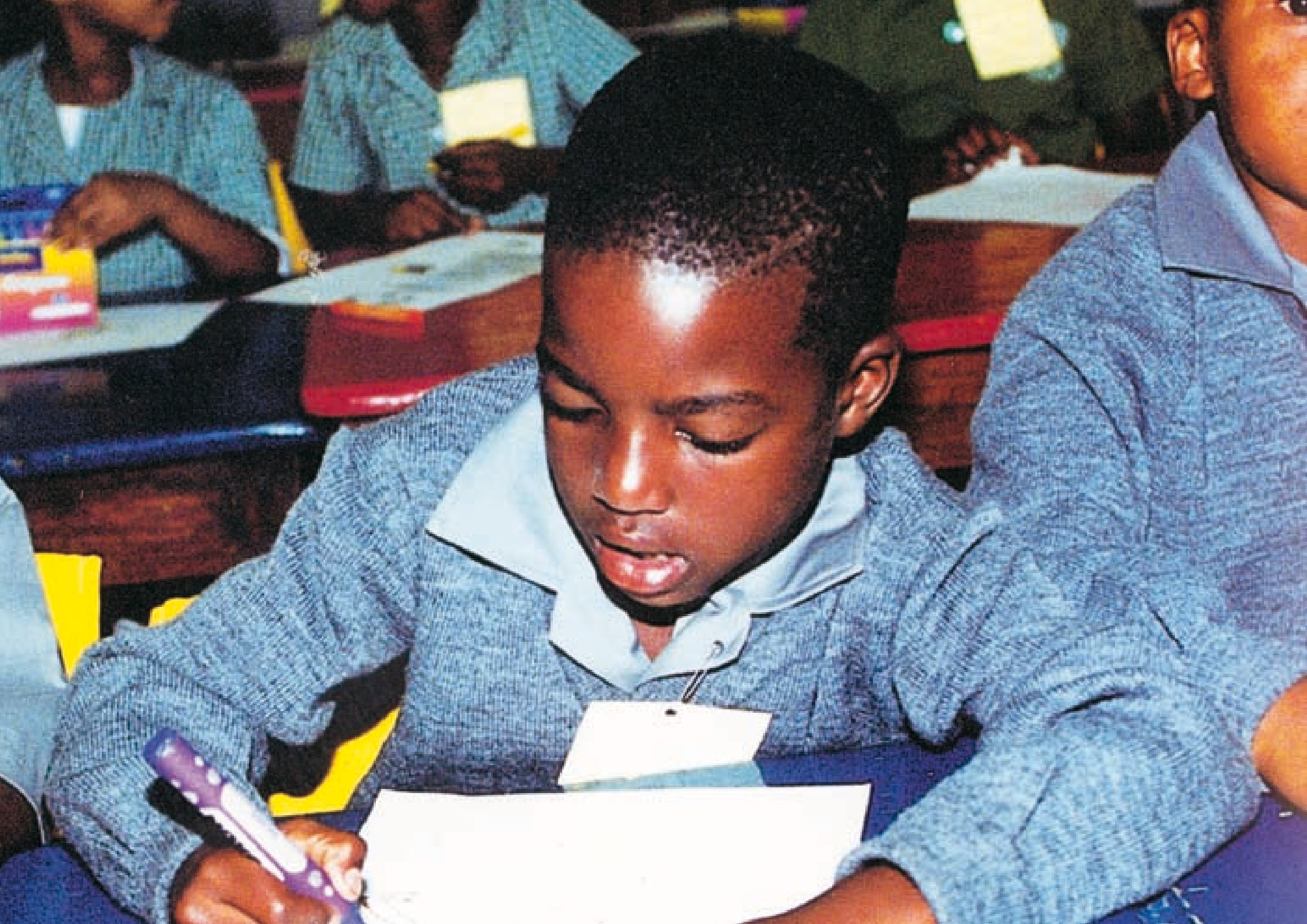


5.14.3 Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
IMBEWU	16		R 5,049,287
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
0	16	0	R 5,049,287.00

5.14.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	None	None	None





Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 6 | CONCLUDING REMARKS





Starts Abstinence
RELATIONSHIP
- Being clean without
having sex

Life Skills...
A DREAM

Life Skills...
A DREAM

Life Skills...
A DREAM

SECTION 6 | CONCLUDING REMARKS

The concluding remarks accentuate some of the more pressing areas where the Department of Education, Province of the Eastern Cape, needs to make strategic decisions in order to enhance programme performance and thus improve service delivery.

