



Province of the
EASTERN CAPE
EDUCATION

2016 / 2017
**ANNUAL
REPORT**



EASTERN CAPE DEPARTMENT OF EDUCATION

2016/17

ANNUAL REPORT

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PART A
GENERAL
INFORMATION

2016/17 Annual Report
Vote 06: Department of Education Province of Eastern Cape

1.1. Department's General Information

Name: Eastern Cape Department of Education

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1.2. List of Abbreviations

ABET	Adult Basic Education and Training
AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
ANA	Annual National Assessments
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CAPS	Curriculum and Assessment Policy Statement
CBO	Community Based Organisations
CFO	Chief Financial Officer
CoE	Compensation of Employees
CSTL	Care and Support for Teaching and Learning
DBE	Department of Basic Education
DBST	District Based Support Team
DHET	Department of Higher Education and Training
DoL	Department of Labour
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DRPW	Department of Roads and Public Works
ECD	Early Childhood Development
ECDoE	Eastern Cape Department of Education
ECG	Eastern Cape Government
EFMS	Electronic Facilities Management System
EIG	Education Infrastructure Grant
ELI	Education Leadership Institute
EMIS	Education Management Information System
EPWP	Expanded Public Works Programme
FAL	First Additional Language
FET	Further Education and Training
GET	General Education and Training
GHS	General Household Survey
GIAMA	Government Immovable Asset Management Act
HEDCOM	Heads of Education Department Committee
HIV	Human Immune Virus
HOA	Home Owner Allowance
HoD	Head of Department

HR	Human Resources
ICES	Integrated Computer Examination System
ICT	Information Communication Technology
IECS	Integrated Examination Computerised System
ILP	Inclusive Learning Programme
IQMS	Integrated Quality Management System
LAIS	Learner Attainment and Improvement Strategy
LOGIS	Logistics Information System
LoLT	Language of Learning and Teaching
LSEN	Learners with Special Educational Needs
LTSM	Learning and Teaching Support Material
LURITS	Learner Unit Record Information Tracking System
MEC	Member of the Executive Council
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
NCS	National Curriculum Statement
NCV	National Certificate Vocational
NEHAWU	National Education and Health Allied Workers Union
NEPA	National Education Policy Act
NGO	Non-Governmental Organization
MMU	Nelson Mandela Metropolitan University
NNSSF	National Norms and Standards for School Funding
NQF	National Qualification Framework
NSMSTE	National Strategy for Mathematics, Science and Technology Education
NSNP	National School Nutrition Programme
OD	Organisational Development
OTP	Office of the Premier
OVC	Orphans and Vulnerable Children
PAT	Practical Assessment Task
PELRC	Provincial Education Labour Relations Council
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
QLTC	Quality Learning and Teaching Campaign
SACE	South African Council for Educators Act
SADC	Southern African Development Cooperation
SASA	South African Schools Act
SASAMS	South African School Administration and Management System

SBA	School Based Assessment
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SETA	Sector Education and Training Authority
SID	Severely Intellectually Disabled
SIP	School Improvement Plan
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMT	School Management Team
SSS	Senior Secondary School
TADA	Teenagers Against Drug Abuse
TAP	Turnaround Plan
TR	Treasury Regulations

1.3. Foreword by MEC

Please accept my heartfelt gratitude for giving me the opportunity to table the Annual Report for 2016/17 for the Eastern Cape Education Department (ECDOE).



We have registered notable achievements in the 2016/17 financial year, through investment in priority areas such as high levels of competence in writing, reading and calculating by millions of Eastern Cape learners and also improving performance in Mathematics and Sciences from Grade R-12; professionalisation of Grade R across the system through training and development as well as provision of permanent posts in the Post Provisioning Norms for 2017 academic year. Performance and accountability measures have been stepped up with implementation of provisions of Section 58 B of the South African Schools Act (SASA), with a focus on underperforming principals. The Department conducted a learner verification project where learners at schools were required to acquire identity documents (IDs) as required by policy prescriptions.

In the year under review, the Service Delivery Model was approved and we have reduced our District offices from 23 to 12, in-line with the Municipal Boundaries and endorsed by stakeholders across all 23 former education districts. As we are moving towards building stability within the leadership of the Department, we welcomed the Superintendent General in December 2016. Further to this, we also appointed Senior Managers, who will lead the transformation agenda of the Department by exercising the due leadership and oversight that is required for success. The organogram which supports the Service Delivery Model was developed and is in the consultation phase.

By June 2016, we saw an increase in the number of learners qualifying for subsidies in independent schools which resulted in the transfer of an additional R21 393 395 which was transferred to schools over and above the amount transferred during the first quarter of 2016.

We advertised 1 902 posts at school level – principals, Deputy Principals, HODs and Post Level 1 teachers. In addition, we advertised 1 581 non-teaching posts. I declared 54 747 posts for the 2017 post basket by September 2016 in preparation for the 2017/18 financial year. This includes Grade R posts in public schools across the Province.

We also employed 30 social worker interns through the life skills HIV/AIDS conditional grant. The appointment of these social workers is a move towards alleviating the current social ills experienced within schools. The appointment was aimed at addressing the high dropout rates of learners, drug and alcohol use by minors, support to orphans and vulnerable children, learner pregnancy, sexual abuse cases and low learner motivation levels. The appointment of 49 therapists and psychologists within the Districts will fast track the roll out of screening, identification, assessment and support to full service schools and public ordinary schools in order to identify and support learners with special needs.

The Department understands the scope of challenges confronting the education system in our Province and works on the basis that there is indeed one education system in the country comprising the entire schooling system. Some of the education challenges facing us are: a large number of dysfunctional schools resulting in high drop-out and failure rate at all levels, a large number of small and unviable schools resulting in inadequate provisioning of resources - something that militates against effective teaching and learning of learners. Some districts are poorly capacitated and there is a shortage of appropriately qualified and skilled educators in certain phases, subjects and locations. Another shortcoming has been to promote and implement changes which lead to improved learner outcomes throughout the Basic Education system.

The Department set its broad strategic focus on the following: to increase the number of functional schools; strengthen the administration and management of curriculum delivery focusing on quintiles one to three; speedy appointment of qualified teachers; rationalisation and realignment of small and unviable schools into functioning and productive schools; reduction of the number of district offices from 23 to 12 and lastly improvements to the quality of primary schools through information and communications technology. The ECDOE has developed a three (3) year Education System Transformation Plan. Our Education System Transformation Plan adopted by the Executive Council in January 2016 provides a significant base for transforming the overall education system while at school level placing a specific focus on 560 viable quintile 1 to 3 secondary schools. As part of the transformation agenda, we established a project to address teacher absenteeism by ensuring that adequate mechanisms are in place to manage incapacity leave.

Going forward, the Department will continue to focus on school functionally for effective teaching and learning and also strengthening the foundations of learning, improving National Senior Certificate results through building on the lessons of 2016 with a focus on quality. The Department will continue to enhance re-organisation of our schooling system across the province through the rationalising of small and unviable schools and re-alignment process, towards better quality education outcomes in the province. In recognition of population migration, and social ills, we will continue to build functional and viable schools with hostels.



Hon. M. Makupula, MPL
MEC for Education, Eastern Cape

1.4. Report of the Accounting Officer

The Accounting Officer's Overview

The 2016/17 Financial Year was characterised by the re-structuring and strengthening of education provisioning in the Eastern Cape.

The re-structuring of the Eastern Cape Education Department was underpinned by careful analysis of the under-lying causes of poor performance in the Province.

The analysis of the problems led to the Three Year Education Transformation Plan (2016 – 2018). This plan set out seven areas for decisive action. At the heart of the Plan is the introduction of a new Service Delivery Model for education in the Eastern Cape.

I am pleased to report that considerable progress has been made in developing, consulting on and implementing the new Service Delivery Model. Head Office has been re-structured and the district offices rationalised from 23 offices to 12 offices. There is still much work to be done to ensure that the new Model is capacitated and resourced to function optimally to support schools and learners. This will be our focus in 2017/18.

At the same time as the Department planned for and introduced a new Service Delivery Model, determined efforts were made to enhance and strengthen support to schools, teachers and learners.

The highlights of these efforts were:

1. Schools were invited to place corrective orders for textbooks and reading books. As a result, over 8.5 million books were delivered in the financial year.
2. A comprehensive audit of school furniture needs was completed and resulted in the procurement and delivery of 200 000 items of furniture.
3. All schools were connected to the electronic South African Schools Administration System (SA-SAMS) and 99.5% submitted data allowing the Department to implement data-driven planning and provisioning.
4. Extensive training of SGBs, principals and teachers took place.
5. Schools received their post allocations for 2017 in September 2016.
6. Hundreds of school level promotion posts (principal, deputy principal and HOD posts) were advertised and filled.
7. 93% of all children in the Eastern Cape were enrolled in no fee schools.
8. 95% of all children in Eastern Cape schools received a nutritious meal every day.
9. Dedicated attention and resources were provided to learners with special needs.
10. Extensive stakeholder consultation on key strategies and projects took place.

The Department will build on these achievements in 2017/18 to ensure improved education experiences and outcomes for all the children of the province.



Overview of the financial results of the Department

Departmental receipts	2015/2016				2016/2017				
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-	-	-	-
- Motor Vehicle Licenses	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	90	8	82	92	2	90	2	90	
Interest, dividends and rent on land	220	52	168	280	54	226	54	226	
Sale of capital assets	48 582	50 326	(1 744)	51 234	49 877	1 357	49 877	1 357	
Financial transactions in assets and liabilities	16 468	60 430	(43 966)	17 022	13 429	3 593	17 022	13 429	
Total	65 360	110 816	(45 456)	68 628	63 362	5 266	68 628	63 362	5 266

The Department recorded a revenue collection of R63 362 million against the adjusted budget of R68 628 million and under collection by R5 266 million in the period under review. The bulk of the revenue collected emanated from sale of goods and services.

Programme Expenditure

The Eastern Cape Education Department has seven (7) programmes, namely; Administration, Public Ordinary School Education, Independent School Subsidies, Public Special School Education, Early Child Development, Infrastructure Development and Examination and Education Related Services.

The Programme expenditure is outlined in the table below:

Programme Name	2015/2016			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	2 662 598	2 244 623	417 975	2 612 752	2 606 622	4 228
2. Public Ordinary Schools	23 257 342	23 090 762	166 580	24 888 902	25 012 249	(123 347)
3. Independent School Subsidies	116 317	115 587	730	120 000	119 985	15
4. Public Special Schools	651 056	596 817	54 239	649 366	643 705	5 661
5. Early Childhood Development	556 541	460 485	96 056	580 484	449 985	130 499
6. Infrastructure Development	1 448 205	1 448 205	-	1 679 493	1 629 640	49 853
7. Examinations & Education related services	469 447	469 447	-	451 640	502 863	(51 223)
Total	29 161 506	28 425 926	735 580	30 982 636	30 969 277	15 685

The Department had an Adjusted Budget of R30 982 billion in the 2016/17 financial year. At 31 March 2017, the Department had spent R30 966 billion, that is, 99.9 per cent of the budget. Over spending is recorded in: Public Ordinary Schools (Programme 2) by R123 347 million and Examination and Education Related Services (Programme 7) by R51 223 million.

Programme 2, Public Ordinary Schools, receives the largest budget share of 81 per cent of the Departmental budget. This programme recorded an under spending in Compensation of Employees (CoE) as a result of more educators leaving the system than replacements or filling of posts. The over expenditure of R326 323 million in Goods and Services, is mainly due to the late submission of invoices from suppliers in respect of LTSM orders and School Furniture.

Programme 4, Public Special Schools, deals with overall management and resourcing of Public Special schools. Resourcing includes human resource development, goods and services utilised in schools, and provision of assistive and adapted equipment. The Department was not able to retain and fill vacant support and professionally qualified staff (particularly specialists) in both districts and Public Special schools. As a consequence, the process of screening and assessment of learners with barriers to learning was extremely slow. Recorded under expenditure at year end was mainly attributed to unfilled posts as well as non-provision of LTSM and Assistive devices due to delays in bid specifications which resulted in the bid being awarded in December 2016.

For 2016/17 Programme 5, Early Childhood Development, received an allocated adjusted budget of R580 484 million and spent a total of R449 985 million, translating into a net under expenditure of R130 499 million at year end. The reflected under spending relates to Minor Assets, LTSM and Training as a result of the bid for educational toys not awarded at the time of reporting.

Programme 6, Infrastructure Development, received an original allocation of R1 714 billion in the 2016/17 financial year, which was reduced by R35 million in the adjustment estimate to R1 679 billion. The under expenditure of R13 million in CoE is due to difficulties in recruiting appropriate staff as required by the grant.

For the 2016/17 financial year, Examination Services received an original allocation of R377 053 million, which was augmented by R74 587 million to give a total of R451 640 million in the adjusted budget. The over expenditure of R51 223 million in this programme is due to the additional number of learners writing the NSC and consequently additional exam centres and increased number of exam assistants and officials from head office and districts.

Roll Overs

Roll overs applied for during 2016/17 Financial Year is as follows:

Details	Amount R'000
Conditional Grants	71 660
National School Nutrition Programme	71 660
Equitable Share	-
-	-
Total	71 660

Virements

Virements for the 2016/17 financial year are as follows:

Programme	2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000
1. Administration	2 607 596	-	5 156	2 612 752
2. Public Ordinary Schools	24 802 667	-	86 235	24 888 902
3. Independent School Subsidies	120 000	-	-	120 000
4. Public Special Schools	690 280	-	(40 914)	649 366
5. Early Childhood Development	630 961	-	(50 477)	580 484
6. Infrastructure Development	1 679 493	-	-	1 679 493
7. Examinations & Education related services	451 640	-	-	451 640
Total	30 982 636	-	-	30 982 636

The post adjustment virements were effected from Programme 4 and Programme 5 due to underutilisation of funds in Compensation of Employees as a result of non-filling of posts as per the annual recruitment plan, high attrition and non-replacement of educator posts. Funding was used to augment over expenditure in Programme 1 and Programme 2.

Unauthorised, fruitless and wasteful expenditure

The Department recorded an amount of R174 570 million as unauthorised expenditure and R9,6 million was recorded as fruitless and wasteful expenditure.

Future plans of the Department

The processes for detecting all fruitless and wasteful expenditure were reviewed and strengthened. The control breakdowns identified during the review will form the basis for strengthening the control environment to prevent fruitless and wasteful expenditure. The review and update of the processes for detecting fruitless and wasteful expenditure will also address the material non-compliance on expenditure management will also be addressed.

Public Private Partnerships

The Department had not entered into any Public Private Partnerships for the period under review.

Discontinued activities / activities to be discontinued

There were no activities identified as discontinued or to be discontinued for the period under review.

New or proposed activities

There were no new or proposed activities for the period under review.

Supply chain management

Unsolicited bids

The Department did not engage in any unsolicited bidding processes in the financial year 2016/17.

Challenges Experienced in SCM

The major challenges in the SCM unit included the high vacancy rate, particularly in strategic areas. The fact that SCM in the Department is not structured according to the new SCM reforms determined by the National Treasury and approved by Cabinet in 2015 prevented SCM effectively achieving its objectives at desired levels. The new SCM reforms require a significant change in how SCM is expected to operate, including modernisation, automation of SCM systems and processes as well as standardization of professional qualifications in SCM. These reforms require a new range of skills, a change of mind-set and ethical conduct. The persistent capacity constraints and lack of skills and expertise worsened the situation. Given the significant transformation of SCM, the need for intensive training of SCM staff is vital.

Short- to medium-term plans to address these challenges

A support team from the Office of the Premier and Provincial Treasury was deployed to the Department to assist in resolving these challenges.

An SCM Technical Support Team was also appointed to strengthen SCM and provide training and mentoring to the current staff members.

In line with the new service delivery model, the SCM structure was re-aligned to meet the requirements of the new SCM reforms.

Posts at middle management level in the 2006 organogram were filled in the 2016/17 financial year to improve accountability.

The Director Asset and Logistical Management was appointed with effect from 01 March 2017 to strengthen efficiency at leadership level.

Achievements

The unit adopted a strategic sourcing approach, where term contracts were implemented for a period of three years to improve efficiency in the delivery of goods and services and reduce irregular expenditure. To date, 26 term contracts have been successfully awarded.

SCM has also solicited the services of consultants to strengthen its capacity and provide expertise in the area of strategic sourcing and demand management.

I wish to express my sincere appreciation to the officials for their hard work and contributions in the 2016/17 financial year, as we strive towards achieving the outcomes outlined in the Education System Transformation Plan. Without their hard work and dedication, the progress we have made would not have been possible.

I also want to acknowledge the contribution of our stakeholders in the various Departments, entities and municipalities for their continued partnership with us.

Finally, a sincere word of appreciation to the honourable MEC, for his leadership on our journey towards effective education delivery and good governance.

I, therefore, present to you the Annual Report of the Eastern Cape Department of Education for the Financial Year 2014/15. The Annual Report has been prepared in accordance with Section 40(1)(d) of the Public Finance Management Act, 1999 (Act No 1 of 1999), and Part IIIJ3 of the Public Service Regulations, 2001.



Mr. T. Kojana
Accounting Officer
Department of Education, Eastern Cape

1.5. Statement of responsibility and confirmation of accuracy of the Annual Report

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2017.

Yours faithfully



Mr. T. Kojana
Accounting Officer
Department of Education, Eastern Cape

1.6. Strategic Overview

Vision

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

Mission

To achieve the vision, we will:

- Implement appropriate and relevant educational programmes through quality teaching and learning;
- Mobilise community and stakeholder support through participation; and
- Institutionalise a culture of accountability at all levels of the Department.

Values

Empathy
Dignity
Unity
Confidence
Access
Trust
Integrity
Ownership
Nation

The Vision and Mission are supported by the values of the Constitution of the Republic of South Africa (Act 108 of 1996) and the **Batho Pele** principles.

As officials of the Department of Education and servants of the public we pledge to:

- serve with **Empathy**
- endeavour at all times to treat learners, colleagues and stakeholders with **Dignity** and courtesy
- ensure in the spirit of teamwork, to continuously strive for **Unity** as we focus on quality education for all.

We also undertake to:

- inspire **Confidence** in government services and
- fulfil the fundamental principles of **Access** and equity as enshrined in the Constitution of the Republic
- engender **Trust in all we do**
- display a high level of **Integrity** and accountability in our daily operations
- instill a culture of **Ownership** and humility as we make our contribution to moulding the future leaders of our beloved **Nation**.

The letters of the acronym “**EDUCATION**” are employed as the first letters of the eight (8) values: **Empathy, Dignity, Unity, Confidence, Access, Trust, Integrity, Ownership** and **Nation**.

1.7. Legislative and other Mandates

Constitutional Mandates

The Constitution of South Africa, 1996 (Act 108 of 1996)

The Constitution requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism. It guarantees basic education for all, with the provision that everyone has the right to basic education, inclusive of adult basic education.

Legislative Mandates

The National Education Policy Act (NEPA), 1996 (Act 27 of 1996)

The NEPA inscribes into law the policies, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities. It lays the foundation for the establishment of the Council of Education Ministers, as well as the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums that collaborate in the development of a new education system. The NEPA therefore provides for the formulation of national policy in both the General and Further Education and Training (FET) bands. The NEPA embodies the principle of cooperative governance, elaborated upon in Schedule 3 of the Constitution.

South African Schools Act, (SASA), 1996 (Act 84 of 1996), as amended

To provide for a uniform system for the organisation, governance and funding of schools. It ensures that all learners have the right of access to quality education without discrimination, and makes schooling compulsory for children aged 7 to 14 years.

Public Finance Management Act, 1999 (Act 1 of 1999)

To regulate financial management in the national and provincial governments and to ensure that government resources are managed efficiently and effectively.

The Division of Revenue Act, 2013 (Act 2 of 2013)

To provide for the equitable division of revenue raised nationally and provincially.

Employment of Educators Act, 1998 (Act 76 of 1998)

To provide for the employment of educators by the state and for regulation of the conditions of service, discipline, retirement and discharge of educators. The Employment of Educators Act and the resultant professional council, the South African Council of Educators (SACE), now regulate the historically divided teaching corps.

South African Qualifications Authority Act, 1995 (Act 58 of 1995)

The South African Qualifications Authority Act provides for the establishment of the National Qualifications Framework (NQF), which forms the scaffolding for a national learning system that integrates education and training at all levels. The launch of the Human Resources Development Strategy by the Minister of Labour and the Minister of Education on 23 April 2001 reinforced the resolve to establish an integrated education, training and development strategy that will harness the potential of adult learners. The design of the NQF was refined with the publication of the Higher Education Qualifications Framework in *Government Gazette No. 928*, 5 October 2007, to provide ten levels of the NQF. The school and college level qualifications occupy levels 1 to 4 as in the original formulation, with plans to accommodate some of the college level qualifications at level 5. Higher education qualifications in the new formulation of the NQF occupy six levels, levels 5 to 10. Levels 5 to 7 are undergraduate and levels 8 to 10 are postgraduate.

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

This provincial Act within the ECDoE provides for a uniform education system for the organisation, governance and funding of all schools and makes provision for the specific educational needs of the Province. It provides for the control of education in schools in the Province and for other matters connected therewith.

The Promotion of Administrative Justice Act [PAJA], 2000 (Act 3 of 2000)

It gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996 and to provide for matters incidental thereto. The act applies to all administrative decisions of organs of state.

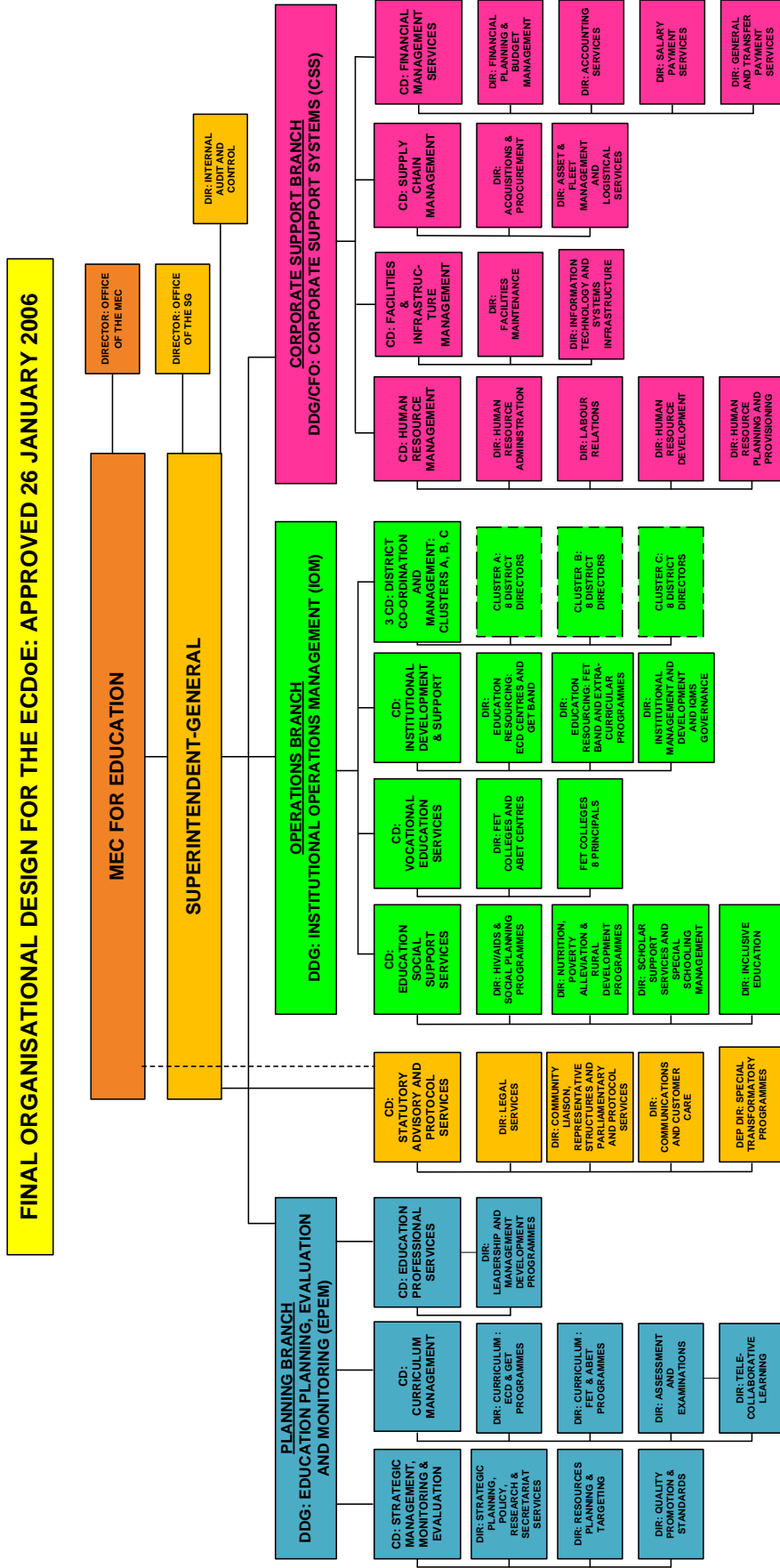
The Promotion of Access to Information Act [PAIA], 2000 (Act 2 of 2000)

The **PAIA** deals with section 32 of the Constitution, the right of access to information 'records' held by public and private bodies such as all documents, recordings and visual material, but does not apply during civil and criminal litigation.