- **Limitations and Constraints**

The Department of Education, Province of the Eastern Cape, acknowledges the statutory requirements issued by the National Treasury for the preparation of the Quarterly Reports and the Annual Report, and is committed to the alignment of its systems and procedures, over time, to ensure accurate, timeous, reliable and integrated reporting. This will mean that the introduction of an electronic reporting system at all levels in the system should be planned for in an integrated and orderly manner so as to ensure electronic connectivity for total accountability. This e-administration system in reality, once implemented, will provide the infrastructure necessary to connect

- **Understaffing**

An overriding and frequently expressed issue in this report, which requires urgent attention, is the understaffing of many of the key delivery areas of the Department both at Provincial and District offices. Many critical senior and middle management positions have been filled to date and the commitment of the Department to continue to fill critical posts at both middle management and at the operational levels during this financial year will go a long way to alleviate this challenge. There is noticeably a shortage of middle managers especially at District level, who are in reality the specialists in the system and this in many instances means that managers need to manage, lead and be

responsible for implementation.

This being a sure recipe for a lowered quality of delivery combined with under delivery and on the part of the human resource a lowering of morale.

- **Capacity Building**

There remains a great need for an integrated approach in the management of Strategic Human Resource Development. The interface between the Leadership Institute, the Human Resource Development Directorate and the Curriculum Chief Directorate is a priority. People remain the backbone of any organization and opportunities for development and support must be ongoing and relevant and must form part of an expectation for improved programme performance and service delivery to the public.

- **Communication Strategies**

The conceptualization and roll out of an integrated communication strategy, combined with a Branding project would ensure that the Department made public the many achievements and gains made as well as pre-empt through the media the challenges and the strategies to overcome these. In this way the Department would become more proactive in its approach the delivery of services to the public. The strategy should allow for open and relevant communication between the customers and the Department preferably through a well organized and recorded call centre. The appointment of the Chief Director Statutory Advisory Unit and Protocol Services and the Director Communications is a welcome achievement in this respect.

- **Service Standards**

Closely linked to a communication strategy is the setting of standards. In setting standards for service delivery in the Public Sector, it is of utmost importance to consult the end-user on their expectations and needs. This is usually done through Public Perception Surveys, Mass Participation Indaba's, Sector Summits and by simply assessing the news-media coverage of the sector. Standard setting is therefore the development and publication of declared performance delivery indicators and the reporting to the public on the progress thereof and in so doing addressing the very heart of the Batho Pele principles which realizes that the very reason for the existence of the Public Service lies in putting in place a service delivery system that meets the needs of the people it serves. The Department is poised to enter into the standards setting process but will need the necessary resources to ensure that it is successful and sustainable. This is not in place at the present time. Full management support of the Department will ensure success.

- **District Development and Support**

The three District Cluster Chief Directorates who are responsible for the interface between the Provincial Office and the 23 Districts, from where implementation is driven, have provided the monitoring process with a balanced perspective of the actualities of new policy roll out and implementation of services at school level. This input has been further strengthened by including the Cluster Managers into the strategic plan with the allocation of Performance Measures against which they must report and account on a quarterly basis. There is however a need for a more unified and formal system for the development and roll out of

implementation strategies at the District level and space should be made for this to take shape on a regular basis.

- **Boosting the FET Vocational Sector**

The Recapitalization Programme has put the FET sector into the forefront of vocational education delivery. This sector holds the key to not only skills development, but also to the longer term alleviation of poverty through the creation of entrepreneurial job opportunities of especially our youth. This sector is still without critical staff at both the Provincial and College levels to both manage and practically roll out the new and emerging programmes. Access to funding will now mean that colleges can offer lifelong learning opportunities to not only the learners that attend their institutions, but also to their staff, who must be prepared to take the new curriculum mandate forward.

- **Learner Performance Improvement**

Ultimately, the Departments' commitment to the learner should ensure that all projects and programmes planned to improve service delivery are to the ultimate benefit of the needs of the learner. To this end the Department has committed its energy and efforts through its anchor programme which champions, whole school community development for total learner performance improvement. It is to this anchor programme that all initiatives and activities of the Department must respond.