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

This Act makes provision for the organisation and administration of the public service of the Republic as well as the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.

1.8. Organisational Structure



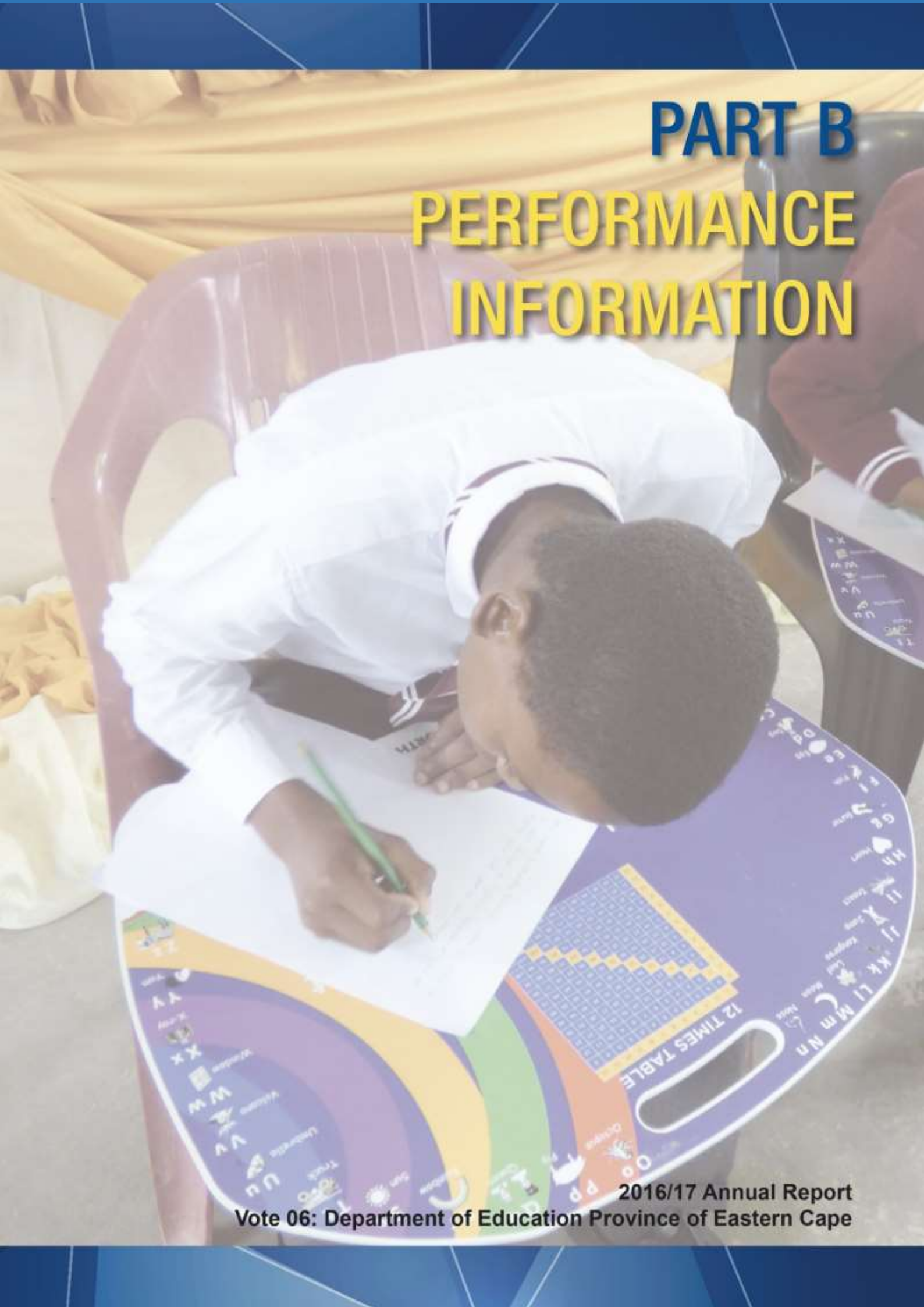
1.9. Entities Reporting to the MEC

There are no entities reporting to the MEC.

PART B

PERFORMANCE

INFORMATION



2.1. Auditor General's Report: Predetermined Objectives

Refer to page 153 to 165 of the Annual Report which details the Auditor General's Management Report for the year under review.

2.2. Overview of Departmental Performance

Service Delivery Environment

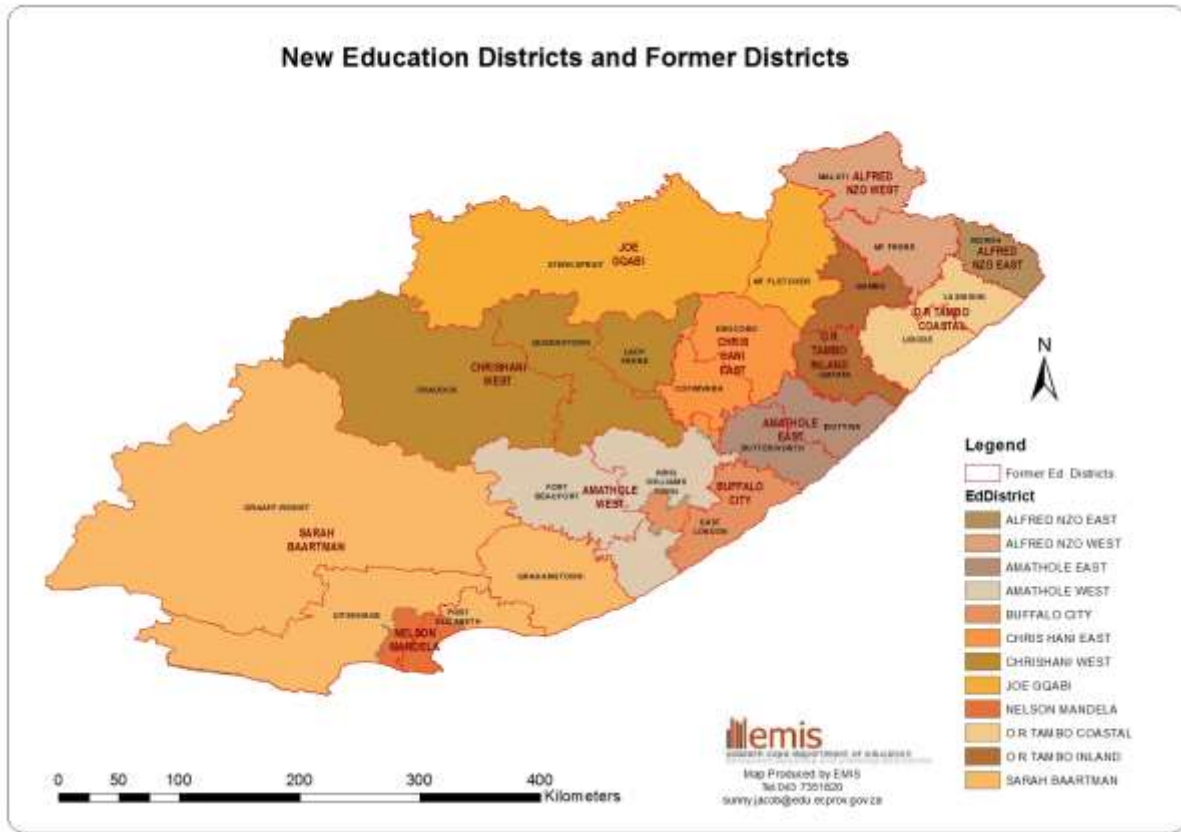
Recent oversight visits and court judgements have reported poor service delivery with many schools not receiving adequate teachers, books and furniture on time. In addition, many learners and teachers operate in less than optimal learning environments. Dedicated units have been established to ensure improved infrastructure and timeous delivery of furniture and LTSM to schools.

Basic computer systems, are outdated and unreliable which adversely affects work performance. There are current initiatives to compile a comprehensive list of IT needs and then to develop a plan to resource offices. This is also dependent on freeing up resources through increased efficiencies in various areas (learner number accuracy, rationalisation of schools, etc).

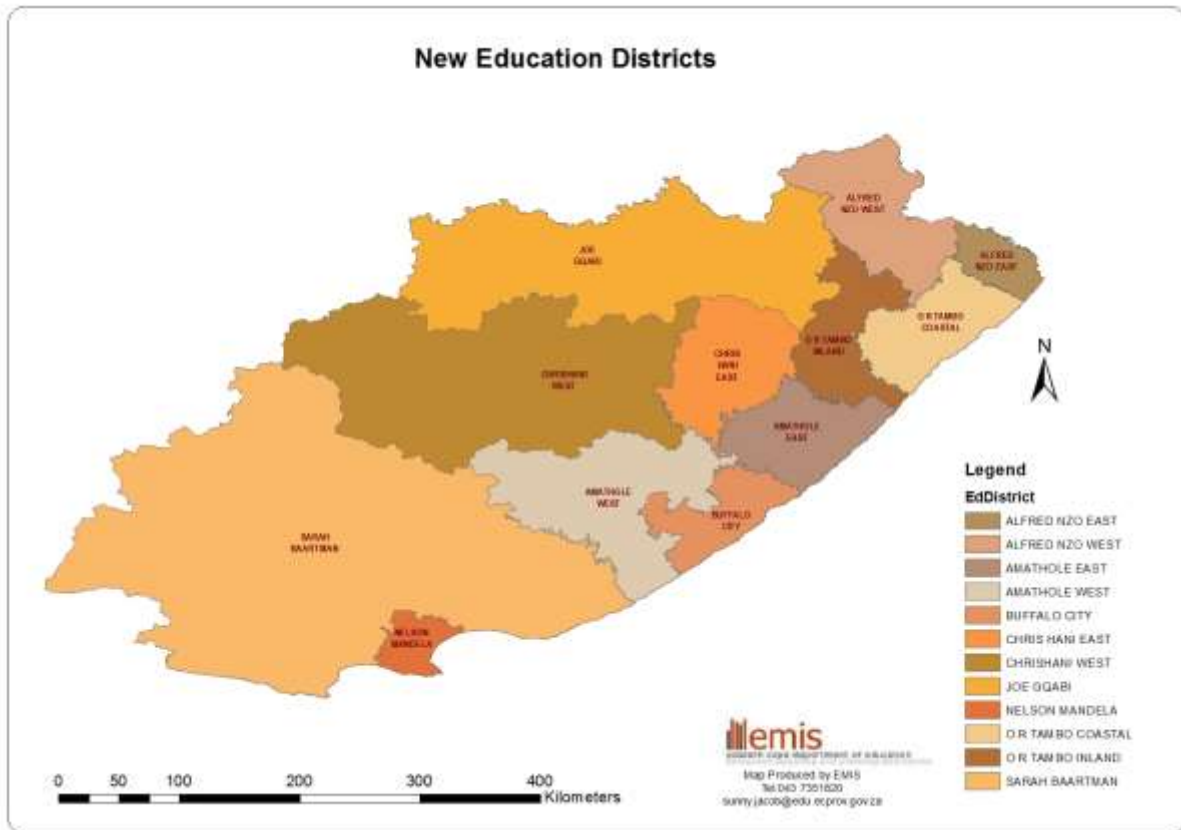
There has been improved delivery in the various areas that initially gave rise to the need for the Section 100 (1)(b) national intervention. There has also been improvement in the governance structures of the Department including the restoration of decision-making and decision management in the Department as well as improved communication. Head office and district governance structures relating to the work of each branch and internal administrative oversight structures for service delivery such as LTSM, HR, Labour Relations, and Infrastructure have also been put in place.

The Department will pay particular attention to productivity, communications, customer care and work culture from 2017 onwards.

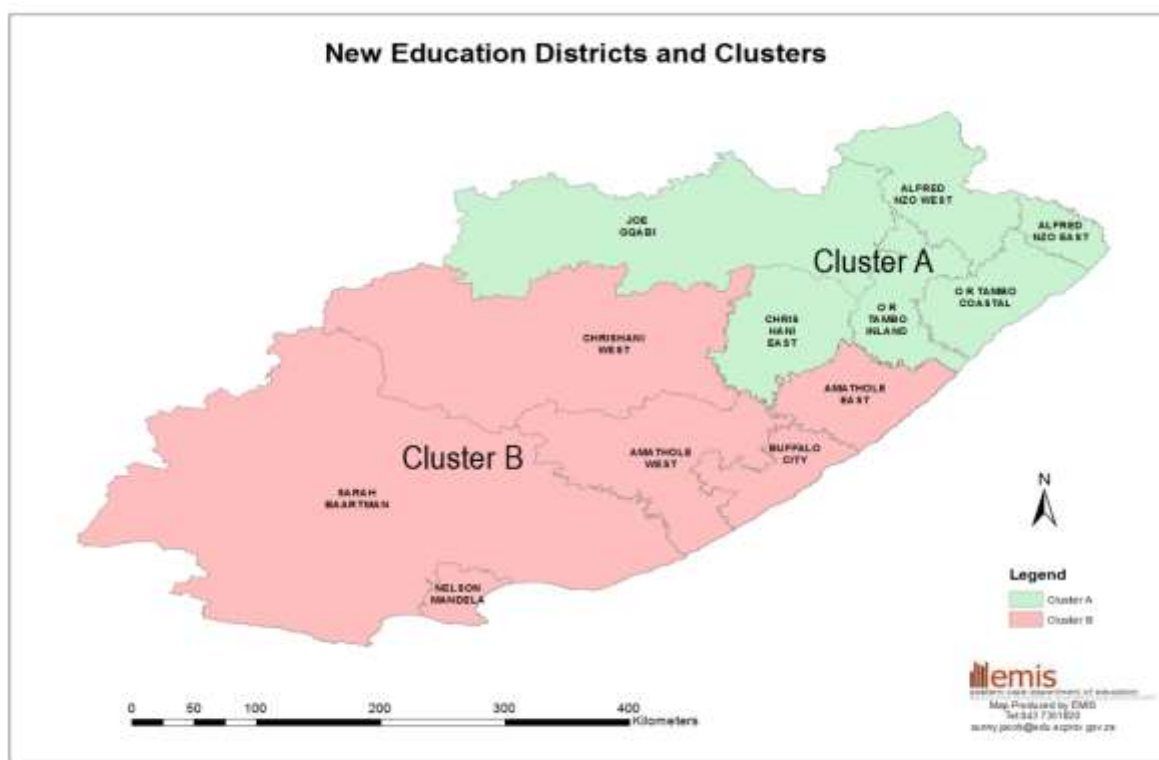
The map shows the former 23 Districts and 12 rationalised Districts.



The map shows the New Education Districts:



The map shows the Districts which are assigned to Clusters A and B respectively:



In January 2016, the Department developed a three-year turnaround strategy to improve the results of the National Senior Certificate (NSC). The focus in this plan was on the provision of a comprehensive package of support to 560 viable quintile 1 to 3 secondary schools.

In the first year of this plan, the Department recorded an increase in the NSC pass rate and an increase in the number of learners achieving a Bachelors pass.

In 2017 and 2018, The Department will build on the plans of 2016 and refine plans to ensure that Grade 12 learners are supported to pass the NSC. Key to this strategy will be the expectation that all schools set targets for improvement; all subject advisers set subject improvement targets; all School Based Assessment is accurate and submitted on time; and that teachers provide 200 days of dedicated tuition and assessment. In addition, more schools will receive telematics and smart classes to support learning.

Audit Outcomes

Over the past four years the ECDOE has achieved the following audit outcomes:

Financial Audit Outcome

Financial Audit Outcome			
2016/17	2015/16	2014/15	2013/14
Qualified	Qualified	Qualified	Qualified

Although the audit outcome of 2016/17 remained unchanged, a reduction in the number of qualification areas was realized for the year under review. Through the implementation of the approved improvement plans for 2017 onwards, the Department will continue to strive to receive an unqualified audit opinion.

Audit of Predetermined Objectives

Audit Scope	Audit Criteria	
	Usefulness	Reliability

	2016/17	2015/16	2014/15	2013/14	2016/17	2015/16	2014/15	2013/14
Programme 2: Public Ordinary School Education	Unqualified	Unqualified	Adverse	Adverse	Adverse	Qualified	Disclaimer	Disclaimer
Programme 5: Early Childhood Development	Unqualified	Unqualified	Not Audited	Not Audited	Unqualified	Unqualified	Not Audited	Not Audited
Programme 6: Infrastructure Development	Unqualified	Unqualified	Not Audited	Not Audited	Unqualified	Unqualified	Not Audited	Not Audited
Programme 7: Examination and Education Related Services	Unqualified	Unqualified	Not Audited	Not Audited	Unqualified	Unqualified	Not Audited	Not Audited

In 2013/14, the Department's non-financial information was subjected to audit for the first time. The usefulness of information reported was found to be inadequate and a disclaimer for the reliability of performance information reported in the annual report. The scope of the audit was limited to the performance information reported for Programme 2. As the audit of non-financial performance information was relatively new, the Department achieved the same audit opinions for 2014/15.

During the 2015/16 financial year, the scope of the audit was increased to include Programmes 5,6 and 7. The Department received an unqualified opinion for the usefulness of the information reported, a qualification for the reliability of the information reported for Programme 2 and an unqualified audit opinion for the reliability of information reported for Programmes 5, 6 and 7. This suggests progress from the audit outcomes of 2014/15.

During the 2016/17 financial year, the scope of the performance audit remained unchanged. The Department received an unqualified audit opinion for the usefulness of the information reported for Programmes 2,5,6 and 7 and an adverse opinion for the reliability of information reported for Programme 2 and an unqualified audit opinion for the reliability of information for Programmes 5,6 and 7. Stronger controls will be implemented from 2017/18 to improve upon the audit opinion received for reliability of information reported for Programme 2.

Overall Audit Opinion

Overall Audit Opinion			
2016/17	2015/16	2014/15	2013/14
Qualified	Qualified	Qualified	Qualified

An Audit Improvement Plan has been developed to address the exceptions raised by the AGSA.

Learner Performance

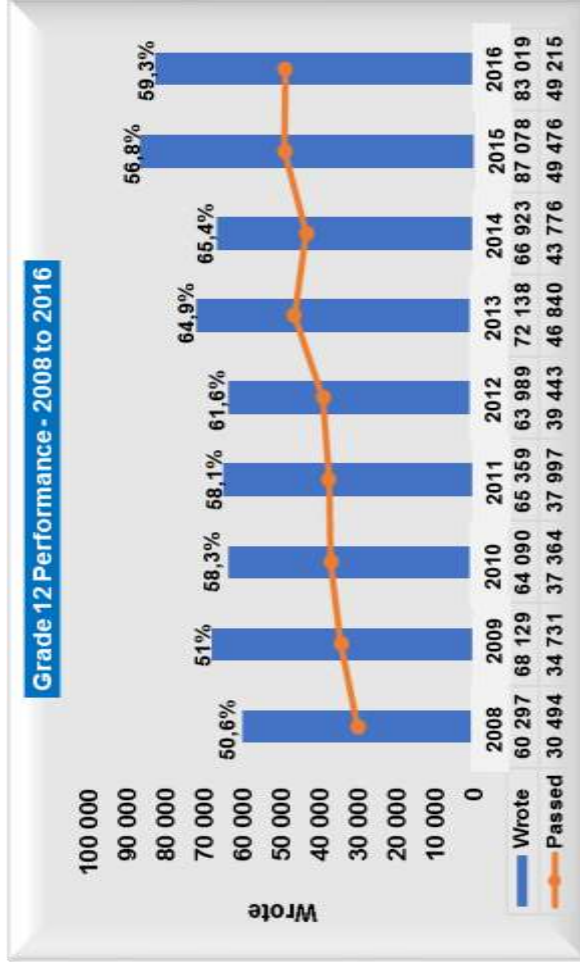


Figure 1 shows the Grade 12 Performance from 2008 to 2016.

The lowest recorded Grade 12 pass rate was in 2008. In 2014, the highest pass rate was realised with 43 776 learners (65,4%) achieving a Grade 12 pass.

Grade 12 Performance					
Year	Wrote	Passed	% Pass	Number of Bachelor Passes	% Bachelor Passes
2008	60 297	30 494	50,6%	8 622	14,3%
2009	68 129	34 731	51,0%	9 429	13,9%
2010	64 090	37 364	58,3%	10 225	16%
2011	65 359	37 997	58,1%	10 291	15,8%
2012	63 989	39 443	61,6%	11 246	17,6%
2013	72 138	46 840	64,9%	13 686	19%
2014	66 923	43 776	65,4%	13 435	20,1%
2015	87 078	49 476	56,8%	15 291	17,6%
2016	83 019	49 215	59,3%	15 645	18,9%

Figure 2: Grade 12 Performance from 2008 to 2016 including Bachelor passes

Data Source: IECS System

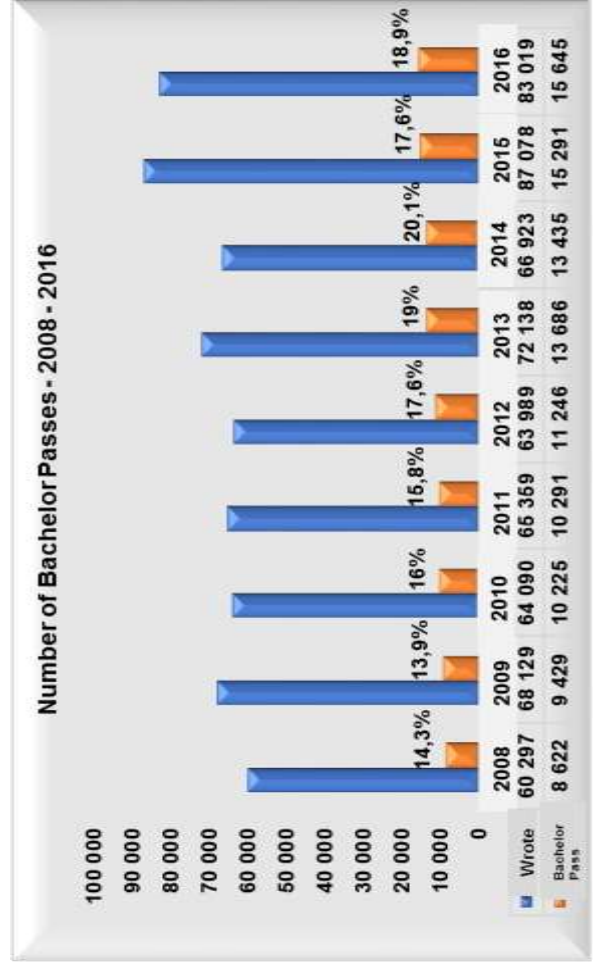


Figure 3 outlines the number of Bachelor Passes from 2008 – 2016. In 2008, 8 622 (14,3%) achieved a Bachelor pass compared to 15 645 learners (18,9%) who achieved Bachelor's passes in 2016.

Data Source: IECS System

Service Delivery Improvement Plan 2015 - 2017

The Department has an approved Service Delivery Improvement Plan (See Annexure A). Of the three key services in the plan, two relied heavily on the Annual National Assessments (ANA). The suspension of ANA by the Department of Basic Education (DBE) very late in 2014, resulted in the Provincial Department not administering the ANA assessment in 2014 and 2015. The Provincial Department of Education then arranged for Provincial external assessments for Grade 3 in Mathematics and Languages and Grade 6 and 9 in all subjects except Life Skills and Life Orientation. Therefore, although ANA was not administered, alternative assessments were conducted for Grades 3, 6 and 9 in 2016.