Province of the
EASTERN CAPE
DEPARTMENT OF EDUCATION

SECTION 7 | ACRONYMS AND ABBREVIATIONS





SECTION 7 | ACRONYMS AND ABBREVIATIONS

ABET	Adult Basic Education and Training	EPWP	Extended Public Works Programme		Technology Education
ACE	Advanced Certificate in Education	ESETA	Energy Seta	MST	Mathematics Science and Technology
AFS	Annual Financial Statements	ESL	English Second Language	MTEF	Medium Term Expenditure Framework
ASECA	A Secondary Education Certificate for Adults	FET	Further Education and Training	NCEE	National Council for Economics Education
		FINCOM	Financial Committee	NCS	National Curriculum Statement
ASGISA	Accelerated Shared Growth Initiative of South Africa	GET	General Education and Training	NCV	National Certificate – Vocational
		GTZ	German Technical Cooperation	NDoE	National Department of Education
ASSPRO	Asset and Provisioning	HAC	Health Advisory Committee	NEPA	National Education Policy Act
AUP	Acceptable Use Policy	HEI	Higher Education Institution	NMMU	Nelson Mandela Metropole University
BAS	Basic Accounting System	HIV & AIDS	Human Immunodeficiency Virus & Acquired Immune Deficiency Syndrome	NQF	National Qualifications Framework
CASS	Continuous Assessment			NSSF	Norms and Standards for School Funding
CEO	Chief Executive Officer	HRD	Human Resource Development	OTP	Office of the Premier
CES	Chief Education Specialist	HRM	Human Resource Management	OVC	Orphans and Vulnerable Children
CETA	Construction Education Training Authority	ICASA	Independent Communications Authority of South Africa	PAIA	Promotion of Access to Information Act
CIDB	Construction Industry Development Board			PAJA	Promotion of Administration of Justice Act
CSC	Corporate Service Centre	ICT	Information and Communications Technology	PCCA	Provincial Curriculum Co-ordinating Committee
DBST	District Based Support Team			PELRC	Provincial Education Labour Relations Council
DCES	Deputy Chief Education Specialist	IDT	Independent Development Trust		
DFID	Department for International Development	IETP	Integrated Education Transformation Plan	PERSAL	Personnel in Salary Systems
DGITO	Departmental Government Information Technology Officer	IMT	Interim Management Team	PFMA	Public Finance Management Act
		INSET	In-Service Training	PGDP	Provincial Growth and Development Programme
DOE	Department of Education	INSET	Insurance Sector Education Training Authority	PGITO	Provincial Government Information Technology Officer
DPW	Department of Public Works	IQMS	Integrated Quality Management System		
EAP	Employee Assistance Programme	ISS	Information Security Services	PLP	Provincial Literacy Programme
ECD	Early Childhood Development	JIPSA	Joint Initiative for Priority Skills Development	PMDS	Personnel Management Development Systems
ECDoE	Eastern Cape Department of Education			PPP	Public Private Partnership
ECATU	Eastern Cape Appropriate Technology Unit	JMT	Joint Management Team	PQACC	Provincial Quality Assurance Coordinating Committee
ECT	Electronic Communications and Transactions	JSS	Junior Secondary School		
		LAIS	Learner Attainment Improvement Strategy	PSCBC	Public Service Coordinating Bargaining Chamber
EDO	Education Development Officer	LSMIS	Learner Support Material Information System		
EFMS	Education Facilities Management System			PSG	Provincial Curriculum Guidelines
ELRC	Education Labour Relations Council	LTSM	Leaner and Teacher Support Material	PSOPP	Public Schools on Private Property
ELI	East London Institute	MSP	Master Information Systems Plan		
EMIS	Education Management Information System	MSTE	Mathematics Science and		

PTCA	Peer Treatment Counselling Access	VCT	Voluntary Counselling and Testing
PWD	Public Works Department	VPN	Virtual Private Network
QEFM	Quality Enhancement and Financial Management	WSE	Whole-School Evaluation
		WSUS	Windows Software Update Services
RNCS	Revised National Curriculum Statement		
RPL	Recognition of Prior Learning		
SACE	South African Council for Educators		
SACHED	SA Committee for Higher Education		
SADTU	South African Teacher's Union		
SAEF	South African Excellence Foundation		
SAMDI	South African Management Development Institute		
SAMS	School Administration Management Systems		
SAQA	South African Qualifications Authority		
SASA	South African Schools Act		
SCCIP	MEC's School Community Co-operative Ilima		
SCM	Supply Chain Management		
SETA	Sector Education Training Authority		
SGB	School Governing Body		
SITA	State Information Technology Agency		
SLA	Service Level Agreement		
SMS	Senior Management Services		
SMT	School Management Teams Programme		
SNP	School Nutrition Programme		
SPU	Special Programmes Unit		
SRN	School Register of Needs		
TAP	Turnaround Plan		
THETA	Tourism Hospitality Education Training Authority		
TISCE	Tirisano Schools Choral Eistedford		
UPS	Uninterrupted Power Supply		
USAID	United States Agency for International Development		



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annexure A | DEFINITIONS OF PERFORMANCE MEASURES (PMs)

- **PM001: Percentage of the children of compulsory school going age that attend schools**

This is the percentage of the children of compulsory school going age in the province attending any school or educational institution. This performance measure indicates how effectively the educational rights of children, as expressed in the Constitution, are being fulfilled. StatsSA General Household Survey data is used. The number of children (aged 7 -14) who report they are in school, are divided by the total number of 7 – 14 year olds in the province.

- **PM002: Percentage of youths above compulsory school going age attending schools and other educational institutions**

This is similar to PM001, except that this performance measure refers to older children. This is the percentage of the population in the province aged 15 to 17 attending any school or other educational institution. The StatsSA General Household Survey allows an estimate of the total number of 15 – 17 year olds that are in school. This is divided by the total number of 15 to 17 year olds in the province.

- **PM003: Public expenditure on the poorest learners as a percentage of public expenditure on the least poor learners**

This is government's expenditure on the poorest one-fifth of learners as a percentage of government's expenditure on the least poor one-fifth. During the last years of apartheid, the percentage was around 20%, in other words, for every R1 that was spent on the non-poor learners, R0.20 was spent on poor learners. It is government's aim to increase this percentage to more than 100% for all provinces. There are many factors pushing this percentage up and down: the pro-poor post provisioning and school allocation policies of

government; government's school building programmes (push the percentage up); problems in attracting teachers to rural areas (these factors push the percentage down).

- **PM004: Years input per FETC graduate**

This is the number of years of schooling government invests to produce each Grade 12 or equivalent graduate. Because learners repeat, and because learners drop out of the schooling system before the end of Grade 12, the number of years is always greater than 12. However, by keeping the number of years as low as possible, government can provide more education of a better quality to more people.

- **PM005: Average highest school grade attained by adults in the population**

The maximum value possible for this performance measure is 12. This would be the case if all adults in the population had completed Grade 12 or its equivalent. As our society becomes more educated, the value for this performance measure should increase. We should expect fairly gradual increases, as it takes many years for schooling and ABET to change the overall levels of education across the whole adult population.

- **PM006: Adult literacy rate**

This is the percentage of adults who are able to read and write, at least at a basic level. Our Constitution guarantees the right to a basic education for all adults who were deprived of this in the past. For human rights reasons, but also for economic development reasons, this is an important performance measure for government. Our aim should be a 100% adult literacy rate.

- **PM102: Percentage of schools that can be contacted electronically by the department**

E-mail assists schools in contacting the Department

quickly when there is a problem the Department needs to deal with. This form of communication also allows the Department to swiftly and at a low cost to communicate information about policy changes, ongoing projects and general circulars. It is government's aim to ensure that all schools enjoy e-connectivity.

- **PM103: Percentage of black women in management positions**

This is the percentage of black women in management positions and is an equity indicator. Although employment equity covers a number of areas, black women in management positions are very important in highlighting progress towards employment equity in Provincial Education Departments.

- **PM104: Percentage of current expenditure going towards non-personnel items**

This is the percentage of education expenditure, other than expenditure on physical infrastructure (Non Personnel Non Capital), going towards non-personnel items such as textbooks, stationery and scholar transport. It gives an indication of whether educators have the requisite tools available to do their jobs.

- PM201: Percentage of learner days covered by the nutrition programme**
This is the number of lunches provided at schools, through government's nutrition programme, divided by all the learner days in a year (a learner day is one learner's attendance on one day). This percentage goes up when more learners are covered by the nutrition programme, or when each learner receives more lunches in one year. The maximum possible is 100%. We would expect the percentage to be higher in those provinces with the greatest poverty levels.
- PM202: Percentage of learners in public ordinary schools with special needs**
This is the percentage of learners in public ordinary schools with special needs. Historically, such learners have had problems accessing public ordinary schools though, in view of government's inclusive education policy, measures should be taken to make access a reality for special needs learners.
- PM203: Percentage of public ordinary schools with a water supply**
This is the percentage of public ordinary schools that have access to some kind of supply of clean water. For health and other reasons it is important that all schools should have access on the premises to clean water.
- PM204: Percentage of public ordinary schools with electricity**
This is the percentage of public ordinary schools with an electricity supply. Electricity is an important prerequisite for the introduction of modern technologies that can enhance management, teaching and learning in schools.
- PM205: Percentage of schools with an adequate number of functional toilets**
This is the number of schools with at least 1.5 functional

toilets for each classroom or 1 toilet per 20 learners as per the building regulations. For health and school attendance reasons, it is important for the schooling system to move towards this minimum norm for all schools.