The results of the 2016 assessments conducted can be found in the tables below. The results of the assessments are presented according to seven levels which reflect the percentage range attached to the levels as follows:

Rating Code	Achievement/Description	Marks (%)
Level 7	Outstanding Achievement	80-100
Level 6	Meritorious Achievement	70-79
Level 5	Substantial Achievement	60-69
Level 4	Adequate Achievement	50-59
Level 3	Moderate Achievement	40-49
Level 2	Elementary Achievement	30-39
Level 1	Not Achieved	0-29

In 2016, 624 727 Grade 3 assessments were conducted for terms one to four, while 527 261 Grade 6 Mathematics assessments were conducted for terms one to four and 470 638 Grade 9 Mathematics assessments were conducted.

The 2016 assessment results for Grades 3, 6 and 9 in Mathematics was as follows:

2016 - Grade 3,6,9 Mathematics Results								
Grade	Total Written	L1	L2	L3	L4	L5	L6	L7
Grade 3	624 727	26 286	35 647	83 250	144 176	142 276	105 529	87 563
Grade 6	527 261	40 690	42 787	164 335	137 119	78 255	40 830	23 245
Grade 9	470 638	107 134	63 540	164 529	75 447	35 844	15 705	8 439
Total	1 622 626	174 110	141 974	412 114	356 742	256 375	162 064	119 247

A total of 1 619 201 Grade 3, 6 and 9 learners wrote language assessments, with 106 194 learners achieving between 80% and 100% and 58 775 learners achieving 0% to 29%. The assessment results for Grades 3, 6 and 9 in **Languages** are:

2016 - Grade 3,6,9 Languages Results								
Grade	Total Written	L1	L2	L3	L4	L5	L6	L7
Grade 3	622 756	26 965	37 847	55 067	188 163	154 142	100 017	60 555
Grade 6	529 879	14 060	19 141	41 490	179 630	163 679	84 842	27 037
Grade 9	466 566	17 750	22 316	49 748	148 184	139 399	70 567	18 602
Total	1 619 201	58 775	79 304	146 305	515 977	457 220	255 426	106 194

Key Achievements

2 587 and 4 200 Educators respectively were trained in Language and Mathematics content and methodology.

Interventions focused on the following:

Foundation Phase Languages

Early Grade Reading Assessment

In order to improve literacy and Mathematics in previously disadvantaged schools in the Province, **Early Grade Reading Assessment (EGRA)** was introduced. This is a **diagnostic reading assessment** that focuses on four key reading components: letter sound, word recognition, comprehension and fluency, with the main intention of improving the reading proficiency of learners. EGRA enables the teacher to track and monitor each individual learner's reading proficiency levels. Another intervention which was introduced was **Primary School Reading Intervention Programme (PSRIP)** for English First Additional Language (EFAL). The Districts also implemented EGRA in **53 schools** in each district. Therefore, in the Province **1 061 schools** implemented EGRA in Grades 1 to 3 in 2016. **Teacher Guides** and **Learner Booklets** have been printed and distributed to all the participating schools.

Reading Programme

Phonics workshops were conducted in all 23 Districts to address challenges identified with reading.

Reading and Writing workshop

Workshops were conducted with teachers who are struggling with teaching these two foundational skills.

Foundation Phase Mathematics

The "HOW I TEACH" / LESSON STUDY (lesson demonstration) on Word Problems

One of the biggest challenges in Mathematics across Grades is Word Problems. In order to address this challenge, a joint intervention by the Department of Basic Education and the Japanese International Agency JICA was implemented. **The "HOW I TEACH" / LESSON STUDY on Word Problems** focuses on lesson demonstrations on Word Problems for Grade 1- 4 learners. In 2016 the project was run in 8 districts (Mthatha, Lusikisiki, Cofimvaba, Mt Frere, Libode, Lady Frere, Mbizana and Queenstown) and is intended to improve the mathematical proficiency of all learners involved in the project.

Senior Phase Languages

English as a First Additional Language Methodology & Content Training

The Certificate in Primary English Language Teaching (CiSELT) is an in-service teacher training programme that covers the core issues in primary teaching and resource development. The programme aims to address the poor assessment results in English as a First Additional Language which is the Language of Learning and Teaching for the majority of learners in the Eastern Cape. The Programme expands the knowledge of teachers and uses a wide range of methodologies and resources. It focuses on all the 4 main Language skills of CAPS i.e.

- Listening and Speaking
- Reading and Viewing
- Writing and Presenting
- Language Structures and Conventions

Senior Phase Mathematics

DBE Mathematics Error Analysis for Grade 3, 6 & 9

This is a **Data Utilisation Programme** that investigates Mathematics mistakes, errors and misconceptions that are prevalent in learners' responses. The Programme covers the Intermediate Phase and the Senior Phase separately. Subject Advisors were trained on both Phases as they often support teachers on both Phases. The intention is to improve learners' understanding of Mathematical concepts and improve teaching and learning through practical lessons.

Organisational Environment

Over the past ten years the following problems have been identified as having the greatest impact on the provision of quality education in the Eastern Cape:

1. A large number of dysfunctional schools
2. A large number of small and unviable schools resulting in inadequate provisioning of resources
3. Many poorly capacitated districts resulting in non-compliance and centralisation of functions
4. Inefficient management of vacancies inter alia: overall vacancy rate of 33%; senior management vacancy rate of 38%; 60% of schools with vacant posts in excess of 12 months; and Internal Audit, HR and Supply Management positions that were vacant for more than 12 months
5. A shortage of appropriately qualified and skilled educators in certain phases, subjects and locations.

In response to the clear limitations of the existing SDM to address these problems, a revised SDM was developed, consulted and approved in 2016. The implementation of the new SDM will focus on the restructuring of Head Office; the determination of the appropriate number of District Offices; the alignment of functions between the Head Office and Districts; and large-scale rationalisation of schools and the planning and provision of services based on accurate data.

In 2016/17, the key outputs for the Department were:

1. Restructured Head Office and District Offices
2. Increased number of functional schools
3. Rationalised and realigned small and unviable schools
4. Increased supply of appropriately trained educators
5. Social Partners mobilised and rallied around the change agenda

Restructured Head Office and District Offices

The Head Office structure has been reconfigured and will be finalised in 2017/18. This restructuring will give prominence to institutional operations and curriculum delivery. Through the new structure the Department hopes to maximise the administrative, management and curriculum delivery support to schools. Urgent attention will be given to the filling of all vacant posts at Head Office in 2017/18.

Restructured District Offices

In the previous SDM there were 23 districts responsible for Corporate Services and Teaching and Learning activities. Each District office had varying levels of skills, facilities and infrastructure. There were also multiple reporting lines for the district offices. Some of the offices are geographically remote. Under such circumstances it was difficult to provide quality support to schools. This will be dealt with through the development and implementation of the revised SDM.

The current 23 Districts have been reduced to 12, and aligned and configured with Municipal boundaries to enhance intergovernmental relations and joint government programmes.

In 2016/17, the seats of the Districts were approved and the establishment of these offices will commence in 2017/18. The Department is also in the process of establishing a contact centre as well as redesigning the layout of the offices to ensure the security of people, records and information. A

panel of administrators was appointed to facilitate the transition process and to ensure that governance arrangements are strengthened during the transition period.

The new SDM places great emphasis on school functionality. As a consequence, the Department will establish 150 Circuit Offices. The appointment of new Circuit Managers will be closely monitored through a stringent selection process.

Increased Number of Functional Schools

To address the identified shortcomings within school leadership and management, the Department issued letters to schools that underperformed in 2015 NSC results and a further analysis of underperformance in the past years was conducted and schools were categorised for placement of mentors in 2016/17.

Further to this, engagement with principals of all high schools took place in September 2016 focused on support required for improved matric results. In 2016, 2 739 SGBs were trained in partnership with ABSA on Financial management. A further 4 138 SGBs were capacitated on their legal and financial roles and responsibilities.

By February 2017, 505 new Principals, 405 Deputy Principals and 1320 HODs were appointed. In addition, induction was conducted for 447 newly appointed principals in February 2017.

Rationalised and realigned small and unviable schools

The rationalisation of the current 5 335 schools in the Eastern Cape is one of the most urgent and critical elements of the new SDM. Provisioning of quality education is the rationale for rationalisation of small and unviable schools. The second objective is improved financial efficiency and re-distribution of resources to where they are most needed.

In 2016 a total of 2 077 schools in the Province Cape were categorised as small and unviable, and on the 3rd March 2016 the Department issued notices of intent to rationalise the following categories of schools:

- 290 primary schools qualifying for 1 post
- 491 primary schools qualifying for 2 posts
- 578 primary schools qualifying for 3 posts
- 585 primary schools qualifying for 4 posts
- 132 secondary schools qualifying for 5 to 8 posts

The Department contracted a component of National Treasury for a period of three years, to manage the School Rationalisation Project. Notices in terms of Section 33 of the South African Schools Act to 1 902 schools were issued by the MEC in August 2016.

The rationalisation process began in schools that were identified by 16 districts as “quick wins”. These schools require no scholar transport, no additional infrastructure at receiving schools, and where districts had already achieved consensus with local communities regarding the closure of the schools. Public hearings took place in line with the requirements of the Act and 199 schools were closed in 2016/17.

Increased supply of appropriately trained educators

A total of 2 587 teachers were trained in Literacy/Language content and Methodology and 4 220 teachers were trained in Numeracy/Mathematics content and Methodology in 2016/17. Reading promotion efforts in primary schools were supported by the Early Grade Reading Assessment (EGRA) Project which was implemented in 40 schools per district in 2016.

In 2016/17 94 teachers from 8 districts were trained in the Primary School Reading Intervention Programme (PSRIP) with the focus on routines/time allocation, core methodologies and EGRA. In addition, 300 educators and Grade 12 Subject Advisors were trained on teaching and reading. EGRA

Teacher Guides and Learner Booklets in 4 Languages were edited and distributed to schools. A further 1 800 Foundation Phase Subject Advisors and educators were workshopped on error analysis and 247 teachers and Subject Advisors were trained in the technical, vocational and occupational streams.

Social Partners mobilised and rallied around the change agenda

In partnership with the National Education Collaboration Trust (NECT), the Department has begun rolling out a primary school curriculum and teacher support intervention programme and lesson plan kit. The toolkit contains well planned lessons accommodating the developmental abilities of all learners in the classroom. Teachers and School Management Teams (SMTs) received full training and sessions were held every term to provide updates on the development of the programme.

Furthermore, the Department held a Donor Conference in 2016/17 and shared the Education System Transformation Plan with the donor community. Companies have also continued to approach the Department on a regular basis with offers of assistance to improve teaching and learning in various areas, in particular teacher development and training. In addition, there were a number of engagements with organised labour to share the Education System Transformation Plan and issues as identified during the period under review.

The Department has continued engaging stakeholders at school and district level through the Quality Learning and Teaching Campaign and the structures established in this regard with a view to improving the quality of teaching and learning.

In 2017/18 the Department plans to:

- Establish an Alumni community
- Launch the adopt a school project
- Strengthen partnerships with other departments and state entities
- Introduce initiatives focused on greater involvement of SGBs and parents

Accurate data – the Learner Verification Project

SASAMS was made compulsory in the Eastern Cape in 2012. In 2016 the EC had a submission rate of 99,7% from schools to the provincial SASAMS warehouse. Analysis of the data revealed that many learners did not provide identity numbers as is required by the Admission Policy. In April 2016, there were 592 982 instances of identity number-related exceptions in the Provincial SASAMS warehouse. This constituted 30% of the Provincial enrolment.

Schools were informed of the number of exceptions in their enrolment statistics and they were given an opportunity to correct these. The exceptions were reduced from 592 982 in April 2016 to 108 273 in October 2016, or 5,7% of the total learner enrolment in the province.

A consequence of this process was the decline in verified learner enrolment from 1 960 369 to 1 905 480 – a decline of over 54 000 learners.

2.3. Strategic Outcome Orientated Goals

Strategic Goal(SG)	Strategic Objectives (SOs)
Strategic Goal 1 Equitable access to education and resources	SO 1.1 To improve access of children to quality Early Child Development (ECD)
	SO 1.2 To increase access to education in public ordinary schools
	SO 1.3 To increase access to inclusive and specialised education and access to education centres which offer specialist services
	SO 1.4 To provide infrastructure, financial, material, human resources and Information communications technology (ICT) to schools
	SO 2.1 To provide an integrated quality ECD provisioning
Strategic Goal 2 Quality of teaching and learning improved at all educational institutions	SO 2.2 To increase the percentage of Grade 3, 6 and 9 learners performing at required levels in Language and Mathematics
	SO 2.3 To increase the number of Grade 12 learners who become eligible for a Bachelors programme at a university
	SO 2.4 To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences
	SO 2.5 To increase access to high quality teaching-learning materials
	SO 2.6 To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system
	SO 3.1 To develop and mentor school management teams
	SO 3.2 To implement quality assurance measures, assessment policies, and systems to monitor school and learner performance
Strategic Goal 3 School functionality improved for learner achievement at all levels	SO 3.3 To improve the quality of monitoring and support provided to schools by the Department
	SO 3.4 To strengthen governance for effective and functionality of schools
	SO 3.5 To improve systems for effective management and administration of schools
	SO 4.1 To develop and enhance the professional and technical capacity and performance of educators
	SO 4.2 To develop the skills of the Department workforce at all levels
Strategic Goal 4 Organisational capacity enhanced through human resource development and talent management	SO 4.3 To ensure equitable distribution and utilisation of resources in the Department
	SO 4.4 To ensure talent management and attraction of young motivated and appropriately trained employees
	SO 4.5 To promote leadership development for improved organisational efficiency
	SO 5.1 To promote youth development and inculcation of positive values through arts, culture, heritage and sports in all institutions
	SO 5.2 To implement an integrated health and wellness programme including programmes catering for learner welfare
Strategic Goal 5 Social cohesion promoted through cooperation with all	SO 5.3

Strategic Goal(SG)	Strategic Objectives (SOs)
stakeholders in education	To develop and implement partnership programmes to enhance the effectiveness and functionality of the schooling system
Strategic Goal 6 Efficient administration through good corporate governance and management	SO 6.1
	To stabilise financial management across the organisation through proper budgeting, control and reporting
	SO6.2
	To provide an appropriate service delivery model and organisation and structure for improved education delivery and support
	SO 6.3
To ensure that management systems for performance, information and risk mitigation are in place	
SO 6.4	
To develop and monitor the implementation of an integrated policy management framework	

2.4. Performance Information by Programme

2.4.1. Programme 1: Administration

Purpose:

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

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
1.1. Office of the MEC	To provide for the functioning of the office of the Member of the Executive Council (MEC) for education in line with the ministerial handbook.
1.2. Corporate Services	To provide management services such as Human Resource Management, Information Technology and Systems, Supply Chain Management, Finance and Strategic Management Monitoring and Evaluation.
1.3. Education Management	To provide education management services for the education system, such as education planning and curriculum development through District Coordination and Management of Clusters.
1.4. Human Resource Development	To provide human resource development for office-based staff.
1.5. Education Management Information Systems	To provide an Education Management Information System in accordance with the National Education Information Policy

Strategic Goals and Objectives

Strategic Goal	Strategic Objective
SG 3: School functionality improved for learner achievement at all levels	SO 3.3: To improve the quality of monitoring and support provided to schools by the Department. SO 3.5: To improve systems for effective management and administration of schools.
SG 6: Efficient administration through good corporate governance management	SO 6.1: To stabilize financial management across the organisation through proper budgeting, control and reporting.

Key Policy Priorities

The following are key priorities of the programme:

- Improve governance, accountability and compliance by strengthening efficiency in general management and development (including executive support services) that will support quality learning and teaching
- Finalisation of the revised organisational structure and new service delivery model
- Appointments to key strategic administration posts
- Accelerate the implementation of Information Communications Technology (ICT) Governance Framework (including Governance Structures, ICT Strategy and Integrated Communication System)
- Strengthening of Risk Management and Fraud Prevention Measures
- Strengthening of Internal Auditing Processes
- Improving Human Resource and Supply Chain Management
- Implementation of leave management project
- Strengthening of Communications and Customer Care
- Review and formulate appropriate response to internal and external requests for information and Management Performance Assessment Tool (MPAT) findings.

Key Achievements

In response to the priorities set for 2016/17 the following key achievements can be reported at the end of the financial year:

- The Department developed and adopted a strategic risk register and operational risk register to assist in mitigating the identified high risk areas. Risk management has been made a compulsory key performance area for all SMS and all middle managers. The risk management committee held scheduled meetings with management in the mitigation of risks and risk appetite of the Department.
- The Department held team building sessions with all head office staff members and this saw the department agreeing in four areas that will be assessed and measured in the 2017/18 financial year. These areas are performance management, communications, accountability and clean audit. All staff members will be assessed on these areas as agreed in the team building exercise.
- The Department strengthened communication and access to Departmental systems for its staff members by acquiring laptops and desktops for teachers and administrators. The laptops were provided with 3G cards to ensure effective communication and information sharing.
- The Department reprioritised its budget to enable the process of acquiring subsidised motor vehicles for field workers. This was done to monitor and support circuits and schools.
- Out of 5 534 schools that were targeted to use SASAMS, 5231 were using this system at the end of the reporting period. The total number of schools was reduced by 199 during the course of the year (including 44 schools that were not yet officially closed at the end of March 2017). This means there were 5 335 schools with enrolled learners in March 2017. Of these, 104 schools did not submit information through SASAMS.
- The process of finalising the revised organisational structure and new service delivery model progressed. Twelve streamlined districts were established and 12 District Directors were appointed.
- In order to support the audit process, audit controllers were appointed in all Branches and relevant chief directorates. As a result, the responses to the audit requests improved as compared to prior years.
- Branches and directorates compiled Audit Improvement Plans and strategies to address previous audit findings.
- The Annual Recruitment Plan was fully implemented.
- Due to the transition from 23 to 12 districts and preparation for the change of management in the districts, the target for the number of visits to schools was not achieved.
- The Department procured bulk laptops and computers for foundation phase educators, office based educators and non-educators.
- Over 8,5 million books were delivered to schools before the end of the financial year.

Strategic Objectives and Programme Performance Measures

Programme 1 : Administration						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
S03.5 To improve systems for effective management and administration of schools	PPM 101 Number of public schools that use school administration and management systems to electronically provide data to the national learner tracking system	5 207	5 534	5 367	-167	Reduction in the number of public ordinary schools. 199 public ordinary schools were reported as merged with other schools or closed. The total number of public ordinary schools reduced from 5 534 to 5 335.
S01.4 To provide infrastructure, financial, material, human resources and information-communications technology (ICT) to schools	PPM 102 Number of public schools that can be contacted electronically (e-mail)	5 534	5 534	5 242	-292	The reason for variance is due to a delay in the awarding of the Mobile Data Contract for 5 335 public schools.
SO 6.1 To stabilise financial management across the organisation through proper budgeting, control and reporting	PPM 103 Percentage of education current expenditure going towards non-personnel items	20%	17.3%	18.1%	0.8%	The Department is dealing with the inefficiencies within the system of compensation of employees, however the Department has not met the 80:20 ratio split.
SO 3.3 To improve the quality of monitoring and support provided to schools by the Department	PPM 104 Number of schools visited by district officials for monitoring and support purposes	9 219	16 602	5 177	-11 425	The targets were based on number of visits not on number of schools as required by the performance measure. However, the variance was caused by some schools being merged or closed (199 schools). There is also a need to strengthen the coordination of school visits by circuit managers and other district staff.

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 101 Number of public schools that use school administration and management systems to electronically provide data to the national learner tracking system	Schools have been given Laptops to ensure that school administration data is loaded on time
PPM 102 Number of public schools that can be contacted electronically (e-mail)	Schools are given 3G cards to facilitate effective communication with all schools
PPM 104 Number of schools visited by district officials for monitoring and support purposes	Target has been corrected in the 2017/18 APP. Fieldworkers' applications for subsidised motor vehicles are currently being evaluated for approval.

Changes to planned targets

PPM 104 will be changed as the target was based on number of visits rather than number of schools visited.

Linking performance with budgets

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2016/17 R'000
1.1. Office of the MEC	2 435
1.2. Corporate Services	86 137
1.3. Education Management	(90 145)
1.4. Human Resource Development	1 075
1.5. Education Management Information Systems	4 726
Total expenditure	4 228

The budget increase for Programme 1 in sub-programme 1.2 (Corporate Services) provided for the Document Centre. A budget increase was also recorded under sub-programme 1.5 (EMIS) to ensure support to schools.

Sub-Programme Expenditure

Sub-Programme Name	2015/16			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	7 690	8 411	(721)	11 723	9 288	2 435
Corporate Services	1 346 121	1 076 675	269 446	1 473 195	1 387 058	86 137
Education Management	1 257 791	1 114 597	143 194	1 068 916	1 159 061	(90 145)
Human Resource Development	8 213	4 985	3 228	13 831	12 756	1 075
Education Management Information Systems	42 783	39 955	2 828	45 087	40 361	4726
Total	2 660 696	2 242 721	417 975	2 612 752	2 608 524	4 228

Reasons for under or over expenditure

The over expenditure of R88 009 million in CoE is mainly due to the filling of posts as per the Annual Recruitment Plan. The bulk of the under expenditure of R30 551 million in Goods and Services is attributed to delays in the processing of payments for the Document Centre.

2.4.2. Programme 2: Public Ordinary schools

Purpose

To provide public ordinary education from Grades 1 to 12, in accordance with the South African Schools Act (SASA), 1996 (Act No. 84 of 1996) as amended and White Paper 6 on Inclusive Education.

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
2.1. Public Primary Schools	To provide specific public primary ordinary schools with resources required for the Grades 1 to 7 levels.
2.2. Public Secondary Schools	To provide specific public secondary ordinary schools with resources required for the Grades 8 to 12 levels.
2.3. Human Resource Development	To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools.
2.4. School sport, culture and media services	To provide additional and departmentally managed sporting, cultural and reading activities in public ordinary schools.
2.5. Conditional Grants	Provides for the projects under Programme 2 specified by the DBE and funded by conditional grants

Strategic Goals and Objectives

Strategic Goal	Strategic Objective
SG 1: Equitable access to education and resources	SO 1.2: To increase access to education in public ordinary schools
	SO 1.3: To increase access to inclusive and specialised education and access to centres which offer specialist services.
	SO 1.4: To provide infrastructure, financial, material, human resources and information communications technology (ICT) to schools.
SG 2: Quality of teaching and learning improved at all educational institutions	SO 2.2: To increase the percentage of Grade 3, 6 and 9 learners performing at required levels in language and mathematics.
	SO 2.3: To increase the number of Grade 12 learners who become eligible for a Bachelors programme at a university.
	SO 2.6 To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system
SG 4: Organisational capacity enhanced through human resource development and talent management	SO 4.1: To develop and enhance the professional and technical capacity and performance of educators.

Key Policy Priorities

The following are key priorities of the programme:

The mandate of Programme 2 is to provide public quality education to Public Ordinary Schools from Grades

1 to 12, in accordance with the South African Schools Act and White Paper 6 on inclusive education. This programme is responsible for the provisioning of quality public Basic Education for Grades 1 to 12 through ensuring the following objectives:

- Funding of schools at required National Norms and Standards.
- Mitigating the impact of poverty through the Fee Exemption and No Fee Schools policy.
- Ensuring that every learner has a text book for every subject.
- Provisioning of school furniture and other teaching and learning requisites.
- Enhance learning capacity through provision of nutritious meals on all school days through the NSNP.
- Improved competency and capacity of school principals for school functionality.
- Teacher development and accountability.
- Inclusive Education to support learners experiencing barriers to learning.

Key Achievements

Learner Performance Improvement

- The Eastern Cape National Senior Certificate results improved by 2.5%, from 56.8% in 2015 to 59.3% in 2016.
- The number of Bachelor passes increased from 15 291 in 2015 to 15 654 in 2016, representing a 1.3% (363) increase from 17.6% in 2015 to 18.9% in 2016.

Access to Early Childhood Development Services

- 85% of Grade 1 learners participated in a Grade R programme.
- 4300 public schools were supplied with Grade R Resource packs.
- 700, 980 Grade R workbooks were delivered to public schools with Grade R classes
- 23% of Grade R practitioners have at least a Level 6 qualification.