- PM206: Expenditure on maintenance as a percentage of the value of school infrastructure**
This indicator provides an indication of what percentage of the budget is spent on maintenance of existing buildings and equipment. It is important that existing buildings and equipment in the schooling system be maintained properly, so that they are fully functional, and replacement can be minimised. Policy stipulates that annual expenditure on maintenance of facilities should amount to at least 1.5% of the total value of those facilities.
- PM207: Percentage of schools with more than 40 learners per class**
This is the percentage of schools with a learner/educator ratio greater than 40. Very large classes are clearly not good for teaching and learning, and the aim is to bring this percentage down to 0%.
- PM208: Percentage of non-Section 21 schools with all LSMs and other required materials delivered by day one of the school year**
This is the percentage of schools depending on the Department for the procurement of textbooks and other LSMs, which receive all the goods they expect by the first day of the school year, at the latest.
- PM209: Percentage of schools with Section 21 status**
This is the percentage of schools granted certain management responsibilities, including financial management responsibilities, in terms of section 21 of the South African Schools Act. (This has nothing to do

with Section 21 companies.) It is important for more schools to be made ready for this self-management status so that schools can respond more effectively to local pressures.

- PM210: Percentage of working days lost due to educator absenteeism in public ordinary schools**
This is the number of educator working days that have been lost expressed as a percentage of the total number of available educator working days. This performance measure takes into account any absence of educators from schools, for any reason, where there was no replacement educator. For schools to function properly, it is important that learners should not be without their educators. The aim should be to keep the result of this performance measure as low as possible.
- PM211: Percentage of learner days lost due to learner absenteeism in public ordinary schools**
This is the number of learner days that have been lost expressed as a percentage of the total number of available learner days. This performance measure is similar to PM210, but it considers learners instead of educators. Any absence from school by any learner would be taken into account by this performance measure.
- PM212: The performance ratio of the least advantaged schools to the most advantaged schools with regard to Grade 3**
This is the average of the Literacy and Numeracy scores of Grade 3 learners in the poorest schools relative to the average for the least poor learners, expressed as a percentage. It is not only important to tackle the apartheid legacy of unequal spending on learners. It is also important to ensure that inequalities in learner results are reduced, so that learners obtain a more equal start in life.

- **PM213: Repetition rate in Grades 1 to 7**

This is the percentage of learners repeating their present grade in Grades 1 to 7, divided by all learners enrolled in Grades 1 to 7. A high repetition rate is both costly, and detrimental for teaching and learning. It is important for this performance measure to be as low as possible.

- **PM214: Percentage of learners in Grade 3 attaining acceptable outcomes in Numeracy and Literacy**

This performance measure is based on some of the same data as PM212. It indicates the percentage of all Grade 3 learners who, on average, attain acceptable outcomes in Numeracy and Literacy.

- **PM215: Percentage of learners in Grade 6 attaining acceptable outcomes in Mathematics, Literacy, and Natural Sciences**

This performance measure indicates the percentage of all Grade 6 learners who, on average, attain acceptable outcomes in Mathematics, Literacy and Natural Science. It is similar to PM214 except that it focuses on Grade 6 learners instead of Grade 3 learners and focuses on the learning areas of Mathematics, Literacy (this is the language of teaching and learning) and Natural Sciences.

- **PM216: Percentage of girl learners who take Mathematics and Science in Grades 10 to 12**

This is the percentage of female learners who are enrolled in Mathematics and Science in Grades 10, 11 and 12. Historically, girls have been under-represented in these subjects, so increased participation in them would be an important indicator of the move towards a more gender-balanced FET band. Since

- **PM217: The performance ratio of the least advantaged schools to the most advantaged schools with respect to the Grade 12 pass rate**

This is the average of the Senior Certificate marks

of Grade 12 learners in the poorest schools relative to the average for the least poor learners, expressed as a percentage. This performance measure is thus similar to PM212.