Fee Exemption in Public Schools

- 93% of Eastern Cape learners are currently benefitting from the No Fee policy compared to 80.5% learners in 2009.
- The No Fee School programme has made it possible for the poorest of the poor to access education at no cost to parents. In 2017 the Department allocated an amount of R2 billion to cater for the national funding norms and standards.

National School Nutrition Programme

- 100% of Quintiles 1- 3 primary and secondary schools, and targeted special Schools serving 1, 6 million learners benefited from the nutrition programme in the financial year.
- 12 719 meal servers were contracted for a period of one year, from April 2016 to March 2017.

Filling of Vacancies

- In the period between 2011 and 2016, the average loss of teachers per annum was 3 314.
- In 2016, the Department issued 4 bulletins to counter the attrition and 2 272 teachers were employed. Furthermore, a web-based database to register and recruit unemployed teachers online was developed to improve turnaround times in recruitment and replacement.

Developing Functional Schools

- 560 identified viable high schools were supported in leadership and management, filling of vacant posts, determining of non-teaching staff requirements, as well as deployment of trained mentors for Principals.
- 139 of the 560 Principals received mentors. The Launch of the Mentorship Programme took place at the ELI on 20 October 2016. Mentors began working in schools from the 1 November 2016. The impact of the mentors will only be gauged at the end of the 2017 academic year.
- Teaching time in these schools was promoted through relevant Circulars and Guidelines on optimal utilisation of prescribed teaching time.
- An early warning system was instituted for the 11 high enrolment subjects in Grade 12 as well as Common Examinations for Grades 3, 6 and 9.

E-Learning Initiatives

- 18 Schools benefited from the installation of smart classrooms in 9 classrooms per school, resulting in 162 classrooms becoming 'smart classes'. Each of these was equipped with 1 laptop per classroom, 1 data projector, 1 interactive device for presentation of lessons, 3 content access points and 1 server hip with Wi-Fi enabled connectivity per school.
- 167 Telematics Centres were established in selected Quintile 1 to 3 high schools. At the end of the financial year there were 253 telematics centres in operation in the Eastern Cape of which 224 are part of the 560 schools project.

Strategic Objectives and Programme Performance Measures

Programme 2: Public Ordinary Schools						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
SO 1.2 To increase access to education in public ordinary schools	PPM 201 Number of full service schools servicing learners with learning barriers	30	30	30	-	Target was achieved
SO 2.2 To increase the percentage of Grade 3, 6 and 9 learners performing at required levels in Language and Mathematics	PPM 202 Number of primary schools with an overall pass rate in ANA of 50% and above PPM 203 Number of secondary schools with an overall pass rate in ANA of 40% and above	-	1 236	0	-1 236	ANA was not administered due to the suspension of the assessments by DBE late in 2014
SO 2.3 To increase the number of Grade 12 learners who become eligible for a Bachelors programme at a university	PPM 204 Number of secondary schools with National Senior certificate (NSC) pass rate of 60% and above	-	705	0	-705	ANA was not administered due to the suspension of the assessments by DBE late in 2014
SO 2.6 To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination questions banks across the system.	PPM 205 The percentage of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade) PPM 206 The percentage of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or a higher grade)	372	700	422	-278	Shortage of teachers for critical subjects, such as Mathematics, Physical Science.
		21%	54%	68%	14%	More schools adhered to the Admission Policy.
		16%	37%	54%	17%	More schools adhered to the Admission Policy.

Programme 2: Public Ordinary Schools

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
SO 2.1 To increase access to high quality teaching-learning materials	PPM 207 Number of schools provided with media resources	-	1 112	0	-1 112	No schools were resourced from the allocated budget, but an audit of needs was conducted by staff in the Unit. As a result schools were identified to receive resources as per the allocated number per district and training of teachers for identified schools was planned.
	PPM 208 Learner absenteeism rate	3%	1%	2%	-1%	Learners do not attend on the day school opens.
SO 3.5 To improve systems for effective management and administration of schools.	PPM 209 Teacher absenteeism rate	4%	2%	4.1%	-2.1%	The variance is as a result of unresolved PILIR cases.
	PPM 210 Number of learners in public ordinary schools benefiting from the "No Fee School" policy	1 599 046	1 559 047	1 582 878	23 831	Growth of Learner numbers
SO 1.2 To increase access to education in public ordinary schools	PPM 211 Number of educators trained in Literacy/Language content and Methodology	4 080	3 672	2 587	-1 085	The target was not met. The cascading model for training meant that Districts were to train teachers and maintain the database for teachers trained. The database was not updated within the Districts, as a result, validation of the training conducted could only be done for 2 587 teachers trained.
	PPM 212	4 560	3 672	3 609	-63	The target was not met. The cascading model for training meant that Districts were to train teachers

Programme 2: Public Ordinary Schools

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
	Number of educators trained in Numeracy/Mathematics content and Methodology					and maintain the database for teachers trained. The database was not updated within the Districts, as a result, validation of the training conducted could only be done for 3 609 teachers trained.

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 204 Number of secondary schools with National Senior certificate (NSC) pass rate of 60% and above	There is a specialised programme designed to support progressed learners
PPM 207 Number of schools provided with media resources	A recommendation was made that the procurement document already completed be used for 2017/18 procurement of media resources in the identified schools.
PPM 208 Learner absenteeism rate	Advocacy campaigns for early start to teaching
PPM 209 Teacher absenteeism rate	The ill health retirement process for teachers should be fast tracked. Wellness programmes for teachers should be improved.
PPM 211 Number of educators trained in Literacy/Language content and Methodology	Controls will be implemented to improve records management. Districts will be provided with work tools to maintain the database.
PPM 212 Number of educators trained in Numeracy/Mathematics content and Methodology	Controls will be implemented to improve records management. Districts will be provided with work tools to maintain the database.

Changes to planned targets

None

Linking performance with budgets

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2016/17 R'000
Public Primary Schools	(12 134)
Public Secondary Schools	(224 001)
Human Resource Development	21 264
School Sport, Culture and Media Services	3 546
Conditional Grants	87 978
Total expenditure	(123 347)

The budget increase for Programme 2 was in sub-programme 2.1 (Public Primary Schools) and sub programme 2.2 (Public Secondary Schools) and provided for educators, LTSM and school furniture.

Sub-Programme Expenditure

Sub-Programme Name	2015/16			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public Primary Schools	7 490 863	7 557 363	(66 500)	8 616 704	8 628 838	(12 134)
Public Secondary Schools	14 586 285	14 370 686	215 599	14 965 230	15 189 231	(224 001)
Human Resource Development	87 665	86 063	1 602	102 850	81 586	21 264
School sport, culture and media services	30 091	27 651	2 440	47 269	43 723	3 546
Conditional Grant: School	1 062 438	1 048 999	13 439	1 156 849	1 068 871	87 978
Total	23 257 342	23 090 762	166 580	24 888 902	25 012 249	(123 347)

Reasons for under or over expenditure

Programme 2 overspent a total of R123 347 million of the allocated budget (R24 888 billion). The programme expenditure across the economic classifications was as follows: overspent by R123 347 million in Goods and Services (R326 323 million) and underspent by R133 992 million for COE. The over expenditure of R326 323 million was mainly due to the outstanding invoices from suppliers in respect of LTSM and school furniture.

2.4.3. Programme 3: Independent School Subsidies

Purpose:

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

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
3.1. Primary Phase	Supports independent schools in Grades 1 to 7
3.2. Secondary Phase	Supports independent schools in Grades 8 to 12

Strategic Goals and Objectives

Strategic Goal	Strategic Objective
SG 1: Equitable access to education and resources	SO 1.4: To provide infrastructure, financial, material, human resources and information communications technology (ICT) to schools.

Key Policy Priorities

The following are key priorities of the programme:

- Review of policy on registration of independent schools in line with National Guidelines
- Continuous monitoring for improved performance and compliance
- Continued verification and implementation of audit recommendations

Key Achievements

There was an improvement in compliance and as a result 57% of the targeted 58% of registered schools received subsidies. Funding of independent schools at National Norms and Standards levels remains a challenge due to budget constraints. However, a proposal for a three-year plan has been developed with 2017/18 as a baseline to reach the required National Norms and Standards.

There was marked improvement in SASAMS compliance among independent schools in respect of learner data. The incidence of duplication of learners in schools was reduced. Verification of learner information will continue in the new financial year.

The NSC results in independent schools improved with an overall 79% pass rate in 2016 compared to 76% in 2015.

Strategic Objectives and Programme Performance Measures

Programme 3: Independent School Subsidies						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
SO1.4 To provide infrastructure, financial, material, human resources and Information-Communications Technology to schools	PPM 301 Number of subsidised learners in registered independent schools	31 817	45 059	36 382	-8 677	Subsidies not paid due to non-compliance with policy prescripts
	PPM 302 Percentage of registered independent schools receiving subsidies	57%	58%	57%	-1%	Subsidies not paid due to noncompliance with policy prescripts
	PPM 303 Percentage of registered independent schools visited for monitoring and support	100%	58%	58.4%	0.4%	N/A

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 301 Number of subsidised learners in registered independent schools	Strengthen school admission. Verification of learner information
PPM 302 Percentage of registered independent schools receiving subsidies	Strengthen school admission. Verification of learner information

Changes to planned targets

No changes to planned targets

Linking performance with budgets

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2016/17
3.1 Primary Phase	7 557
3.2 Secondary Phase	(7 542)
Total expenditure	15

Sub-Programme Expenditure

Sub-Programme Name	2015/16			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
3.1 Primary Phase	67 448	66 718	730	70 801	63 244	7 557
3.2 Secondary Phase	48 869	48 869	-	49 199	56 741	(7 542)
Total	116 317	115 587	730	120 000	119 985	15

Reasons for under or over expenditure

Sub-programme 3.2 (Secondary Phase) overspent by R7 542 million because some secondary schools were paid from the primary school budget. One school, Science College International (Mthatha) with 30 learners was budgeted for but did not receive subsidies due to non-submission of the required documentation. Budgeted subsidies for two schools, Christ the King (Mthatha) and Elukhanyisweni (Butterworth) with a combined enrolment of 207 learners, were withdrawn due to Grade 12 underperformance in 2016.

2.4.4. Programme 4: Public Special School Education

Purpose:

To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Special Needs Education: Building an Inclusive Education and Training System

Sub-Programmes:

Sub-Programme	Sub-Programme purpose
4.1. Special schools	Provides specific public special schools with resources
4.2. Human Resource Development	Provides Departmental services for the professional and other development of educators and non-educators in public special schools.
4.3. School sport, culture and media services	Provides additional and Departmentally managed sporting, cultural and reading activities in public special schools.
4.4. Conditional Grants for OSD Therapists	Is responsible for projects specified by the DBE and funded through conditional grants.

Strategic Goals and Objectives:

Strategic Goal	Strategic Objective
SG 1: Equitable access to education and resources	SO 1.3: Increase access to Inclusive Education and Specialised Education and access to centres which offer specialist services.
	SO 1.4: To provide infrastructure, financial, material, human resources and information communications technology (ICT) to schools.

Key Policy Priorities

The following are key priorities of the programme:

Special Schools

The main purpose of this sub- programme is to provide Public Special Schools with the following resources:

- Human Resources; which includes payment of salaries for educators, non-educators and professional non-educators employed in Special schools.
- Adjusted equipment which includes assistive devices such as Braille machines, Sign Language (SASL) equipment and adjusted computers as well as LTSM.
- Funding transferred to Special Schools as a subsidy.
- School buses to transport disabled learners to and from schools, hospitals and sporting events.

Human Resource Development

This sub programme provides for the professional and other development of educators and non-educators in Public Special schools. In order to ensure that learners access quality education from proficient Educators and support staff, capacity building was provided in the following programmes:

South African Sign Language Curriculum Assessment Policy Statement (SASL CAPS)

The SASL CAPS policy has been approved as the First language for Deaf learners. The policy is implemented in Foundation Phase, Intermediate Phase, Grade 9 and Grade 10. Educators and Deaf assistants received training on SASL CAPS implementation from the University of Witwatersrand, contracted by SETA.

Braille

Level 1 and 2 Braille Literacy and Mathematics was presented to Educators for learners from schools of the blind. Educators graduating from Braille Literacy and Maths Level 2 will receive tuition in Braille production.

Autism and Augmentative and Alternative Communication (AAC)

Capacity building in Autism was provided for educators from schools for intellectually impaired learners. Educators from schools of learners with physical impairment received training in Augmentative and Alternative Communication (AAC).

Support staff

Support staff received continuous training and support on Child Care, Disability and Health.

School sport, culture and media services

In order to provide additional Departmentally managed sporting, cultural and reading activities in Public Special Schools, the following programmes were provided for special schools:

- Sporting programmes for Intellectually Impaired learners
- Sporting programmes for Deaf and Blind learners, Physically disabled and Blind learners
- Sporting programmes for Deaf Learners
- Music and Arts and Culture for all disabilities.

Key Achievements:

Inclusive Education

- Currently there are 43 Special Schools in 14 of the 23 districts. The bias is towards the urban areas of Port Elizabeth (13) and East London (7), with 9 Districts having no Special School at all.
- In 2016, six additional Special Schools were planned for five Districts: East London, Libode, Mt Fletcher, Butterworth, Fort Beaufort and Cradock.
- Two of the six earmarked schools opened their doors to learners in January 2017, and these are College Street in East London and Mt Fletcher Special School.
- The other 4 special schools are undergoing infrastructural refurbishment.
- Employed 63 Therapists attached to Special Schools; and 23 School Psychologists attached to each of the 23 Districts.

- Advertised 79 Therapists posts for Special Schools and placed 30 Social Workers and 825 Learner Support Agents in partnership with Social Development in schools and districts to support learners.
- 122 School Based Support Teams were established to service 252 Secondary Schools and 10 Special Schools across the Province.
- The Department enhanced the professional development of educators through training of 94 educators and Deaf Teaching Assistants in the new SASL CAPS policy; 60 educators in Braille Literacy and Braille Mathematics Level 1; and 120 educators from schools for the severely intellectually disabled in Autism.
- Four special schools for the deaf were resourced with a SASL CAPS minimum package (technological devices) to cater for Senior Phase and Grade 11, whilst 10 school buses (8 x23 seater and 2 x16 seater) were delivered to ten special schools to increase access to education. This was in addition to LTSM that was delivered to all 42 special schools.
- Three special schools on private property have been purchased and are due for renovation/upgrading (St Thomas, Ikhwezi Lokusa and ANTOS).
- Increased access was provided to special education and the long waiting list in special schools was reduced when College Street in East London and Mt Fletcher Special schools admitted 113 learners and 73 severely intellectually disabled learners respectively. In addition, 4 temporary classrooms were purchased and attached to Khayaletu and Parkland Special schools in East London to accommodate 35 out of school Autistic learners. Planning was completed for another four Special Schools in Libode, Cradock, Fort Beaufort and Butterworth.

Strategic Objectives and Performance Measures

Programme 4: Public Special Schools						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/2017		
SO1.3 To increase access to inclusive and to education centres which offer specialised services	PPM 401 Percentage of learners with special needs in special schools retained in schools until age 16	100%	100% (9 763)	99.64% (9 728)	-0.36% (35)	The variance can be attributed to the non-submission of learner details including IDs of 35 learners to SASAMS.
SO1.4 To provide infrastructure, financial, material, human resources and Information Communications Technology to schools	PPM 402 Percentage of special schools serving as Resource Centres	24%	12% (5)	12% (5)	N/A	Target was achieved.

Strategy to Overcome Areas of Under Performance

The target for **PPM 401** of 9 763 learners was not achieved this year but 9 728 learners or 99.64% of the planned target was achieved. The variance can be attributed to the non-submission of learner details for 35 children.

PPM	Strategy to overcome under-performance
PPM 401: Percentage of learners with special needs in special schools retained in schools until age 16	<ul style="list-style-type: none"> • Advocate compliance with admission requirements at schools • Strengthen the collaboration between the Department and other Government Departments

Changes to Planned Targets

None

Linking Performance with Budgets

The information outlined below, provides a summary of the financial performance linked to the allocated budget for the year under review.

Sub-Programmes	(Over)/ Under Expenditure as per Adjusted Budget 2016/17
4.1. Special schools	2 893
4.2. Human Resource Development	601
4.3. School sport, culture and media services	2 194
4.4. Conditional Grants for OSD Therapists	(27)
Total expenditure	5 661

Sub-Programme Expenditure

Sub-Programme Name	2015/16			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
4.1. Special Schools	644 575	590 947	53 628	641 009	638 116	2 893
4.2. Human Resource Development	2 442	2 113	329	2 570	1 969	601
4.3. School sport, culture and media services	1 972	1 690	282	5 787	3 593	2 194
4.4. Conditional Grants for OSD Therapists	2 067	2 067		-	27	(27)
Total	651 056	596 817	54 239	649 366	643 705	5 661

Reasons for under or over expenditure

- Reasons for underspending by R5 661 million in this sub-programme were the non-filling of 59 vacant support and 79 professional staff posts.
- Learner Teacher Support Material (LTSM) invoices were provided late by the suppliers.
- Initially an amount of R73 022 000 was budgeted for 9 763 learners in special schools. However, an amount of R66 504 674 (91,07%) was transferred to special schools as subsidy for 9 728 (99,64%) learners instead of 9 763 (100%) learners. This variance can be attributed to the 35 learners whose identity numbers could not be verified, resulting in a variance of R 6 517 326.
- From the amount of R6 517 326 000, R5 000 000 was approved for transfer to all special schools during the budget adjustment period, for procurement of LTSM. The actual variance which is R1 517 326 (2,07%) could not be transferred to schools for 35 learners as their details could not be verified.

Human Resource Development

Reasons for underpayment in this sub- programme was due to the delay in the submission of invoices by a Service Provider.

School sport, culture and media services

The reason for underspending can be attributed to the late cancellation of planned activities for March 2017.

Conditional Grants

The reason for overspending was due to a budget misallocation. The journals for the misallocation were processed.

2.4.5. Programme 5: Early Childhood Development

Purpose

To provide Early Childhood Development (ECD) at the Grade R and Pre-Grade R in accordance with Whitepaper 5.

Sub-Programmes

Sub-Programme	Sub-Programme purpose
5.1. Grade R in Public Schools	To provide specific public ordinary schools with resources required for Grade R.
5.2. Grade R in Early Childhood Development Centres	To support Grade R at Early Childhood Development Centres.
5.3. Pre-Grade R training	To provide training and payment of stipends of Pre-Grade R Practitioners/Educators.
5.4. Human Resource Development	To provide Departmental services for the development of practitioners/educators and non-educators in Grade R at public schools and ECD centres.
5.5. Conditional Grants	To provide for projects under programme 5 specified by the Department of Basic Education and funded by conditional grants.

Strategic Goals and Objectives

Strategic Goal	Strategic Objective
SG 1: Equitable access to education and resources	SO 1.1: To improve access of children to quality Early Childhood Education (ECD)
SG 2: Quality of teaching and learning improved at all educational institutions	SO 2.1: To provide integrated quality ECD provisioning
SG 4: Organisational capacity enhanced through human resource development and talent management	SO 4.1: To develop and enhance the professional and technical capacity and performance of educators/practitioners

Key Policy Priorities

The following are key priorities of the programme:

- Universalise access to Grade R in accordance with the NDP goal of 2019.
- Improve the quality of teaching and learning in Grade R.
- Training of Pre-Grade R practitioners within the EPWP Framework.
- Strengthen inter-sectoral collaboration on the implementation of an integrated ECD Strategy.

Key Achievements

- 4 299 schools offered Grade R classes benefitting 114 521 learners. This constitutes 98% Grade R coverage in the province. These classes are taught by Grade R practitioners who receive a monthly stipend of R5 952 with effect from 1 April 2016.

- In promoting the quality of the Grade R programme, Norms and Standards Funding for Grade R were allocated at 70% of the cost of a Grade 1 per learner for the procurement of stationery, Learner Teacher Support Material (LTSM), Outdoor Equipment and Grade R furniture. It is envisaged that a well-resourced Grade R class will support and elevate curriculum delivery.
- All the schools with Grade R opened in January 2017 with Grade R classes resourced with Learners and Classroom Stationery Packs and Workbooks.
- The quintile 1 to 3 schools as well as Section 20 quintile 4 and 5 schools received 10% of the allocated funds for Operational Costs and quintile 4 and 5 section 21 schools received 100% allocation. The Department awarded a three-year contract to a service provider for manufacturing, supply and delivery of Educational Toys to schools with Grade R. This contracted service provider commenced with the distribution of the Educational Toys to Quintiles 1 to 3 schools.
- Professionalization of Grade R practitioners and professional upgrading of Grade R practitioners was prioritised through the awarding of training bursaries. Selected practitioners were provided with the opportunity to acquire an accredited NQF Level 6 qualification in Early Childhood Development; which in turn will optimize the delivery of Grade R curriculum in public schools. Thirty – one (31) practitioners out of thirty – four (34) who enrolled for B.Ed. Foundation Phase graduated in April 2017. In addition, the following training is in progress for upgrading the qualifications of Grade R practitioners:
 - The first cohort of 1 039 practitioners enrolled with SANTS for the third year of a Diploma in Grade R Teaching (ECD NQF Level 6) will complete the course in June 2017.
 - The second cohort of 1 000 practitioners enrolled for the first year of a Diploma in Grade R Teaching and will register for the second year in July 2017; and
 - Discussions are underway to register 200 practitioners with North West University.
- In advancing the quality of Pre-Grade R (Birth - 4-year age cohort), the Department intends fulfilling the mandate of the Expanded Public Works Programme (EPWP) to provide accredited NQF Level 4 training on Early Childhood Development as well as the provision of a monthly stipend, an allowance aimed at promoting Pre-Grade R practitioner attendance at training venues. The Department has awarded three-year contracts to three service providers to train Pre-Grade R practitioners of East London, King William's Town and Fort Beaufort. Training over twelve months, for a total of 90 practitioners commenced in October 2016. A bid evaluation process is underway for the remaining 20 education districts.
- Pre-Grade R practitioners, in registered sites, are trained on the content of the National Curriculum Framework (NCF) for birth to four years. In this regard, Pre-Grade R practitioners for seventeen (17) Education Districts have been trained and this training will be rolled out to the remaining six (6) districts as well as the Centre Managers in the 2017/18 financial year. Monitoring on the implementation of the NCF will be undertaken by departmental officials at both provincial and district levels.

Strategic Objectives and Performance Measures

Programme 5: Early Childhood Development						
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
SO 1.1: To improve access of children to quality Early Childhood Education (ECD)	PPM 501 Number of public schools that offer Grade R	4 347	4 400	4 299	-101	The variance is due to the closure of small unviable schools in the period under review
SO 2.1: To provide an integrated quality ECD provisioning	PPM 502 Percentage of Grade 1 learners who have received formal Grade R education	84%	80%	67%	-13%	A list of learners with valid ID numbers for Grade R in 2016 (as on 24 October) was extracted and compared to the 2017 Grade 1 learner enrolment with valid ID numbers (as on 3 April 2017). This exercise yielded a result of 67% where Grade 1 learners in 2017 matched Grade R enrolment in 2016 based on their ID numbers.
SO 4.1: To develop and enhance the professional and technical capacity and performance of educators/ practitioners	PPM 503 Percentage of employed ECD practitioners with NQF level 4 and above	0	0	0	-	Currently, Grade R practitioners are employed by their School Governing Bodies

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 501 Number of public schools that offer Grade R	Periodically review the set target as the number of schools changes due to closure of small schools
PPM 502 Percentage of Grade 1 learners who have received formal Grade R education	The Department is assisting learners to acquire Identity Documents through the Department of Home Affairs
PPM 503 Percentage of employed ECD practitioners with NQF level 4 and above	Grade R has been included in the Post Provisioning Norms.

Changes to planned targets

None

Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2016/17
5.1. Grade R in Public Schools	109 691
5.2. Grade R in Early Childhood Development Centres	-
5.3. Pre-Grade R training	20 029
5.4. Human Resource Development	779
5.5. Conditional Grants	-
Total expenditure	130 499

Sub-Programme Expenditure

Sub- Programme Name	2015/16			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
5.1. Grade R in Public Schools	530 969	456 374	74 595	557 031	447 340	109 691
5.2. Grade R in Early Childhood Development Centres	-	-	-	-	-	-
5.3. Pre-Grade R training	23 478	2 429	21 049	21 246	1 217	20 029
5.4. Human Resource Development	2 094	1 682	412	2 207	1 428	779
5.5. Conditional Grants	-	-	-	-	-	-
Total	556 541	460 485	96 056	580 484	449 985	130 499

Reasons for under or over expenditure

Underspending is due to:

- The delay in the bid evaluation process for the procurement of Jungle Gyms.
- The contract for the educational toys was awarded in the last quarter of the financial year and the contracted service provider was only able to deliver a third of the contract value. The remainder will be delivered in 2017/18.
- The bid for the provision of training for Pre–Grade R practitioners is at bid evaluation stage.

2.4.6. Programme 6: Infrastructure Development

Purpose

To provide and maintain infrastructure facilities for schools and non-schools as required by statutes.

Sub-Programmes

Sub-Programme	Sub-Programme purpose
6.1. Administration	To provide and maintain infrastructure facilities for administration
6.2. Public Ordinary Schools	To provide and maintain infrastructure facilities for Public Ordinary Schools
6.3. Special Schools	To provide and maintain infrastructure facilities for Special Schools
6.4. Early Childhood Development	To provide and maintain infrastructure facilities for Early Childhood Development

Strategic Goals and Objectives

Strategic Goal	Strategic Objective
SG 1: Equitable access to education and resources	SO 1.4: To provide infrastructure, financial, material, human resources and information communications technology (ICT) to schools.

Key Policy Priorities

The following are key priorities of the programme:

- Eradicate inappropriate and mud structures and other infrastructure of Public Ordinary Schools in line with Norms and Standards for Infrastructure.
- Ensure that all schools have basic services and meet basic safety requirements in line with the Norms and Standards.
- Provide appropriate Grade R facilities at schools in line with the Norms and Standards.
- Provide intervention in cases of disasters or emergencies.
- Monitor minor maintenance required at schools.
- Provide infrastructure in respect of the realigned schools and optimise existing infrastructure in rationalised schools.
- Provide and upgrade existing infrastructure to facilitate universal access for disabled children and youths.

Key Achievements

- Completion of the 10-year User Asset Management Plan (UAMP) as well as the 3-year outlook Infrastructure Programme Management Plan (IPMP) resulting in the province achieving a score of 81% thus qualifying for an Incentive Grant amounting to R145m additional to the baseline for 2017/18
- Achievement of project readiness for 2017/18
- Out of the 453 assessments undertaken by Department of Roads and Public Works (DRPW), 44 Site Development Plans (SDP) have been completed.
- Supplementary fencing and mobile classrooms provision commenced in earnest with Office of the Premier (OTP) allocated 181 classroom projects and Coega Development Corporation (CDC) leveraged a framework contract which commenced the delivery of 288 classrooms (108 schools) for relief on water, sanitation and classrooms for small unviable schools that have been earmarked for closure and for those schools that were inundated with requests for additional enrolments during the January school opening.

- The completion of 19 projects within the major maintenance programme.
- The completion of 147 of the targeted fencing programme, that saw the employment of 70 uncertified artisans with 574 other labour earning in excess of R 5 000 per month, specifically within the Meslani component of the programme
- The successful response to sixty-five (65) disaster projects registered during the tornado season wherein contractors were placed at such schools promptly upon receipt of the report and sites made safe for human use with subsequent repairs effected in order to minimise downtime on effective teaching and learning
- The signing of the Service Delivery Agreement (SDA) between the Water Research Commission (WRC) and the department thereby adding to the number of Implementing Agents (IA's) to activate specialisation whilst expediting the eradication of basic services backlogs
- Completion of assessments for 82 water and sanitation projects by DRPW with plans to roll these out in the first half of the 2017/18 financial year

Strategic Objectives and Performance Measures

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
<p>SO1.4 To provide infrastructure, financial, material, human resources and Information-Communications Technology to schools</p>	<p>PPM 601 Number of public ordinary schools provided with water supply</p>	123	178	77	<p>-101</p> <p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors:</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IPIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's

Programme 6: Infrastructure Development

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
						Contractors <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractors struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. Inappropriate appointment of contractors in accordance with CIDB regulations. 7. Insufficient availability of capable contractors for water supply projects.
	PPM 602 Number of public ordinary schools provided with electricity supply	42	103	10	-93	Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors (IAs): <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements.

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's Contractors
					<ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations. 7. Contractors with required qualifications not readily available.
	PPM 603 Number of public ordinary schools supplied with sanitation facilities	107	259	88	-171
					Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors (IAs):

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 11. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 12. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 13. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 14. Cash flow projections and IPIP's found generally to be inadequate 15. Inadequate project plans for each project according to IDMS requirements. 16. Insufficient Contract administration at Programme and project Management level. 17. On site supervision of projects by IA's inadequate due to professional skills gap. 18. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 19. Lack of adequate social facilitation at stake holder level. 20. Capacity constraints within the Infrastructure Directorate to supervise IA's Contractors <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE.

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. Incorrect appointment of contractors in accordance with CIDB regulations. 7. Contractors are needed to meet specific requirements to do specialized functions in sanitation such as de-sludging to adhere to health and safety requirements.
	<p>PPM 604 Number of classrooms built in public ordinary schools</p>	249	543	88	<p>-455</p> <p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors (IAs):</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA's e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IPIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap.

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's Contractors
					<ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations. 7. The lack of enough competent contractors to supply in the demand of classrooms required in the programme.
					<p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors (IAs):</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking
	PPM 605 Number of specialist rooms built in public ordinary schools	63	109	25	-84

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<p>the previous year's allocation into account.</p> <ol style="list-style-type: none"> 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IPIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's Contractors <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas.

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 6. Inappropriate appointment of contractors in accordance with CIDB regulations. 7. The lack of enough contractors that are trained for supplying specific specialized classrooms such as emergency classrooms, labs etc
					<p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors (IAs):</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level.
	PPM 606 Number of schools completed (includes replacement schools)	18	31	10	-21

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<p>10. Capacity constraints within the Infrastructure Directorate to supervise IA's Contractors</p> <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations. 7. The lack of competent contractors in the higher CIDB grading's in order to execute high risk projects in the completion of the new schools. Specially to reach the close out phase of projects.
	PPM 607 Number of new schools under construction (includes replacement schools)	5	34	19	<p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors (IAs):</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account.

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IPIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's Contractors <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations.

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					7. The lack of competent contractors in the higher CIDB grading's in order to execute high risk projects in the supply of new schools.
					Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors: (IAs); 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IIP's found generally to be inadequate. 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's
	PPM 608 Number of Grade R classrooms built	61	93	17	-76

Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<p>Contractors</p> <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations.

	<p>PPM 609 Number of hostels built</p>	3	3	1	-2	<p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors:</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IPIP's found generally to be inadequate 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level. 7. On site supervision of projects by IA's inadequate due to professional skills gap. 8. Insufficient verification of project design processes due to scarcity of critical skills at IA level. 9. Lack of adequate social facilitation at stake holder level. 10. Capacity constraints within the Infrastructure Directorate to supervise IA's <p>(Contractors)</p> <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE.
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Programme 6: Infrastructure Development					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
					<ol style="list-style-type: none"> 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations. 7. There is a challenge to obtain specialized equipment from suppliers, such as boilers and kitchen equipment in the time frames set out in the contracts.
	<p>PPM 610 Number of schools undergoing scheduled maintenance</p>	26	33	23	<p>-10</p> <p>Multiple reasons can be provided for the inadequate performance by Implementing Agents and contractors:</p> <ol style="list-style-type: none"> 1. Implementing Agents have insufficient, experienced capacity to fulfil their mandate. 2. Over allocation of projects to IA in accordance to their capacity, not taking the previous year's allocation into account. 3. Unplanned emergency projects allocated to IA' e.g. water, sanitation, fencing and emergency classrooms. 4. Cash flow projections and IPIP's found generally to be inadequate. 5. Inadequate project plans for each project according to IDMS requirements. 6. Insufficient Contract administration at Programme and project Management level.

Programme 6: Infrastructure Development

Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Variance	Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17		
						<p>7. On site supervision of projects by IA's inadequate due to professional skills gap.</p> <p>8. Insufficient verification of project design processes due to scarcity of critical skills at IA level.</p> <p>9. Lack of adequate social facilitation at stake holder level.</p> <p>10. Capacity constraints within the Infrastructure Directorate to supervise IA's</p> <p>(Contractors)</p> <ol style="list-style-type: none"> 1. The construction industry lacks competent contractors at critical grades in the province. 2. Contractor struggle to meet cash flow demands on projects. 3. Late payment of invoices submitted to DoE. 4. Contractors appointed to areas outside of their geographical location of business. 5. Large contractors sub-contracting to smaller contractors from other geographical areas. 6. In appropriate appointment of contractors in accordance with CIDB regulations. 7. There is an over allocation of projects awarded to contractors due to the shortage of competent service providers.

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 601 Number of public ordinary schools provided with water supply	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 602 Number of public ordinary schools provided with electricity supply	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 603 Number of public ordinary schools supplied with sanitation facilities	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 604 Number of classrooms built in public ordinary schools	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 605 Number of specialist rooms built in public ordinary schools	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 606 Number of schools completed (includes replacement schools)	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 607 Number of new schools under construction (includes replacement schools)	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 608 Number of Grade R classrooms built	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 609 Number of hostels built	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.
PPM 610 Number of schools undergoing scheduled maintenance	Prior-demonstration of capacity by contractors will form part of functionality at tender stage. Implementing Agents will also demonstrate their capacity to delivery at contracting stage by a risk response plan.

Changes to planned targets

None

Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2016/17
6.1. Administration	16 809
6.2. Public Ordinary Schools	(108 613)
6.3. Special Schools	6 016
6.4. Early Childhood Development	135 641
Total expenditure	49 853

There was under spending on Buildings and other fixed structures due to delays in contractor performance and the poor performance of Implementing Agents. The under spending on Infrastructure was R85 668 million, of which R82 768 million was for the Payments for Capital Assets. The underspending was due to delays in processing of invoices which were received late.

Sub-Programme Expenditure

Sub-Programme Name	2015/16			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Adjusted Appropriation	Estimated Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
6.1. Administration	30 800	24 709	6 091	30 967	14 158	16 809
6.2. Public Ordinary Schools	1 202 527	1 280 881	(78 354)	1 352 136	1 460 749	(108 613)
6.3. Special Schools	70 864	56 023	14 841	75 435	69 419	6 016
6.4. Early Childhood Development	144 014	86 592	57 422	220 955	85 314	135 641
Total	1 448 205	1 448 205	-	1 679 493	1 629 640	49 853

Reasons for under or over-expenditure

The COE underspend by R13 534 million is due to difficulties recruiting appropriate personnel as required by the Grant. The over expenditure of R10 811 million in Goods and Services is due to invoices paid for emergency disaster interventions in Public schools which were not budgeted for.

2.4.7. Programme 7: Examinations and Education Related Services

Purpose

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

Sub-Programmes

Sub-Programme	Sub-Programme purpose
7.1. Payments to SETA	To provide employee HRD in accordance with the Skills Development Act.
7.2. Professional Services	To provide educators and learners in schools with Departmentally managed support services.
7.3. External Examinations	To provide for Departmentally managed examination services and assessment.
7.4. Special Projects	To provide for special Departmentally managed intervention projects in the education system as a whole.
7.5. Conditional grant	<p><i>Conditional Grant Projects</i></p> <p>To provide for projects specified by the Department of Basic Education that are applicable to more than one programme and funded from conditional grants:</p> <ul style="list-style-type: none"> To enhance the protection offered by schools to prevent and mitigate the impact of HIV. To increase knowledge, skill and confidence amongst learners and educators to take self-appropriate sexual and reproductive health decisions. To increase access to sexual and reproductive health services including HIV services for learners and educators.

Strategic Goals and Objectives

Strategic Goal	Strategic Objective
SG 1: Equitable access to education and resources	SO 1.2: Increase access to education in public ordinary schools.
SG 2: Improve quality of teaching and learning at all educational Institutions.	SO 2.2: To increase the percentage of Grade 3, 6 and 9 learners performing at required levels in Languages and Mathematics.
	SO 2.3: To increase the number of Grade 12 learners who become eligible for a bachelor programme at a University.
	SO 2.4: To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences.

Key Policy Priorities

The following are key priorities of the programme:

- To provide education institutions as a whole with examination and education related services.
- The planning, monitoring, implementation and support of teaching, learning and assessment policies and programmes in schools.
- The development and promotion of indigenous languages.
- The achievement of acceptable levels of competence in reading, writing and calculating by learners and strengthen the implementation of the Language across the Curriculum Strategy.
- To improve performance in Mathematics and Sciences from Grade R-12.
- To provide a credible, departmentally managed examination and assessment service in all schools.
- Improvement Plan Framework to guide customized Subject Improvement Plans.
- The implementation of CAPS through the monitoring of improved Curriculum coverage.
- Address Content Gaps from analysis of results.
- Focus on utilisation of workbooks.
- Sustain the functionality of Subject Committees with special focus on Subject Improvement Plans, and Teacher Development 'How I Teach' Lesson Plans, Common Tests, Formal Assessment Tasks and co-curricular events.
- Dedicated support to under-performing schools.
- Mathematics in the Senior Phase through the monitoring and support of 1+4 Senior Phase Mathematics Model.
- Intensify adherence to the implementation of National School Based Assessment policies and regulations.
- Advocate and monitor the implementation of the policy and regulations on progression and promotion from Grade R-12.
- Intensify the analysis of Learner Performance results from Grades 1 to 12 in order to provide the schooling sector with timely information to design appropriate feedback and interventions for improvement.

Key Achievements

The following outputs for this program were recorded at the end of 2016/17:

- Improvement of NSC Grade 12 results in 2016 by 2.5% from 56, 8% in 2015 to 59,3% in 2016.
- Number of Bachelor passes improved from 15 291 in 2015 to 15 564 in 2016, an increase by 363 bachelors. This represents an increase from 17, 6% in 2015 to 18,9% in 2016.
- The NSC in all three clusters improved in 2016 compared to 2015. Cluster A improved from 51, 5% to 54, 4%; Cluster B from 55% to 57,9% and Cluster C from 62,7% to 65,1%.
- Out of the 38 subjects written in 2016 in NSC only 10 experienced a decline when compared with 2015. Eight of the high enrolment subjects improved.
- Distinction passes in various subjects increased from 12 422 in 2015 to 12 718 in 2016, an increase of 296 (2,3%). This is the highest number of distinctions achieved since the advent of NSC in 2008.
- There was focussed support of the 560 viable high schools in 2016 and steady improvements in these schools were recorded.
- In 313 (55%) of the 560 schools results showed improvement year on year (2015-2016) and in four schools, results remained the same year on year (2015-2016).
- Supplied and mediated Maths kits for Grade 4-7 MST Grant schools
- Conducted error and misconceptions workshop for 352 teachers during March and July school holidays (2016): roll-out in 23 districts to be completed in 2017
- Collaborated with Rhodes University and Publishers (Oxford, Pearson & MacMillan) in training content (Measurement, 3D and 2D shapes, Integers, Exponents and Algebraic Expressions) to teachers in 4 districts with no Subject Advisors.

- Conducted Mental Maths Quiz for Grade 6 and 7 in all districts culminating in provincial level competition.
- Held and monitored 1+4 Programme in all districts with pre- and post-tests conducted in 8 districts
- Implemented Care and Support for Teaching and Learning Framework and Integrated School Health Programme in 825 schools.
- Soul Buddies and Rise Young Woman's Clubs were sustained through the reporting period.
- Capacity building of educators on CSTL and CSE (Integration) and training of SGBs on Policies (HIV and AIDS, STIs and TB and ISHP) were conducted.
- Safe Circumcision training and learner camps were held.
- Conducted training of educators on the Prevention, Care, Treatment and Access (PCTA) Programme and the provision of age appropriate and CAPS compliant LTSM.

Strategic Objectives

Programme 7: Examinations and Education Related Services					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
SO 2.1 To increase to education in public ordinary schools	PPM 701 Percentage of learners who passed National Senior Certificate (NSC)	56.8%	75%	59.3%	-15.7%
	SO 2.3 To increase the number of Grade 12 learners who become eligible for a Bachelors Program at a university	17.4%	25%	18.3%	-6.7%
SO 2.4 To increase the number of Grade 12 learners who pass Mathematics and Physical Sciences	PPM 703 Percentage of Grade 12 learners achieving 50% or more in Mathematics	12.8%	35%	12.8%	-22.2%
	PPM 704 Percentage of Grade 12 learners achieving 50% or more in Physical Sciences	13.8%	35%	15.9%	-19.1%
SO 2.2 To increase the percentage of Grade 3, 6 and 9 learners performing at required levels in Language and Mathematics	PPM 705 Percentage of Grade 3 learners achieving 50% and above in Home Languages in the Annual National Assessment (ANA)	-	62%	0	-
	PPM 706 Percentage of Grade 3 learners achieving 50% and above in	-	62%	0	-

Programme 7: Examinations and Education Related Services					
Strategic Objective	Programme Performance Measure (PPM)	Baseline (Actual Output 2015/16)	Actual Performance against Target		Reason for Variance
			Planned Target 2016/17	Actual Achievement 2016/17	
	Mathematics in the Annual National Assessment (ANA) PPM 707		60%	0	
	Percentage of Grade 6 learners achieving 50% and above in Home Languages in the Annual National Assessment (ANA) PPM 708	-	55%	0	The writing of ANA is under review by the Department of Basic Education. Therefore, reporting is not possible.
	Percentage of Grade 6 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA) PPM 709	-	45%	0	The writing of ANA is under review by the Department of Basic Education. Therefore, reporting is not possible.
	Percentage of Grade 9 learners achieving 50% and above in Home Languages in the Annual National Assessment (ANA) PPM 710	-	50%	0	The writing of ANA is under review by the Department of Basic Education. Therefore, reporting is not possible.

Strategy to overcome areas of under-performance

In order to address the identified challenges, the following strategies will be implemented:

PPM	Strategy to overcome under-performance
PPM 701 Percentage of learners who passed National Senior Certificate (NSC)	<ul style="list-style-type: none"> The implementation of a refined sustainable learner intervention strategy for Grade 10-12 will be implemented from 2017 for the next three years. Provision of teachers and LTSM on time. The appointment of subject advisors and circuit managers is being prioritised. Partnership programmes to provide teachers with support. The use of ICT, telematics centres, Smart Classrooms and the use of MST Grant to provide additional resources to schools for mathematics, science and technology subjects. The implementation of the curriculum streams guideline as well as realignment and closure of small and unviable schools.
PPM 702 Percentage of Grade 12 learners passing at bachelor level	
PPM 703 Percentage of Grade 12 learners achieving 50% or more in Mathematics	
PPM 704 Percentage of Grade 12 learners achieving 50% or more in Physical Sciences	

Changes to planned targets

None

Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2016/17
7.1. Payments to SETA	-
7.2. Professional Services	3 797
7.3. Special Projects	(178)
7.4. External Examinations	(55 730)
7.5. Conditional grant	888
Total expenditure	(51 223)

Sub-Programme Expenditure

The Sub-programme expenditure is found in the table below:

Sub- Programme Name	2015/16			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
7.1. Payments to SETA	92 705	92 315	390	59 662	59 662	-
7.2. Professional Services	33 425	30 032	3 393	39 773	35 976	3 797
7.3. Special Projects	1 302	1 216	86	1 783	1 961	(178)
7.4. External Examinations	306 284	310 553	(4 269)	310 831	366 561	(55 730)
7.5. Conditional grant	35 731	35 331	400	39 591	38 703	888
Total	469 447	469 447	-	451 640	502 863	(51 223)

Reasons for under or over expenditure

The programme overspent by R51 223 million. Sub-programme 7.4 (External Examinations) overspent by R55 730 million as a result of the increased number of NSC candidates and exam centres which were not in the baseline and the consequent increase in the number of exam assistants and officials from head office and districts.

2.5. Transfer Payments

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

Name of transferee	Type of organization	Purpose for which the funds were used	Did the Department comply with s38 (1) (i) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
MEC	Gifts and donations	Discretionary Fund	Yes	131	115	All activities implemented. The amount remaining is regarded as savings
Public Ordinary Schools	No fee schools	Non-personnel allocation towards the resourcing and/or operational costs in Public Ordinary Schools	Yes	1 989 323	2 028 386	N/A
National School Nutrition Programme Conditional Grant	Non Profit Institutions	To provide nutritious meals to targeted learners	Yes	1 085 184	999 890	Non-validated learners in the systems due to unavailability of IDs and non-filing of posts for 8 monitors
Independent School Subsidies	Non Profit Institutions	To provide funds to qualifying Independent schools according to Norms and Standards for school funding to support the provisioning of goods and services required for education in those schools.	Yes	120 000	119 985	1 school Science College International in Mthatha – not paid due to non-compliance with policy prescriptions
Public Special Schools	Non Profit Institutions	Funds transferred for purposes of assisting disabled learners to access curriculum. To assist in the provision of welfare of disabled learners in the hostel. To assist in the provision of welfare of disabled learners in the hostel. Funds are also transferred for purposes of payment of municipal bills. Funds are also transferred to make provision for contingencies with regard to facilities for learners in need of care	Yes	69 569	62 282	Underspending on Non-Profit Institutions is attributed to inaccurate banking details provided by some schools and unvalidated learners due to verification of learner Identity Documents
Early Childhood Development	Non Profit Institutions	Non personnel allocation towards the operational costs of Grade R classes in Public Ordinary Schools	Yes	18 517	13 274	Underspending in Pre-Grade R attributed to delays in finalizing the bid to provide accredited NQF Level 4 training
Payment to ETDP SETA for training	Departmental Agencies and Accounts	To provide employee HRD in accordance with the Skills Development Act	Yes	59 662	59 662	N/A

Name of transferee	Type of organization	Purpose for which the funds were used	Did the Department comply with s38 (1) (i) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Examination Marking Centres	Marking Centres	To provide funds to the selected Section 21 schools that will be used as marking venues and provide accommodation, meals and administrative support to the marking process of National Senior Certificate(NSC) and Senior Certificate(SC) Grade 12 and Abet level 4 examination written scripts.	Yes	33 369	33 593	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2016 to 31 March 2017, but no transfer payments were made

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount budgeted for	Amount transferred (R'000)	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A	N/A

2.6. Conditional Grants

The tables below, describes each of the conditional grants and earmarked funds.

2.6.1. Conditional Grant 1: Mathematics, Science and Technology (MST) Conditional Grant

Department/ Municipality to whom the grant has been	Eastern Cape Department of Education - MST
Purpose of the grant	<ul style="list-style-type: none"> To provide support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools To improve the achievement of learner participation and success rates, teacher demand, supply, utilisation, development and support, school resourcing and partnerships, consistent with targets set in the Action Plan 2019 and the NDP
Expected outputs of the grant	<p>The grant seeks to achieve its purpose by providing the following outputs during the financial period under review:</p> <ul style="list-style-type: none"> Information, Communication and Technology (ICT) resources Workshop Equipment, Machinery and Tools Laboratories and workshop equipment, apparatus and consumables Learner Support Teacher Support
Actual outputs achieved	<p>Information, Communication and Technology (ICT) resources:</p> <ul style="list-style-type: none"> Provided 35 mobile ICT trolleys to 30 Senior Secondary schools and 5 primary schools. The components of each trolley are 30 laptops for learners, 1 teacher laptop, portable data projector, server, printer, network and wireless including firewall. In all 1050 laptops were supplied to MST Grant schools. 30 senior secondary schools received Mathematics, Life and Physical Sciences software for Grades 10-12. The software contains content, virtual laboratory and question banks. Provided smart classrooms to 8 senior secondary schools. In each school, 9 classrooms were turned into smart classrooms by installing interactive devices and each classroom was supplied with a teacher laptop, data projector, server with rack, router, wireless access point, firewall and 3G connectivity. <p>Workshop Equipment, Machinery and Tools:</p> <ul style="list-style-type: none"> 5 Technical High Schools were provided with workshop equipment, machinery, tools and consumables for Civil Technology. The names of the schools are: Dalibunga Comprehensive High School (Libode), Mqikela SSS (Lusikisiki), Smuts Ndamase SSS (Libode), Moshesh SSS (Maluti) and Phumelele Commercial Technical High School (Maluti). 4 Technical High Schools were provided with workshop equipment, machinery, tools and consumables for Electrical Technology. The names of the schools are: Alphandale Comprehensive High School (East London), Kusile Comprehensive High School (East London), Mqikela SSS (Lusikisiki) and Phumelele Commercial Technical High School (Maluti). <p>Laboratories and workshop equipment, apparatus and consumables:</p> <ul style="list-style-type: none"> 60 Technology kits (Electricity and Electronics) were provided to MST Grant schools (Grades 8 and 9). Provided 20 senior secondary schools with Physical Sciences FET kits. The kits are comprised of apparatus, equipment and consumables covering the grade 10-12 curriculum. Provided Natural Science electricity kits to 180 schools which participated in teacher training on Energy and Change. Provided senior phase Technology Electricity kits for 60 schools. Provided 15 Technical Science kits to MST Technical High schools.