- **PM218: Repetition rate in Grades 8 to 12**

This is the percentage of learners repeating their present grade in Grades 8 to 12, divided by all learners enrolled in Grades 8 to 12. A high repetition rate is both costly, and detrimental for teaching and learning. It is important for this performance measure to be as low as possible. This is the same as PM213, except that this performance measure deals with Grades 8 to 12.

- **PM219: Pass ratio in Grade 12 examinations**

This is the total number of Senior Certificate passes in a year, divided by the total number of 18 year olds. This is not the same as the Matric pass rate. This performance measure allows us to see what proportion of the population, not just what proportion of enrolled learners, is receiving a Senior Certificate. The Grade 12 pass ratio (as opposed to the matric pass rate) is the ratio of the number of Grade 12 students passing the matriculation exam in comparison to the 18 year old population. Although many of the learners that annually pass the Senior certificate examinations are not 18 years old (i.e. they are older or younger than 18 years old), in the absence of Grade repetition, one would expect that the majority of the learners that write the examinations are 18 years turning 19 in the year of the examination.

- **PM220: Pass ratio in Grade 12 for Mathematics and Science**

This is the total number of learners who pass either the Mathematics or Science Senior Certificate examinations in a year, divided by the total number of 18 year olds. Like the overall pass ratio (see PM219), this performance

measure provides an idea of how much output the education system is producing relative to the population. This PM intends to track how many learners pass Mathematics or Science (or both subjects) in the Senior Certificate Examination as expressed in terms of the expected number of learners who could be eligible to write the examinations. This is not the same as pass rates (as explained in detail under PM219). The rationale for selecting the cohort of 18 year olds for this PM is discussed in more detail under the further specifications of PM219.

- **PM221: Percentage of learners in Grade 9 attaining acceptable educational outcomes in all learning areas**

This performance measure intends to indicate the percentage of all Grade 9 learners who, on average, attain acceptable educational outcomes across all of the senior phase learning areas. It is similar to PM214 and PM215 except that this PM focuses on Grade 9 learners instead of Grade 3 or Grade 6 learners, and it takes into account attainment in all of the learning areas. Although there are no systematically collected comparable data available to compute this PM, two potential information sources might become available in the future. On the one hand this PM might focus on the results of the Grade 9 Systemic evaluation once they become available. On the other hand the results of the GETC examinations might be more appropriate since it could provide annual updates on the data. At this stage though, neither of these data sources are being collected systematically.

- **PM301: Percentage of funded independent schools visited for monitoring purposes**

This is the percentage of independent schools receiving a government subsidy that are visited for quality control

purposes by the Department during the year. It is important that government should monitor the quality of education delivered in independent schools, and especially those receiving state subsidies, and take action where minimum standards are not met.

- **PM401: Percentage of children with special needs of compulsory school going age not enrolled in educational institutions**

This is the percentage of disabled children of compulsory school-going age not enrolled in any educational institution. It is important that government should provide sufficient and appropriate access to special and public ordinary schools for these learners. Ideally, this performance measure should carry a value of 0%.

- **PM501: Number of FET college students relative to youth in the province**

This is the number of FET college students, of all ages, divided by youth aged 16 to 18. Whilst many FET college students would be above age 18, this performance measure nonetheless provides a useful indication of how well FET colleges are reaching out to the youth and the population as a whole.

- **PM502: Percentage of female students who are in technical fields**

This is the percentage of female FET college students who are enrolled in engineering or other technical fields. Historically, enrolment of females in these fields has been low. In the interests of gender equity, this situation should improve.

- **PM503: FET college throughput rate**

This is the number of students who pass the final examinations at FET colleges at the end of each year, divided by the total number of students who entered the FET college system with the intention of passing the examinations.

- **PM504: Percentage of learners placed in learnerships through FET colleges**

This is the learners in learnerships receiving their training through an FET college, as a percentage of all learners in learnerships in the province. This performance measure indicates how effective FET colleges are at attracting learners from the learnership system.

- **PM601: Number of ABET learners relative to adults in the province**

This is the number of students enrolled in public ABET centres, divided by the total number of adults who would be eligible for ABET in the province. This percentage provides an indication of how extensive the public provisioning of ABET is in the province. The enrolment figures and the population figures are elicited from the StatsSA General Household Survey

- **PM701: Percentage of learners in publicly funded Grade R**

This is the total number of learners in publicly funded Grade R (in public schools or community centres), divided by all five year olds in the population. Whilst it is not government's aim to reach 100% with respect to this performance measure (some learners can be expected to attend private centres), policy stipulates that by 2010 we should have universal coverage.

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