Department/ Municipality to whom the grant has been	Eastern Cape Department of Education - MST
Purpose of the grant	<ul style="list-style-type: none"> To provide support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools To improve the achievement of learner participation and success rates, teacher demand, supply, utilisation, development and support, school resourcing and partnerships, consistent with targets set in the Action Plan 2019 and the NDP
Expected outputs of the grant	<p>The grant seeks to achieve its purpose by providing the following outputs during the financial period under review:</p> <ul style="list-style-type: none"> Information, Communication and Technology (ICT) resources Workshop Equipment, Machinery and Tools Laboratories and workshop equipment, apparatus and consumables Learner Support Teacher Support
Actual outputs achieved (continued)	<p>Learner Support:</p> <ul style="list-style-type: none"> 46 learners and 76 teachers attended the Provincial Grades 6 and 7 Mental Maths competition. Provided 6 000 Mathematics Answer Series learner study guides for Grade 9 to support teaching and learning and improve learner attainment in the subject. The study guides were distributed to MST Grant schools. Provided 4 500 Learner Mathematics instrument boxes to 91 MST Grant schools. Astroquiz- 260 grade 7 learners, 69 teachers and 107 officials attended the Regional Competition in 4 centres: Alice, Queenstown, Mt Frere and Uitenhage on 22 July 216. National Science Week- 423 learners, 12 teachers and 33 officials attended the Provincial launch of the NSW in Ugie on 10 August 2016. Ithemba Lab from Cape Town conducted demonstrations on science projects and experiments. The learners were transported and provided with food packs by the Provincial Department of Education Eskom Expo for Young Scientists- 364 learners, 80 adjudicators, 40 teachers and 12 officials attended the regional competitions in Mthatha and East London on 12 and 19 August 2016. Science clubs- 156 grade 9 learners, 34 teachers and 31 officials attended the science clubs workshop in East London on 24-25 August 2016. The facilitators were from the South African Astronomy Observatory (SAAO). The learners were transported and accommodated by the Provincial Department of Education. Specific training and orientation for teachers and subject advisors in subject content and teaching methodologies on CAPS for Electrical, Civil and Mechanical Technology, Technical Mathematics, and Technical Sciences. Targeted training in teaching methodologies and subject content for Mathematics, Physical, Life, Natural and Agricultural Sciences, Technology, Computer Applications Technology, Information Technology, Agricultural Management and Technology subjects. Teacher training on 1+4 intervention model. Training and support in integrating ICT in the learning and teaching environment. <p>Workshop equipment, machinery and tools:</p> <ul style="list-style-type: none"> Provided Electrical Technology workshop equipment, machinery, tools and consumables to Aphendale SSS, East London. <p>Laboratories and workshop equipment, apparatus and consumables:</p> <ul style="list-style-type: none"> Provided 25 senior secondary schools with Life Science FET kits. The kits are comprised of apparatus, equipment and consumables covering Grade 10-12 curriculum. Provided Grades 7-9 Technology tool kits for 30 MST Grant schools. 91 MST Grant schools were provided with Mathematical instrument boxes
Amount per amended DoRA	<p>Original Allocation per DORA : R 46 898 000 Adjustment : R 8 473 000 Roll-over : R 3 970 000 Total budget allocation : R 59 341 000</p>

Department/ Municipality to whom the grant has been	Eastern Cape Department of Education - MST
Purpose of the grant	<ul style="list-style-type: none"> • To provide support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools • To improve the achievement of learner participation and success rates, teacher demand, supply, utilisation, development and support, school resourcing and partnerships, consistent with targets set in the Action Plan 2019 and the NDP
Expected outputs of the grant	<p>The grant seeks to achieve its purpose by providing the following outputs during the financial period under review:</p> <ul style="list-style-type: none"> • Information, Communication and Technology (ICT) resources • Workshop Equipment, Machinery and Tools • Laboratories and workshop equipment, apparatus and consumables • Learner Support • Teacher Support
Amount transferred (R'000)	R 59 341
Reasons if amount as per DoRA not transferred	N/A
Reasons for the funds unspent by the entity	The full budget could not be spent because the banking details of two service providers for Mathematics and Science Olympiads were inactive in the Eastern Cape Province according to Supply Chain Management. The two service providers were the South African Mathematics Foundation (SAMF) and the South African Association for the Science and Technology Advancement (SAASTE)
Monitoring mechanism by the transferring department	<p>The following monitoring mechanisms were carried out by the Department:</p> <ul style="list-style-type: none"> • Monthly FINCOM reports • Quarterly reports • Annual Performance Evaluation reports • School support visits to monitor and support implementation of the MST Conditional Grant • Principals' meetings • Regular management meetings with the Chief Director: Curriculum Management to track spending of grant funds

2.6.2. Conditional Grant 2: National School Nutrition

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education – National School Nutrition
Purpose of the grant	To provide nutritious meals to targeted learners
Expected outputs of the grant	1 752 069 learners in 5 336 schools
Actual outputs achieved	Nutritious meals served to 1 579 570 learners in 5 192 Public Ordinary Schools and targeted Special Schools.
Amount per amended DoRA (R'000)	R1 085 184
Amount transferred (R'000)	R1 085 181
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality	R999 890
Reasons for the funds unspent by the entity	Learners without valid IDs were not funded. Rationalization or closure of small schools impacted on spending. Non-advertisement of posts.
Monitoring mechanism by the transferring department	Physical visits to Districts and Schools through Blitz Monitoring as well as convening of Accountability Meetings with Districts on a quarterly basis

2.6.3. Conditional Grant 3: Infrastructure Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education – Infrastructure Grant
Purpose of the grant	To provide goods and services required for: <ul style="list-style-type: none"> Public Ordinary schools (mainstream and full service) infrastructure development Special schools infrastructure development and maintenance ECD infrastructure development and maintenance Provide adequate basic services such as water, sanitation and electricity Systematically eliminate the backlog in classroom accommodation Development of infrastructure for the re-alignment and rationalisation of public ordinary schools Intensify efforts towards providing infrastructure facilities that ensure all schools have safe environments for all children
Expected outputs of the grant	<ul style="list-style-type: none"> Provision of water supply for the targeted 165 public ordinary schools Provision of electricity supply for the targeted 95 public ordinary schools Provision of sanitation facilities for the targeted 246 public ordinary schools Provision of classrooms for the targeted 509 public ordinary schools Provision of specialist rooms for the targeted 83 public ordinary schools Provision of Grade R classrooms for targeted 84 public ordinary schools Refurbishment to a targeted 21 public ordinary schools
Actual outputs achieved	<ul style="list-style-type: none"> 77 public ordinary schools were supplied with water 10 public ordinary schools were supplied with electricity 88 public ordinary schools were supplied with adequate sanitation 88 classrooms were built at public ordinary schools 24 specialist rooms were built at public ordinary schools 10 new schools were completed and ready for occupation for in Public Ordinary schools including replacement schools 30 new schools were under construction in public ordinary schools including replacement schools 19 Grade R classrooms in public ordinary schools 1 Hostel was built at a public ordinary schools 23 public ordinary schools received scheduled maintenance
Amount per amended DoRA (R'000)	R 1 505 088
Amount transferred (R'000)	R 1 505 088
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality	R1 505 088
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Monthly submission of Infrastructure Reporting Module (IRM) Implementation of programme governance mechanisms fully Dedicated programme managers acquired through the HR capacitation of the grant

2.6.4. Conditional Grant 4: HIV/AIDS Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education – HIV/AIDS Grant
Purpose of the grant	<ul style="list-style-type: none"> To support South Africa's HIV prevention strategy by increasing sexual and reproductive knowledge, skills and appropriate decision-making amongst learners and educators. To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators. To ensure the provision of a safe, rights based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse. To reduce the vulnerability of children to HIV, TB and STI infection, with a particular focus on orphaned and vulnerable children.
Expected outputs of the grant	<ul style="list-style-type: none"> Number of schools receiving support through implementation of CSTL Number of schools with functional Peer Education Programme. Number of teachers to be trained in Sexual and Reproductive Health. Number of schools to receive appropriate HIV and AIDS, TB and Life skills LTSM in the planned financial year.
Actual Outputs	<ul style="list-style-type: none"> 354 Life Orientation Educators reached through Comprehensive Sexuality Education 399 Principals oriented on Care and Support for Teaching and Learning 400 LSA and 46 Supervisors trained for the support of OVC 398 Educators trained on First Aid and Provisioning of First Aid kits Successful training of 118 Educators and 18 Monitors from High Risk areas on Safe Circumcision – Mentorship / Boys Clubs Training of Educators on Safe Circumcision Learner Leadership conference (560 RCLs from “priority schools”, 240 district and head office officials and social partners) 210 learners attended Peer Education learner camps Implemented Care and Support for Teaching and Learning Framework and Integrated School Health Programme in 825 schools: A total of 1 660 Orphan-vulnerable children identified: <ul style="list-style-type: none"> 139 cases that were referred and followed up 244 Learners received Birth Certificates 669 Learners received Identity Documents 56 Learners received grants 526 Learners received school uniforms 226 Learners received clothing items Monitoring, support and capacity building of LSA and Social Worker Interns. Soul Buddies and Rise Young Woman’s Clubs were sustained through the reporting period. Training of educators on CSTL and CSE (Integration) was conducted. Safe Circumcision training and learner camps were held. Provision of age appropriate and CAPS compliant LTSM
Amount per amended DORA (R'000)	R 39 591
Amount transferred (R'000)	R 39 591
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R 38 703
Transfers made as scheduled?	Yes
Was any portion of the grant retained?	No

2.6.5.1. Conditional Grant 5.1: EPWP Grants - Integrated Incentive Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education - EPWP Grants – Integrated Incentive Grant
Purpose of the grant	Aims to support national building through involving young people in delivery of crucial government services and through this to enable these young people to acquire and apply skills and values to access economic opportunities upon completion of the programme and to continue to engage with community activities and social processes.
Expected outputs of the grant	<ul style="list-style-type: none"> • To develop the skills, knowledge and ability of young people to enable them to transition to adulthood. • To improve youth employment through opportunities for work experience, skills development and support to gain access to economic and further learning opportunities.
Actual outputs achieved	102 job opportunities created
Amount per amended DoRA (R'000)	R 2 144
Amount transferred (R'000)	R 2 144
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 993
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	<p>The following was carried out by the department:</p> <ul style="list-style-type: none"> • Fincom reports • Narrative and Quarterly reports • Evaluation Report

2.6.5.2. Conditional Grant 5.2: EPWP Grants - Social Sector Incentive Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education - EPWP Grants - Social Sector Incentive Grant
Purpose of the grant	To incentivise Provincial Social Sector Department identified in 2014 Social Sector EPWP log frame. To increase work opportunities by focusing on the strengthening and expansion of Social Sector programmes that have employment potential.
Expected outputs of the grant	Increased number of EPWP Participants receiving stipends from the Grant.
Actual outputs achieved	<ul style="list-style-type: none"> • 414 work opportunities created. • Received 2 Provincial Kamoso Awards on Best SNP and Special Needs employing more participants with disability. • Training of 21 Hostel cleaners on Health and Safety (accredited). • 21 participants were permanently employed by the Department.
Amount per amended DoRA (R'000)	N/A
Amount transferred (R'000)	R 10 160
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R19 871
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	<p>The following was carried out by the department:</p> <ul style="list-style-type: none"> • Fincom reports • Narrative and Quarterly reports • Evaluation reports

2.7. Donor Funds

Donor Funds Received

Name of donor	Amount donated	Reason for donation
N/A		
Name of donor	N/A	
Full amount of the funding	N/A	
Period of the commitment	N/A	
Purpose of the funding	N/A	
Expected outputs	N/A	
Actual outputs achieved	N/A	
Amount received in current period (R'000)	N/A	
Amount spent by the department (R'000)	N/A	
Reasons for the funds unspent	N/A	
Monitoring mechanism by the donor	N/A	

No donor funding was recorded for the period under review.

2.8. Capital Investment

Capital Investment Maintenance and Asset Management Plan

Introduction

The infrastructure programme supports the department to ensure proper infrastructure for quality teaching and learning. This entails planning, delivery and monitoring of construction and maintenance projects in all the 5 335 schools in the Eastern Cape Province.

The primary objective of the programme is to provide facilities in such a manner that the delivery process is consistent with these goals and in accordance with the Infrastructure Delivery Management System (IDMS).

The Department's performance during the 2016/17 financial year was characterised by the following:

- Restructuring the effects of previous budget cuts as a result of poor performance with particular focus on overburdening of the project list with roll over projects.
- Inducting newly recruited personnel (professionals and works inspectors etc.) and acquainting them with the system at the shortest possible time.
- Efforts to re-align schools with the primary and secondary streams. There are still 1 769 Combined Schools in the Province, mainly in the former Transkei region.
- Efforts to decisively deal with disasters which were published in the 2015/16 APP.
- Managing problematic projects, and expediting final accounts and close out processes.
- Pursuance of the achievement of the targets set for the deadline of 29th November 2016 set for the Norms and Standards for public school infrastructure especially the backlog in basic services at schools.
- Construction of targeted hostels.

Achievements

With the challenges of the previous financial year having been put aside, the programme achieved the following:

- Instituting a culture of progressive programme and project management by Implementing Agents.
- Completion of the 10-year User Asset Management Plan (UAMP) as well as the 3-year outlook Infrastructure Programme Management Plan (IPMP). This resulted in the province achieving a score of 81% thus qualifying for an Incentive Grant amounting to R145m additional to the baseline for 2017/18.
- Achievement of project readiness for 2017/18. 453 assessments were undertaken by the Department of Roads and Public Works (DRPW) including 44 Site Development Plans (SDP) completed.
- Supplementary fencing and mobile classroom provision was commenced in earnest with the Office of the Premier (OTP) allocated 181 classroom projects while Coega Development Corporation (CDC) leveraged a framework contract which commenced the delivery of 288 classrooms (108 schools) for relief on water, sanitation and classrooms for small unviable schools that have been earmarked for closure, as well as those schools that were inundated with requests for additional enrolment during January 2017.
- The completion of 19 projects within the major maintenance programme. The completion of 147 of the targeted fencing programmes, that saw the employment of 70 uncertified artisans and 574 non-skilled labour earning in excess of R 5 000 per month, specifically within the Meslani component of the programme.

- The response to sixty-five (65) disaster projects registered during the tornado season wherein contractors were placed at such schools promptly upon receipt of the reports and sites made safe for human use with subsequent repairs effected in order to minimise disruption of teaching and learning.
- The signing of the Service Delivery Agreement (SDA) between the Water Research Commission (WRC) and the Department being concluded thereby adding to the number of Implementing Agents (IA's) to activate specialisation whilst expediting the eradication of basic services backlogs.
- Completion of assessments for 82 water and sanitation projects by DRPW with plans to complete these in the first half of the 2017/18 financial year.

Capital investment

During 2016/17 financial year, 1 113 projects were approved in the provincial budget process.

This however comprised of one-line budget item for clustered projects entailing the following categories and projects therein:

- ECD: 23 schools
- Emergency maintenance and disasters: 557
- Fencing: 79 schools
- Major maintenance projects: 23
- During the financial year the Honourable MEC resolved to gazette 1902 schools that have been earmarked for closure. While consultations ensue for such closure, the imperative for quality teaching and learning continues. As a result of this, the programme was requested to erect mobile classrooms, sanitation and fencing in 107 such schools which had been found to be operating in facilities that do not comply with the minimum standards.

A summary of the infrastructure projects planned for 2016/17 can be found below:

Infrastructure Projects	2015/16			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	1 113 469	1 120 057	(6 588)	716 120	615 372	100 748
Upgrades and additions	41 719	73 720	(32 001)	42 017	55 711	(13 694)
Rehabilitation, renovations and refurbishments	294 153	213 407	80 746	191 892	99 887	92 005
Maintenance and repairs	230 152	222 456	7 696	480 929	677 236	(196 307)
Infrastructure Transfers	-	-		17 248	-	17 248
Total	1 679 493	1 629 640	49 853	1 448 205	1 448 205	-

The overall expenditure has been registered at 97% of the final adjusted budget.

It is pleasing to see that the department has been able to spend 100% of the Education Infrastructure Grant for the past 2 years (2015/16 and 2016/17). This trend is foreseen to continue.

With regards to expenditure on the equitable share, the shortfall within this amount is due to the slow pace that was experienced in ensuring the priority hostels enter construction stage from planning

majority of the time-lag was getting this through procurement due to the size of the respective projects, further the adjusted budget increasing equitable share without the respective projects on the ground. Further the Department has under-spent against its final budget allocation. There are a number of reasons for this, but by and large the main contributors have been:

- Inability of PIA's to meet their expenditure projections, or alternatively submitting overly optimistic projections
- Procurement delays, including replacement of defaulting contractors
- Delay in payments resulting in contractors leaving sites.
- Under-performance by contractors

This resulted in significant under-expenditure on Rehabilitation, renovations and refurbishments. This was as a result of planning delays, both in terms of scope of work and land related issues (ownership, sub-division, etc.) relating to the hostels. These schools are large projects, each with a substantial budget; hence a delay on a particular project has a significant effect on the expenditure within this sub-programme. The consequence is that the projected expenditure has had to be re-allocated to other projects, under upgrades and additions.

The expenditure was registered at 97% of the final adjusted budget. The under-spending will be mitigated as 2 of the 5 projects were moved from being in the tender stage. These are:

- Healdtown Comprehensive school
- Thubalethu S School

The other 3 schools namely Hillside, Makaula and Riebeek East were allocated to DBSA for implementation; these further were broken up into phases to ensure the prompter implementation.

Maintenance

The programme continues to fund the schools-based day-to-day maintenance as well as planned maintenance. The following is an account of each category.

School-based maintenance

The recruitment of works inspectors ensured that the day-to-day maintenance of Section 21 schools and head office was completed. School-based maintenance for Section 20 schools has commenced. An amount of R235 per learner was transferred to each school (20% of the per capita R1177 or R314m apportioned to all schools). The Department also further implemented project monitoring tools to ensure that value for money was obtained.

Water and Sanitation Maintenance

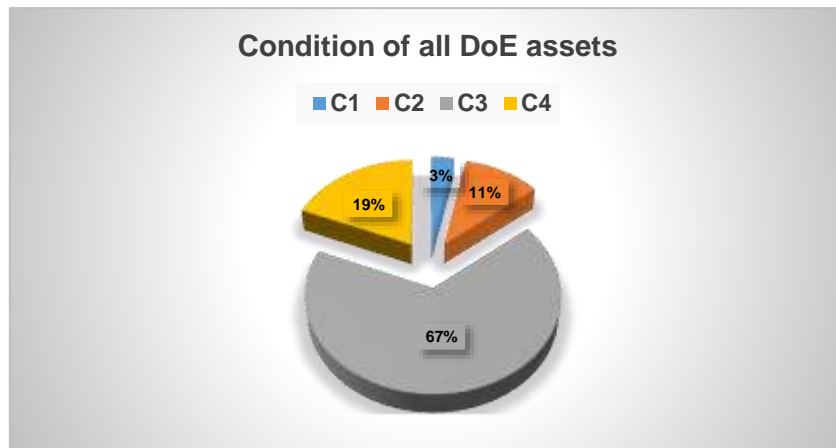
The deadline for the three-year milestone for water and sanitation compliance with the Minimum Uniform Norms and Standards for Public School Infrastructure was November 2016. Absolute compliance was not obtainable within 2016/17. There are 7 schools without water nor sanitation, 810 with pit latrines and 30 requiring electricity.

However, since the identification of schools lacking basic services, 199 schools were closed, or are pending closure, due to their enrolment numbers having dwindled to the point where the schools have been closed and the remaining learners (if any) accommodated elsewhere. This has been done in agreement with local communities. Such schools understandably are no longer targeted for intervention.

The contract with the Mvula Trust as an implementing agent had to be terminated to avert irregularity. However, the Water Research Commission (WRC) was contracted in this regard as a specialist parastatal organization to partner with the department for all dry sanitation operations and maintenance.

With respect to bulk water supply and sanitation, the Amatola Water Board (AWB) was contracted in this financial year. The AWB addressed the critical non-compliance cited by the Department of Waters Affairs in most bulk sanitation installations as well as ensuring the normalization of potable water supply in large institutions which had been neglected for a very long while. They will pursue operations and hence forth maintenance protocols will be adhered to ensuring training in the operations aspects of all restored installations.

Major Maintenance



A total of 23 schools across the province (1 school per district) were identified for major maintenance. 19 of those have been concluded with the balance defrayed due to contractor non-performance. Their completion is being prepared for the new financial year due to the termination of the contract with the non-performing contractor and the sourcing of a replacement service provider. Further to this, another 105 schools, plus 1 school with hostel accommodation, were identified for implementation under this priority. To this end the completion of assessments and scope statements for the 104 schools, tender documentation for all with construction roll-out for the initial batch of 9 projects, commenced in the fourth quarter of 2016/17.

Asset Management

State of capital stock

The cycle of condition assessments for schools in compliance with the Government Immoveable Asset Management plan (GIAMA) is due. The diagram below depicts the current condition of departmental assets:

The Condition Based Maintenance index (CBM) is the ratio of repair cost to replacement cost.

The condition ratings referred to in the diagram are defined as follows:

C1	Very poor	(CBM > 30%)
C2	Poor	(CBM 18% - 30%)
C3	Fair	(CBM 4% - 18%)
C4	Good	(CBM < 4%)

The condition of the Departmental assets in 2016/17 is as follows:

Condition rating		% of Departmental assets
C1	Very poor	3%
C2	Poor	11%
C3	Fair	67%
C4	Good	19%

Schools closure

Many of the smaller schools in the Province are unviable and are being targeted for rationalisation or re-alignment. A total of 1 902 schools have been identified. These have been issued with letters explaining the Department's intentions and requesting a response as to compelling reasons for maintaining the school. Based on such responses and subsequent interactions, decisions will be made regarding the future of the school. The intention is to have this process finalised by 2019. In the light hereof the Department is delaying any interventions until a decision is reached. In critical cases, mobile classrooms, fencing and toilets are utilised.

The process of closure requires very close monitoring in order for such assets to be declared to the custodian adequately for future reallocation. The recent appointment of a Property Manager will see closer monitoring and control of this function.

Projects in the forthcoming year

As a result of the 2015/16 financial year underperformance, planning for projects that had to go into construction in this financial year stalled but momentum was gained in 2016/17.

Tendering processes

The Department manages a minimal number of projects internally and outsources most of its procurement to implementing agents. Tendering processes take place under the full responsibility of such IA's. Monitoring for compliance is undertaken by the Project Management Office (PMO) on behalf of the Department to ensure that all laws are adhered to in order to avert any possible PFMA transgressions.

A photograph of three students in a classroom setting, all wearing orange school uniforms. They are seated at a desk, each with a laptop open in front of them. The student in the foreground is looking at the laptop screen. The student in the middle is using a mouse. The student in the background is writing in a notebook. The background shows a window with greenery outside.

PART C

GOVERNANCE

2016/17 Annual Report
Vote 06: Department of Education Province of Eastern Cape

3.1. Introduction

The Department is committed to upholding the principles of good governance in pursuing its mandate of providing quality education to the learners of the Province. Given that education is a societal issue, the Department promotes community participation and consensus in the provincial education system through stakeholder engagement spear-headed by the Department's political head and senior management. The Department also encourages participatory governance through the establishment of governance structures such as School Governing Bodies. The Department understands and observes the principles of accountability, transparency and responsiveness in its internal and external engagement. Responses to all external oversight institutions such as the National and Provincial Legislatures, the National Department of Basic Education, the Premier's Office, Provincial Treasury and Auditor-General are accorded the seriousness they deserve.

The routine reporting systems and quarterly/annual and other reports developed and published by the Department are in line with policy prescripts and aim to ensure transparency and accountability.

The Department is in the process of implementing a New Service Delivery Model to, amongst other things, address issues of good governance such as segregation of duties to ensure effective monitoring of performance and efficiency from within.

Risk management, prevention of fraud and corruption and measures to minimise conflict of interest are being reviewed to promote clean governance, effectiveness and efficiency within the organisation.

3.2. Risk Management

The Department has established a Risk Management Committee that meets quarterly and provides oversight for risk management and fraud prevention.

The Department has an approved Risk Management Policy and Framework which is reviewed annually. Risk assessments are conducted annually and the strategic risk register and the operational risk registers are updated accordingly.

The Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management. The Director Risk Management presents quarterly reports to the Audit Committee. Furthermore, the Chairperson of the Risk Committee is a member of the Audit Committee.

3.3. Fraud and Corruption

The Department has an approved Fraud Prevention and Anti-Corruption Policy which is reviewed annually. Allegations reported to the National Anti-Corruption Hotline are reported to the risk management unit for review and investigation.

3.4. Minimising Conflict of Interest

The Department complies with the Public Service Commission requirement of Senior Management Service members disclosing their financial interests annually. All the ECDoE SMS members have complied and those members who do not comply are summoned by the MEC to account for their conduct. Where material conflict of interest is identified, the relevant departmental official is requested in writing to disclose the nature of the conflict and the extent of the conflict in a register of conflict of interest which is forwarded to the Office of the Public Service Commission for their records.

In respect of staff members performing Supply Chain Management functions, the Treasury Regulations prescribe the following regarding compliance with ethical standards and avoiding abuse of the supply chain management system:

In instances where a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must:

- (a) disclose that interest; and
- (b) withdraw from participating in any manner whatsoever in the process relating to that contract.

An official in the Supply Chain Management Unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the Accounting Officer in writing.

To give effect to the above, the National Treasury issued a standard bidding document (SBD 4) “*Declaration of Interest*” on 5 December 2003 as part of Supply Chain Management (SCM) Practice Note Number SCM 1 of 2003. In terms of this document, Accounting Officers are required to customize and utilize the form as part of their bidding documents so that bidders or their authorized representatives can declare their position in relation to any person employed by the principal institution.

3.5. Code of Conduct

The Director Risk Management has been appointed as the Ethics Officer for the Department. Preparation for the establishment of an Ethics Committee was completed by the end of the financial year and letters of appointment to the Committee will be issued in the new financial year. However, any breach of conduct by any employee, in whatever form, is dealt with in terms the relevant disciplinary proceedings as contained in the Public Service Regulations Act, the Labour Relations Act, the South African Schools Act and other similar legislation.

3.6. Health, Safety and Environmental Issues

The Occupational Health and Safety Act 85 of 1993 outlines the Department’s responsibilities.

The Department should ensure that:

- A qualified Health and Safety consultant forms part of the professional team and produces all health and safety requirements.
- Infrastructure contractors submit a Health and Safety Plan that responds to all requirements specified. All risks associated with construction sites are covered in this manner.

Environmental issues are governed by environmental prescripts that impose requirements on the Department whenever such laws are to be observed. New sites may require an Environmental Impact Assessment (EIA). In these cases, the Department acquires the services of appropriate Environment Assessment Practitioners (EAPs) to comply with such requirements as guided by the Environment Management Act (107/1998).

Existing schools are given a budget annually to deal with the maintenance of school facilities to render them safe until the next scheduled maintenance. When disaster strikes a school, assessment is done to ascertain the extent of damage and the safety risks involved. Thereafter action is immediately taken to render the site safe by either cordoning off the area posing danger or closing the site temporarily whilst restoration of the facility is undertaken.

During the period, no fatalities on the various construction sites were recorded. Neither were any notices of non-compliance by the Department of Labour OHS inspectors registered.

The Department, in an attempt to improve fire safety in schools, will engage the expertise of the Public Works Department in an effort to comply with minimum standards required.

3.7. Portfolio Committees

The following dates were set aside for consideration of Portfolio Committee meetings:

Budget Vote dates	Annual Report dates
Scheduled dates - 28 – 30 March 2017, but could not complete all programmes. On the 18 April 2017 all programmes were completed	Scheduled dates – 01 to 03 November 2016 The meetings were conducted as scheduled

3.8. SCOPA Resolutions

Resolution No.	Subject	Details	General Recommendation	Response By The Department	Resolved
1	Irregular Expenditure	The Committee found that departments have incurred irregular expenditure; that departments have not addressed irregular expenditure accumulated from previous financial years; and that such expenditure has not been recovered, written off or condoned.	The Accounting Officers must take proactive steps to prevent irregular expenditure. In addition, action must be taken against the officers responsible for the irregular expenditure; all irregular expenditure accumulated from the previous financial years must be cleared as a matter of urgency.	As part of the 2016/17 Audit Improvement Plan, an investigation was conducted to establish how irregular expenditure occurred, who was responsible and to identify where weaknesses in the system exist.	No
2	Responses to SCOPA	The Committee found that when questions are sent to the departments for their responses, the departments are vague and indirect.	The Accounting Officers must ensure that appropriate responses are provided to the Committee when responding to questions, and that they display honesty and commitment regarding the safeguarding of public funds.	The Accounting Officer will implement a process which includes meeting with line functions in order to respond with specific answers.	Yes
3	Consequence Management	Departments are implicated in a lot of alleged financial misconducts that are not being investigated, while investigations that are being conducted take too long to be finalised.	The Accounting Officers must ensure that if an official is alleged to have committed financial misconduct, an investigation must be conducted into the matter within a period of 30 days from the date of discovery of the allegation as required by Treasury Regulations 1.1.1 and 4.1.2.	The Department commits to deal with this concern of the committee and with regard to this timeframe. The Department through the Directorate of Legal Services and Labour Relations is currently dealing with some of the backlogs concerning these labour matters.	Ongoing The Department has further capacitated Legal Services with personnel and has also appointed Director Labour Relations to ensure adequate handling of these issues.

Resolution No.	Subject	Details	General Recommendation	Response By The Department	Resolved
4	SCOPA Resolutions	The Committee found that departments do not adequately implement SCOPA resolutions and in some instances even demonstrate a total disregard of SCOPA resolutions and their Audit Committee recommendations. This is evidenced by the repetitive audit findings.	The Executive Authorities must take action against Accounting Officers who fail to ensure implementation of Audit Committee and Internal Audit recommendations, as well as the implementation of SCOPA resolutions. In addition, the Executive Authorities must ensure that Rule 203 of the Eastern Cape Provincial Legislature House Rules is complied with. Should these not be implemented, the Committee will consider invoking Rule 207 of the Eastern Cape Provincial Legislature House Rules.	The MEC had regular interactions with the Auditor-General, Acting Chief Financial Officer and Chairperson of the Audit Committee (March / July 2016) The MEC met with all members of the Audit Committee.	Ongoing
5	Annual Financial Statements	The Accounting Officers submitted financial statements for auditing that were not prepared in all material aspects in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. The Committee is concerned with this non-compliance as such errors should not exist when financial statements are submitted for auditing	The Accounting Officers must ensure proper financial management of the departments, and must ensure that accurate financial statements are submitted to the Auditor-General at the end of the financial year in line with the requirements of section 40(1)(a) and (b) of the PFMA. In addition, Accounting Officers must take action against officers who fail to maintain proper financial management of the departments and who fail to submit accurate financial statements to the Auditor-General at the end of the financial year in line with the requirements of section 40(1)(a) and (b) of the PFMA.	The Department showed significant improvement year on year with 4 of the qualification areas addressed and not repeated. To maintain and build on this momentum, a correction and restatement process is included in the 2016/17 Audit Improvement Plan for the remaining qualification areas.	Ongoing

Resolution No.	Subject	Details	General Recommendation	Response By The Department	Resolved
6	Procurement	Departments continue to fail to comply with procurement processes and contract management. This is evidenced by the Department's contravention of Treasury Regulation 16A and section 38(1)(a)(ii) of the PFMA.	Accounting Officers must ensure that disciplinary steps are taken against those officials who fail to comply with the laws and regulations relating to procurement and contract management.	As part of the 2016/17 AIP, particular focus was placed on the control breakdowns identified: <ul style="list-style-type: none"> Accountability meetings with Infrastructure Contract registers maintained End user performance monitoring in terms of the SLA As part of the sustainability of improved internal controls, emphasis is placed on recording the mitigations as a base for strengthening the control environment, i.e. this form the basis for policy, process and systems improvements required to prevent these non-compliances from re-occurring. All the control breakdowns identified through the post payment process are feedback to the relevant units to strengthen the control environment	In process – anticipated to be completed during the 2017/18 financial year.
7	Consequence Management	The Committee found that there is a general lack of consequence management in terms of non-compliance with legislation, inadequate financial management and performance management.	Accounting Officers must ensure that disciplinary steps are taken against those officials who fail to comply with the laws and regulations relating to procurement and contract management.	The Department has taken disciplinary action against those officials who have been found to have contravened laws and regulations.	Ongoing
8	Internal Control	The Committee is of the view that there are systemic administration issues rendering some departments	The Office of the Premier must tighten coordination of actions to combat corruption as well as to cover all	Recommendations by the committee are noted by the Department.	Ongoing

Resolution No.	Subject	Details	General Recommendation	Response By The Department	Resolved
9	Leadership	<p>susceptible to fraud and corruption.</p> <p>The Committee found that Senior Management of the departments is not committed in addressing issues raised by the Auditor-General, as there are repetitive findings year after year.</p>	<p>investigations referred to law enforcement agencies.</p> <p>The Office of the Premier must tighten coordination of actions to combat corruption as well as to cover all investigations referred to law enforcement agencies.</p>	<p>Department of Education is working with the Office of the Premier and Provincial Treasury in the areas noted.</p> <p>Recommendations by the Committee are noted by the Department.</p> <p>The MEC has held several meetings with the Auditor-General and Chairperson of the Audit Committee</p>	In Process
10	Leadership	<p>The Committee found that recommendations issued by the Internal Audit and Audit Committee are poorly or inadequately implemented by departments.</p>	<p>The Accounting Officers must - at least on a quarterly basis - submit to the Committee a detailed report on the implementation of its audit plan as well as compliance with the recommendations by the Internal Audit and the Audit Committee.</p>	<p>The MEC visited and engaged Internal Audit officials and met the Head of Department with regards to the matters in March 2017.</p> <p>Recommendations by the Committee are noted by the Department and the first report will be submitted in the 1st quarter of 2017/18.</p>	No
12	Leadership	<p>The Committee found that audit intervention plans compiled by departments only cover findings by the Auditor-General for the year under review; they do not make provision for the whole environment and any risks that can emerge.</p>	<p>The audit intervention plans must be based on the whole environment of the departments and not just on the findings of the Auditor-General, as this helps to identify existing and emerging risks that may not have been identified during the audit.</p>	<p>In the last two years the primary focus of the Audit Intervention Plan (AIP) was addressing the audit qualifications. In future focus in the AIP will be given to the recommendations made by the risk management and governance structures of the Department.</p>	No
13	Compliance	<p>Numerous instances of non-compliance with laws and regulations were identified in the same key performance areas, year after year.</p>	<p>The Office of the Speaker must table a report to the House; listing all the repetitive findings made by oversight committees over the past three financial years.</p>	<p>Recommendations by the Committee are noted by the Department.</p>	In process

3.9. Prior Modifications to Audit Reports

Below find the matters raised during the 2015/16 financial year, together with the progress made in clearing or resolving the matters.

2015/16		Progress made in clearing/resolving the matter
Nature of qualification	Financial year in which it first arose	
Financial reporting		
Commitments	2012/13	The prior year's qualification was based on completeness of the population. Although the qualification area remained unchanged, the basis for the qualification did not re-occur in the 2016/17 financial year. The Department's 2016/17 Audit Improvement Plan (AIP) included a population reconstruction exercise to ensure completeness thereof.
Fruitless and wasteful expenditure	2015/16	This was addressed during the 2016/2017 financial year. The processes for detecting all fruitless and wasteful expenditure was strengthened. In building momentum on the success achieved in addressing this qualification area, the control breakdowns identified during the detection exercise will now form the basis for strengthening the control environment to prevent fruitless and wasteful expenditure. Through this exercise the material non-compliance on expenditure management will also be addressed.
Irregular expenditure	2012/13	The prior year's qualification was based on the completeness of the population. Even though the qualification area remained unchanged, the basis for the prior year qualification did not re-occur in the current year. The Department's 2016/17 Audit Improvement Plan (AIP) included a population reconstruction exercise to ensure completeness of the population. For the 2017/18 financial year, the basis for the prior year qualification area, the control breakdowns identified during a post-payment/award testing (detection exercise) will now form the basis for strengthening the control environment in an attempt to prevent further irregular expenditure. Through this exercise the material non-compliance on expenditure management will also be addressed.
Employee benefits (capped and leave entitlement)	2011/12	<p>The basis for the qualification area remained unchanged from the prior year. The Department's Audit Improvement Plan includes a 3-year correction and restatement process to address the basis for the qualification and further strengthen the leave management process going forward. Due to the enormity of the correction and restatement process, the impact of the 3-year plan will only become evident in the 2017/18 reporting period. The 3-year plan includes the following activities:</p> <ul style="list-style-type: none"> • <u>2016/17</u> – A current state assessment on the PERSAL leave data using data analytics. This was done to confirm the typical exceptions within the leave data (i.e. incomplete information, incorrect appointment dates, leave accrued outside of the applicable legislative prescripts, etc.). This in turn formed the basis for the corrective measures to be included in the correction and restatement process for years 2 and 3. • <u>2017/18</u> – Perform a data clean up exercise and thereafter perform further data analytics to confirm valid exceptions and then stratify the population into high value items to be subjected to correction during this financial year. The process will focus on correcting that part of the population that will allow

2015/16	
Nature of qualification	Financial year in which it first arose
	<p>uncorrected misstatements within the population to be below materiality (with the aim of addressing this qualification area).</p> <ul style="list-style-type: none"> 2018/19 – Correct the remaining part of the leave population. The control deficiencies identified during this process will be used to inform process improvements to strengthen the leave management process going forward.
Compliance with laws and regulations	
Annual financial statements	<p>2011/12</p> <p>This material compliance deviation can only be addressed once all individual audit qualification areas are cleared. As is evident from the narratives above, the Department has built momentum year on year - by either addressing a qualification area in its entirety, or through incremental movements that resulted in the basis of certain qualifications not being repeated. The Department anticipates to clear all the remaining qualification areas during the 2017/18 audit.</p>
Consequence management	<p>2015/16</p> <p>To ensure the credibility and reliability of financial reporting, the Audit Improvement Plan includes initiatives aimed at promoting the importance of the basic accounting fundamentals</p> <p>Disciplinary processes were implemented where necessary</p> <p>One of the three material compliance deviations relating to the prior year compliance focus area was not repeated in the audit report for 2016/17. This is as a result of the process improvements that were implemented. The Department was able to reduce the instances of material non-compliance relating to payments not made within 30 days.</p>
Expenditure management	<p>2011/12</p> <p>As is evident from the narratives on irregular expenditure and fruitless and wasteful expenditure, the Department is moving its focus from detective to preventative. The control breakdowns identified as driving these compliance deviations will be used as the basis for process improvements to prevent recurrence of such instances.</p>
Procurement and contract management	<p>2011/12</p> <p>Six of the thirteen material compliance deviations relating to the 2015/16 financial year, were not repeated during the 2016/17 financial year. This was as a result of the process improvements implemented during the current financial year. The Department reduced the instances of material non-compliance. The deviations identified during the 2017/18 financial year, will also be used to further strengthen and improve the procurement and contract management processes.</p>
Transfer payments	<p>2011/12</p> <p>The document management process is being reviewed to identify control weaknesses in the process. The process will be updated to strengthen the control weaknesses identified</p>

3.10. Internal Control Unit

The Internal Control Unit (ICU) within the CFO Branch has been established to provide governance and compliance services that are focused on preventative measures in respect of financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure. The ICU has been strengthened to ensure compliance with policies and procedures and offers the following services:

- Pre-order audit services in respect of goods and services for compliance with all procurement regulations. This is mainly a preventative exercise.
- Pre-payment audit services in respect of goods and services, transfers and compensation of employees for compliance with all procurement regulations and human resource parameters. This is mainly a preventative exercise.
- Post-payment review for goods and services, and compensation of employees. This is mainly an audit preparatory and recovery exercise, in respect of fruitless expenditure, and reporting of irregular expenditure.
- Review activities for finance policies, procedures and administrative standards.
- Loss control and consequence management in respect of financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure.

3.11. Internal Audit and Audit Committees

Key Objectives and Activities of Internal Audit

The establishment, maintenance and functions of a system of internal audit are required in terms of the Public Finance Management Act and the related Treasury Regulations. Sections 3.2.11 and 3.2.12 of the Treasury Regulations state that:

“The internal audit function must assist the accounting officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) the information systems environment;
- (b) the reliability and integrity of financial and operational information;
- (c) the effectiveness of operations;
- (d) safeguarding of assets; and
- (e) compliance with laws, regulations and controls.

The internal audit function must assist the accounting officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which -

- (a) objectives and values are established and communicated;
- (b) the accomplishment of objectives is monitored;
- (c) accountability is ensured; and
- (d) corporate values are preserved.”

Summary of work done

Of the 37 planned projects for the year, only 14 could be completed because of continuing capacity challenges facing the Unit. Details of the planned reviews as per the Audit Plan are outlined in the table below:

No	Planned review	Completed	Comments
1	Asset Register Certification	N	The fixed assets register was not completed on time
2	FMCM - follow up and review changes	N	Challenge of limited resources
3	Annual Financial Statements	Y	Completed
4	Annual Report (including Q4 PI)	Y	Completed
5	Interim Financial Statements Q1	Y	Completed
6	Interim Financial Statements Q2	Y	Completed
7	Interim Financial Statements Q3	N	There was industrial action at the allocated time
8	Performance Information Q1	Y	Completed
9	Performance Information Q2	Y	Completed
10	Performance Information Q3	N	There was industrial action at the allocated time
11	Review of 2017/2018 APP	N	Will be reviewed during the adjustment period
12	In-Year Monitoring (Half yearly) - follow up	N	No management comments were received
13	Internal Control Dashboard Q2	N	Challenge of limited resources
14	Internal Control Dashboard Q3	N	Challenge of limited resources
15	Risk Management - follow up	N	Challenge of limited resources – review will be done in 2017/2018
16	Governance (including conflict of interest) - follow up	N	Management comments outstanding
17	Public Finance Management Act and Treasury Regulations Compliance - follow up	N	Management comments outstanding
18	ICT Audit	N	Provincial Treasury decided not to do this as the Department is busy implementing last year's recommendations
19	Transfer Payments and Receipts	Y/N	Receipts completed, payments not done
20	MPAT	Y	Completed
21	Auditor-General Follow-up	N	Challenge of limited resources
22	Internal Audit Follow-ups	N	Challenge of limited resources
23	Supply Chain Management	N	In progress
24	Human Resources	N	In progress
25	Infrastructure	N	In progress
26	Performance Agreements	N	Draft report
27	Post Provisioning	Y	Completed
28	Supervision and Monitoring of Teaching	Y	Completed
29	Review of Management of Poorly Performing Schools	Y	Completed
30	Internal Control Unit	N	Challenge of limited resources – review will be done in 2017/2018
31	Fraud and Corruption	N	Challenge of limited resources - review will be done in 2017/2018
32	District Financial Management	N	Draft report

No	Planned review	Completed	Comments
33	Occupational Health and Safety	N	Challenge of limited resources – review will be done in 2017/2018
34	School Nutrition Programme	Y	Completed
35	Subsistence and Travel Claims	Y	Completed
36	Review of Financial Activities at Schools	Y	Completed
37	Review of EMIS and SASAMS data	Y	Completed

Key Objectives and Activities of Audit Committee

The Audit Committee is an independent governance structure whose function is to provide an oversight role on the system of internal control, risk management, and governance.

The Audit Committee operates in terms of written terms of reference, which deal adequately with its membership, authority and responsibilities. These also ensure that its responsibilities in terms of the Act and the Regulations are met.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr. Harold Marsberg	B Comm	External	N/A	23 May 2011	N/A	6
Ms. Lerato Mothae	CA(SA)	External	N/A	23 May 2011	N/A	6
Mr. Sindile Faku	MSC	External	N/A	11 August 2014	N/A	6
Mrs. Anna Badimo	MBA	External	N/A	11 August 2014	N/A	6
Advocate Sakhelikaya Poswa	LLB	External	N/A	11 August 2014	N/A	6

3.12. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulations 3.1.10 and 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, subject to the concerns raised in the following paragraphs.

Audit Committee Membership

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr. Harold Marsberg	B.Com, IIA	External	N/A	23 May 2011	N/A	6
Ms. Lerato Mothae	CA(SA)	External	N/A	23 May 2011	N/A	6
Mr. Sindile Faku	MSC	External	N/A	11 August 2014	N/A	6
Mrs. Anna Badimo	MBA, MSC, CISM, CGEIT, CRISC, F.Inst.D	External	N/A	11 August 2014	N/A	6
Advocate Sakhelikaya Poswa	LLB	External	N/A	11 August 2014	N/A	6

The Effectiveness of Internal Control

Our review of the findings arising from internal audit work, which was based on the latest available and previous risk assessments conducted in the department and the approved annual internal audit plan, revealed weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Annual Financial Statements review
- Annual Report review (including Q4 PI)
- Interim Financial Statements review for Q1 and Q2
- Performance Information review for Q1 and Q2
- MPAT
- Post Provisioning
- Supervision & Monitoring of Teaching
- Review of Management of Poorly Performing Schools
- School Nutrition Programme
- S & T Claims
- Review of Financial Activities at Schools
- Review of EMIS & SASAMS data

Areas of Concern

The following areas were identified by the Audit Committee. Some of these are carried forward from previous years and it is very concerning that management of the department has not yet addressed them satisfactorily:

- The activities and effectiveness of the Audit Committee continued to be severely hampered by the serious lack of resources of the internal audit activity, which is the main supporting function of the committee. The continuing capacity challenges facing the Unit resulted in the internal audit annual plan not being completed. Of the 37 planned projects for the year, only 14 could be completed. The vacant position of the Director: Internal Audit (CAE) has adversely affected the performance of the unit. It is distressing that despite many efforts to recruit a suitable CAE, there appears to be a lack of urgency from those charged with recruitment activities and the position remains vacant.
- Lack of resources in the risk management unit.
- Lack of appropriate leadership tone and support from management continues to have a negative impact on the activities of internal audit and risk management and hence the governance and oversight activities of the audit committee.
- Changes at leadership level during the year, the system of internal control, ineffective oversight and risk management were areas that contributed to the operations of the department being impacted negatively for the year under review. Several deficiencies in the system of internal control that were reported by internal audit were not effectively or efficiently responded to by management and were not resolved. The slow response to audit findings and the lack of effective consequence management continue to be concerning to the Audit Committee.
- The lack of adequate resources and appropriate capacity remains a challenge facing the department. Leadership of the department must ensure that key vacant posts are filled and processes are in place to ensure that key controls are implemented and monitored on a continuous basis.

In-Year Management and Monthly/Quarterly Report

The department has reported monthly and quarterly to the Treasury as is required by the PFMA.

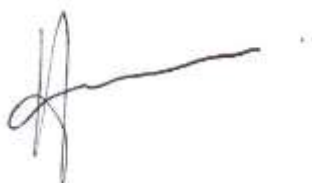
Evaluation of Financial Statements

We reviewed the draft annual financial statements prepared by the department and we recommended that they, together with the supporting working paper file, be submitted to the AGSA for audit by the legislated deadline, to ensure compliance with the PFMA. In this regard we consider it appropriate to report that at the time of our review of the draft annual financial statements on 26 May 2017, considerable work was still outstanding to ensure accurate and complete AFS were submitted to the AGSA for audit. Despite a request from the Audit Committee to be provided with final drafts before submission, this did not happen and as a result we were not able to satisfy ourselves as to the completeness and accuracy of the draft AFS before submission to the AGSA.

Auditor-General's Report

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

The department's systems implementation plan to address audit issues raised in the previous year was not completely effective in addressing all the audit findings disclosed in 2016. This gave rise to numerous repeat findings in this year's Audit Report.



Mr. HJ Marsberg
Chairperson of the Audit Committee
Eastern Cape Department of Education
31 July 2017

PART D

HUMAN RESOURCE MANAGEMENT



2016/17 Annual Report
Vote 06: Department of Education Province of Eastern Cape

4.1. Introduction

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

2. Overview of Human Resources

The key cost driver for education remains the cost of employment of educators and non-educators. The educator: non-educator percentage split was **79:21** as at 31 March 2017.

As at 31 March 2017 the Department had a total staff complement of **67 664** of which **53 552** were educators. Of these, **52 106** were school-based educators. There were **14 112** non-educators employed by the ECDOE on 31 March 2017 of which **6 189** were school-based non-educators.

The biggest Human Resource challenge faced in the 2016 academic year was the filling of vacant posts by qualified educators to teach school subjects such as Mathematics, Physical Science, Accounting, Agriculture and Afrikaans and Sesotho as the language of learning and teaching (LoLT).

Set HR Priorities for 2016/17:

- **The implementation and management of the Post Provision Norms** within budget.
- The approval of the Service Delivery Model and Organisational Structure.
- **Teacher profiling in order to determine the skills gap and the demand.** Although good progress was made, it was not possible to complete the process by 31 March 2017 and work will continue in the new financial year.
- Stabilising the labour relations environment.

Workforce Planning

The major focus of the Department is to build a capable education workforce through a service delivery model aimed at maximising support to schools and teachers. The main focus areas in this regard were finalising the Head Office and District organograms, rationalisation of schools and post provisioning.

Employee Performance Management

The employee performance management system provides a framework that links the departmental objectives to the overall strategic goals of the province. The framework demonstrates how every employee can link departmental performance to individual performance. The objectives contained in departmental plans should contribute to the achievement of the provincial strategic goals, and in turn, individual plans should contribute to the achievement of the departmental objectives.

The Department of Education, like all other Departments, is required to develop a performance management system in order to manage performance in a consultative, supportive and non-discriminatory manner. This should result in enhanced organizational efficiency and effectiveness, accountability for the use of resources and the achievement of results. The system focuses on equal participation in performance management by the supervisor and the employee.

Employee Wellness Programme

The Departmental approach to employee health and wellness programme recognises the importance of individual health, wellness and safety and its linkages to organisational wellness and productivity.

To achieve the set objectives, the responsible unit has, in line with the public service, focussed on the following pillars:

- HIV&AIDS and TB Management
- Health and Productivity Management
- Safety, Health, Environment, Risk and Quality Management (SHERQ)
- Wellness Management

Achievements:

- Approval of the Service Delivery Model
- Development of the Organisational Structure
- Implementation of Post Provisioning Norms
- Filling of SMS posts – including Head of Department
- Filling of teacher vacancies
- Reduction of PILIR cases
- Internships
- Training
- Appointment of the Director: Labour Relations and Director: Human Resource Administration

Challenges:

- Finalisation of HROPT
- Staff shortages
- Shortages of educators for scarce skills subjects

2017/18 Planned Interventions:

- Approval of Organisational Structure
- Filling of vacancies
- Migration of staff to the new Organisational Structure
- Declaration of Post Provisioning Norms

4.2. Human Resources Oversight Statistics

The tables below provide the Department's Human Resources statistics for 2016/17.

4.3 Personnel Related Expenditure

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

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

Table 4.3.1. Personnel expenditure by programme for the period 1 April 2016 and 31 March 2017

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)
1. Administration	2 608 524	1 902 594	8 305	0	73	450
2. Public Ordinary School Education	25 012 249	20 844 366	32 904	0	83	371
3. Independent School Subsidies	119 985	0	0	0	0	0
4. Public Special School Education	643 705	555 926	3 542	0	86	287
5. Early Childhood Development	449 985	361 877	41 358	0	80	72
6. Infrastructure Development	1 629 640	12 112	107	0	0.1	605
7. Examination and Education related Services	502 863	194 898	1 243	35 975	39	17
Total	30 966 951	23 871 773	87 459	35 975	77	354

Table 4.3.2. Personnel costs by salary band for the period 1 April 2016 and 31 March 2017

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R)
Lower skilled (Levels 1-2)	7 560	0.03	139	54 388
Skilled (Levels 3-5)	979 124	4.10	5 706	171 596
Highly skilled production (Levels 6-8)	15 339 752	64.20	43 223	354 898
Highly skilled supervision (Levels 9-12)	7 088 869	29.70	13 585	521 816
Senior management (Levels 13-16)	59 997	0.25	55	1 090 855
Other Contract	361 776	1.52	4 956	72 998
Periodical Remuneration	26 524	0.11	3 944	6 725
Abnormal Appointment	11 841	0.05	1 461	8 105
Total	23 875 443	100	73 069	326 752

Table 4.3.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by programme for the period 1 April 20 and 31 March 2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1 - Administration	1 376 754	72.40	3 957	0.2	55 585	2.92	80 222	4.22
Programme 2 - Public Ordinary School Education	15 512 141	74.42	2	0	708 597	3.4	988 527	4.74
Programme 4 - Public Special School Education	399 470	71.86	0	0	23 878	4.3	32 263	5.80
Programme 5 - Early Childhood Development	361 184	99.81	0	0	3	0.01	81	0.18
Programme 6 - Infrastructure Development	8 885	73.36	0	0	126	1.04	157	1.30
Programme 7 - Examination and Education related Services	21 587	11.08	6 870	3.53	1 721	0.88	1 452	0.75
Total	17 680 021	74.07	10 828	0.04	789 907	3.31	1 102 701	4.62

Table 4.3.4 Salaries, Overtime, Home Owners' Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	5 292	69.6	0	0	549	6.3	770	4.4
Skilled (Levels 3-5)	598 129	72.5	524	0.1	47 141	5.7	43 618	5.3
Highly skilled production (Levels 6-8)	11 285 384	73	1 890	0	566 031	3.7	802 955	5.1
Highly skilled supervision (Levels 9-12)	5 411 923	74.2	8 385	0	174 525	2.4	254 831	3.5
Senior management (Levels 13-16)	35 521	74.5	0	0	584	1.2	355	0.7
Contract (Levels 1-2)	494	99.3	0	0	0	0	0	0

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Contract (Levels 3-5)	1 060	90.2	0	0	0	0	20	1.7
Contract (Levels 6-8)	12 827	97.7	2	0	17	0.1	20	0.2
Contract (Levels 9-12)	7 115	84.5	27	0.3	60	0.7	24	0.3
Contract (Levels 13-16)	3 989	78.6	0	0	0	0	41	0.8
Other Contract	316 290	99.8	0	0	0	0	67	0
Periodical Remuneration	20	0.1	0	0	0	0	0	0
Abnormal Appointment	1 977	19.8	0	0	0	0	0	0
Total	17 680 021	73.7	10 828	0	788 907	3.3	1 102 701	4.5

4.4. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations

Table 4.4.1 Employment and vacancies by programme as on 31 March 2017

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1:Administration	7 229	4 226	41.5	444
Programme 2: Public Ordinary Schools Education	7 0712	56 383	20.3	4 568
Programme 4: Public Special School Education	2 722	1 942	28.7	74
Programme 5: Further Education and Training	1	1	0	0
Programme 7: Early Childhood Development	5 273	4 950	6.1	4 934
Programme 8: Infrastructure Conditional Grants	28	20	28.6	15
Programme 9: Auxiliary and Associated Services	145	142	2.1	141
Total	86 110	67 664	21.4	10 176

Table 4.4.2 Employment and vacancies by salary band as on 31 March 2017

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	612	139	77.3	20
Skilled (Levels 3-5)	15 765	5 706	63.8	848
Highly skilled production (Levels 6-8)	49 132	43 223	12	3 543
Highly skilled supervision (Levels 9-12)	15 558	13 585	12.7	821
Senior management (Levels 13-16)	87	55	36.8	11
Other	4 956	4 956	0	4 933
Total	86 110	67 664	21.4	10 176

Table 4.4.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	180	96	46.7	12
All artisans in the building metal machinery etc.	18	13	27.8	0
Architects, town and traffic planners	50	6	88	4
Archivists, curators and related professionals	2	0	0	0
Artisan project and related superintendents	3	2	33.3	0
Auxiliary and related workers	36	21	41.7	0
Building and other property caretakers	52	21	59.6	2
Bus and heavy vehicle drivers	14	10	28.6	1
Cleaners in offices, workshops hospitals etc.	3 415	2 184	36.1	375
Client inform clerks(switchb receipt inform clerks)	31	9	70.9	0
Communication and information related	1	1	0	0
Community development workers	1	1	0	1
Compositors, typesetters & related printing workers	2	1	50	0
Computer programmers	2	2	0	1
Computer system designers and analysts	2	1	50	1
Conservation labourers	4	3	25	0
Custodian personnel	1	1	0	0
Diplomats	1	1	0	0
Engineers and related professionals	5	0	100	0
Farm hands and labourers	5	4	20	0
Farming forestry advisors and farm managers	40	10	75	0
Finance and economics related	146	80	45.2	9
Financial and related professionals	120	69	42.5	4
Financial clerks and credit controllers	572	439	23.4	18
Firefighting and related workers	2	2	0	0
food services aids and waiters	191	152	20.4	13
General legal administration and related professionals	1	1	0	1
Geologists, geophysicists, hydrologists and related professionals	2	1	50	0
Head of department/chief executive officer	8	5	37.5	0
Household and laundry workers	795	435	45.3	25
Household food and laundry services related	1	1	0	0
Housekeepers, laundry and related workers	3	2	33.3	0
Human resources and organisational development and related professionals	107	53	50.5	0
Human resources clerks	632	527	16.6	14
Human resources related	166	60	63.9	2
Inspectors of apprentices, works and vehicles	68	34	50	6
Legal related	5	4	20	0
Library, mail and related clerks	223	108	51.6	1
Light vehicle drivers	127	80	37	7
Logistical support personnel	102	61	40.2	1
Material-recording and transport clerks	647	534	17.5	37
Messengers, porters and deliverers	47	26	44.68	3
Motor vehicle drivers	4	4	0	1
Nursing assistants	10	9	10	0
Occupational therapy	12	4	66.7	2
Other administration and related clerks and organisers	3 982	2 711	31.9	265

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Other administrative policy and related officers	598	271	54.7	29
Other information technology personnel	29	16	44.8	4
Other occupations	72 010	59 091	17.9	9 296
Physiotherapy	1	1	0	1
Professional nurse	5	2	60	0
Quantity surveyors and related professionals not classed elsewhere	3	1	66.7	1
Rank: departmental head	139	0	100	0
Rank: deputy principal	30	0	100	0
Rank: principal p1	10	0	100	0
Rank: principal p2	21	0	100	0
Rank: principal p3	5	0	100	0
Rank: principal s1	5	0	100	0
Rank: teacher	481	0	100	0
Risk management and security services	1	1	0	0
Secretaries and other keyboard operating clerks	259	109	57.9	11
Security guards	293	190	35.2	5
Security officers	195	107	45.1	13
Senior managers	83	51	38.6	9
Social work and related professionals	1	0	100	0
Speech therapy and audiology	4	0	100	0
Trade labourers	5	3	40	0
Trade / Industry advisors & other related professionals	1	0	100	0
Youth workers	93	32	65.6	1
Total	86 110	67 664	21.4	10 176

4.5. Filling of SMS Posts

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

Table 4.5.1 SMS post information as on 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	2	2	100	0	0
Salary Level 15	3	1	33	2	67
Salary Level 14	17	10	59	7	41
Salary Level 13	65	42	64	23	35
Total	87	55	66	32	37

Note: As at 31 March 2017 there was 1 Acting DDG, 2 Acting Chief Directors and 2 Acting Directors against the vacant posts as reflected above.

Table 4.5.2 SMS post information as on 30 September 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	2	1	50	1	50
Salary Level 15	3	1	33	2	67
Salary Level 14	17	10	59	7	41
Salary Level 13	65	38	58	27	42
Total	87	50	58	37	43

Note: As at 30 September 2016 there was 1 Acting Head of Department, 5 Acting Chief Directors and 12 Acting Directors against the vacant posts as reflected above.

Table 4.5.3 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled / appointed	% of SMS posts filled / appointed	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 15	2	1	50	1	50
Salary Level 14	6	3	50	3	50
Salary Level 13	12	11	92	1	8
Total	21	16	76	5	24

Table 4.5.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
Not finding a suitable candidate for the post that was advertised.

Table 4.5.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017

Reasons for vacancies not advertised within six months
None

4.6. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, an executing authority may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was supported by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

Table 4.6.1 Job Evaluation by Salary band, 1 April 2016 to 31 March 2017

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	612	0	0	0	0	0	0
Skilled (Levels 3-5)	15 765	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	49 132	0	0	0	0	0	0

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Highly skilled supervision (Levels 9-12)	15 558	0	0	0	0	0	0
Senior Management Service Band A	65	0	0	0	0	0	0
Senior Management Service Band B	17	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Other	4 956	0	0	0	0	0	0
Total	86 110	0	0	0	0	0	0

Note: For the period under review **zero** jobs were evaluated.

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

Table 4.6.2 Profile of employees whose positions were upgraded due to their posts being upgraded, 1st April 2016 to 31 March 2017

Beneficiary	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

Note: For the period under review **zero** positions were upgraded.

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

Table 4.6.3 Employees with salary levels higher than those determined by job evaluation by occupation, 1st April 2016 to 31 March 2017 (in terms of PSR 1.v.c.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of Employees whose salaries exceeded the level determined by job evaluation in 2016/17	0	0	0	0
Percentage of total employed				0

Table 4.6.4 below summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 4.6.4 Profile of employees who have salary levels higher than those determined by job evaluation, 1st April 2016 to 31 March 2017

Beneficiary	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

4.7. Employment Changes

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

Table 4.7.1 Annual turnover rates by salary band for the period 1st April 2016 to 31 March 2017

Salary Band	Number of employees at beginning of period-April 2016	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Lower skilled (Levels 1-2)	1 402	97	15	1.1
Skilled (Levels 3-5)	6 414	1 023	588	9.2
Highly skilled production (Levels 6-8)	47 597	1 614	3 122	6.6
Highly skilled supervision (Levels 9-12)	7 407	73	1 181	15.9
Senior Management Service Band A	38	3	1	2.6
Senior Management Service Band B	9	0	0	0
Senior Management Service Band C	3	0	2	66.7
Senior Management Service Band D	1	0	0	0
Other	4 910	24	227	4.6
Total	67 781	2 835	5 136	7.6

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

Table 4.7.2 Annual turnover rates by critical occupation for the period 1st April 2016 to 31 March 2017

Occupation	Employment at Beginning of Period (April 2016)	Appointments	Terminations	Turnover Rate
Administrative related	98	1	11	11.2
All artisans in the building, metal, machinery etc.	15	0	2	13.3
Architects, town and traffic planners	3	4	1	33.3
Artisan project and related superintendents	2	0	0	0
Auxiliary and related workers	21	0	1	4.8
Building and other property caretakers	25	0	4	16
Bus and heavy vehicle drivers	12	0	2	16.7
Cleaners in offices, workshops hospitals etc.	2 333	34	188	8.1
Client inform clerks (switchboard, reception, information clerks)	11	0	1	9.1
Communication and information related	1	0	0	0
Community development workers	1	0	0	0
Computer programmers	2	0	0	0
Computer system designers and analysts	1	0	0	0
Conservation labourers	5	0	2	40
Custodian personnel	1	0	0	0
Diplomats	1	0	0	0
Farm hands and labourers	4	0	0	0
Farming forestry advisors and farm managers	1	10	1	100
Finance and economics related	77	4	5	6.5
Financial and related professionals	70	1	6	8.6
Financial clerks and credit controllers	453	3	14	3.1
Firefighting and related workers	2	0	0	0
Food services aids and waiters	148	3	2	1.4
General legal administration and related professionals	1	0	0	0
Head of department/chief executive officer	5	0	0	0
Household and laundry workers	420	21	16	3.8
Housekeepers laundry and related workers	3	0	1	33.3
Human resources and organisational development & related professionals	58	0	6	10.3
Human resources clerks	553	0	18	3.3
Human resources related	50	5	3	6
Inspectors of apprentices, works and vehicles	19	11	2	10.5
Library mail and related clerks	111	1	3	2.7
Light vehicle drivers	77	7	5	6.5
Logistical support personnel	67	0	9	13.4
Material-recording and transport clerks	556	2	21	3.8
Messengers, porters and deliverers	27	1	2	7.4

Occupation	Employment at Beginning of Period (April 2016)	Appointments	Terminations	Turnover Rate
Motor vehicle drivers	4	0	0	0
Nursing assistants	7	2	0	0
Occupational therapy	2	0	0	0
Other administration and related clerks and organisers	2 048	694	46	2.2
Other administrative policy and related officers	282	2	21	7.5
Other information technology personnel	15	0	0	0
Other occupations	59 720	1 976	4 716	7.9
Physiotherapy	1	0	0	0
Printing and related machine operators	1	0	1	100
Professional nurse	2	0	0	0
Quantity surveyors and related professionals not classed elsewhere	1	0	0	0
Risk management and security services	1	0	0	0
Secretaries and other keyboard operating clerks	116	0	7	6
Security guards	156	44	11	7.1
Security officers	108	0	4	3.7
Senior managers	47	4	3	6.4
Trade labourers	3	0	0	0
Youth workers	33	0	1	3
Total	67 781	2 835	5 136	7.6

Table 4.7.3 Reasons why staff left the Department

Termination Type	Number	% of Total Resignations
Death	376	7.32
Resignation	1 289	25.1
Expiry of contract	1 760	34.3
Discharged due to ill health	123	2.4
Dismissal-misconduct	29	0.6
Retirement	1 558	30.3
Other	1	0.02
TOTAL	5 136	100
		7.6

Table 4.7.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2016)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	98	5	5.1	41	41.8
All artisans in the building metal machinery etc.	15	0	0	1	6.7
Architects, town and traffic planners	3	2	66.7	0	0
Artisan project and related superintendents	2	0	0	0	0
Auxiliary and related workers	21	0	0	18	85.7
Building and other property caretakers	25	0	0	16	64
Bus and heavy vehicle drivers	12	0	0	3	25
Cleaners in offices, workshops hospitals etc.	2 333	0	0	1 350	57.9
Client information clerks (switchboard, reception, information clerks)	11	0	0	6	54.6
Communication and information related	1	0	0	1	100

Occupation	Employment at Beginning of Period (April 2016)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Community development workers	1	0	0	0	0
Computer programmers.	2	0	0	2	100
Computer system designers and analysts.	1	0	0	1	100
Conservation labourers	5	0	0	3	60
Custodian personnel	1	0	0	1	100
Diplomats	1	0	0	1	100
Farm hands and labourers	4	0	0	2	50
Farming forestry advisors and farm managers	1	0	0	0	0
Finance and economics related	77	5	6.5	40	51.9
Financial and related professionals	70	1	1.4	14	20
Financial clerks and credit controllers	453	0	0	268	59.2
Firefighting and related workers	2	0	0	0	0
Food services aids and waiters	148	0	0	98	66.2
General, legal administration and related professionals	1	0	0	0	0
Head of department/chief executive officer	5	0	0	1	20
Household and laundry workers	420	1	0.2	191	45.5
Housekeepers laundry and related workers	3	0	0	1	20
Human resources and organisational development and related professionals	58	0	0	20	34.5
Human resources clerks	553	2	0.4	347	62.8
Human resources related	50	6	12	34	68
Inspectors of apprentices, works and vehicles	19	3	15.8	5	26.3
Library mail and related clerks	111	0	0	74	66.7
Light vehicle drivers	77	0	0	37	48.1
Logistical support personnel	67	3	4.5	9	13.4
Material-recording and transport clerks	556	0	0	301	54.1
Messengers porters and deliverers	27	0	0	19	70.4
Motor vehicle drivers	4	0	0	1	25
Nursing assistants	7	0	0	1	14.3
Occupational therapy	2	0	0	1	50
Other administration and related clerks and organisers	2 048	2	0.1	1 033	50.4
Other administrative policy and related officers	282	2	0.7	93	32.9
Other information technology personnel.	15	0	0	6	40
Other occupations	59 720	979	1.6	44 984	75.3
Physiotherapy	1	0	0	0	0
Printing and related machine operators	1	0	0	0	0
Professional nurse	2	0	0	0	0
Quantity surveyors and related professionals not classed elsewhere	1	0	0	0	0
Risk management and security services	1	0	0	1	100
Secretaries and other keyboard operating clerks	116	1	0.9	52	44.8

Occupation	Employment at Beginning of Period (April 2016)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Security guards	156	0	0	76	48.7
Security officers	108	0	0	43	39.8
Senior managers	47	1	2.1	32	68.1
Trade labourers	3	0	0	2	66.7
Youth workers	33	0	0	0	0
Total	67 781	1 013	1.5	49 230	72.6

Table 4.7.5 Promotions by salary band

Salary Band	Employees 1 April 2016	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	1 402	0	0	5	0.4
Skilled (Levels 3-5)	6 414	6	0.1	2 515	39.2
Highly skilled production (Levels 6-8)	47 597	461	1.0	34 936	73.4
Highly skilled supervision (Levels 9-12)	7 407	544	7.3	11 740	158.5
Senior management (Levels 13-16)	51	2	3.9	34	66.7
Other	4 910	0	0	0	0
Total	67 781	1 013	1.5	49 230	72.6

4.8. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.8.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	38	3	1	2	12	1	0	1	58
Professionals	13 123	1 313	94	773	33 705	2 243	173	2 442	53 866
Technicians and associate professionals	136	12	1	8	277	12	0	19	465
Clerks	994	38	0	6	3 032	202	4	162	4 438
Service and sales workers	248	31	0	0	31	2	0	0	312
Craft and related trades workers	30	4	0	0	16	0	0	0	50
Plant and machine operators and assemblers	79	9	0	3	0	3	0	0	94
Elementary occupations	1 266	185	0	15	6 337	448	1	122	8 374
Unknown	2	0	0	0	4	0	0	1	7

Total	15 916	1 595	96	807	43 414	2 911	178	2 747	67 664
Employees with disabilities	64	12	0	8	91	10	0	12	197

Table 4.8.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	0	0	0	0	3
Senior Management	34	3	1	2	10	1	0	1	52
Professionally qualified and experienced specialists and mid-management	4 493	674	68	411	6 492	536	75	836	13 585
Skilled technical and academically qualified workers, junior management, supervisors, foremen	9 193	699	26	355	29 247	1 838	102	1 763	43 223
Semi-skilled and discretionary decision making	2 095	213	1	37	2 943	326	0	91	5 706
Unskilled and defined decision making	85	5	0	1	46	2	0	0	139
Not available	13	1	0	1	4 676	208	1	56	4 956
TOTAL	15 916	1 595	96	807	43 414	2 911	178	2 747	67 664
Employees with disabilities	64	12	0	8	91	10	0	12	197

Table 4.8.3 Recruitment for the period 1 April 2016 to 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	0	1	0	0	0	1	4
Professionally qualified and experienced specialists and mid-management	20	1	0	4	38	3	1	6	73
Skilled technical and academically qualified workers, junior management, supervisors, foremen	475	33	0	26	881	75	0	122	1 614
Semi-skilled and discretionary decision making	286	4	0	3	686	21	0	23	1 023
Unskilled	67	3	0	1	25	1	0	0	97
Not available									
Total	851	41	0	35	1 649	103	3	153	2 835
Employees with disabilities	4	0	0	0	2	0	0	0	6

Table 4.8.4 Promotions for the period 1st April 2016 to 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	23	2	1	0	9	1	0	0	36
Professionally qualified and experienced specialists and mid-management	3 816	581	61	373	6 055	506	76	816	12 284
Skilled technical and academically qualified workers, junior management, supervisors, foremen	7 066	519	22	232	24 951	1 330	88	1 189	35 397
Semi-skilled and discretionary decision making	965	149	1	18	1 180	183	0	25	2 521
Unskilled and defined decision making	4	0	0	0	1	0	0	0	5
Total	11 874	1 251	85	623	32 196	2 020	164	2 030	50 243
Employees with disabilities	44	9	0	7	62	8	0	9	139

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

Table 4.8.5 Terminations for the period 1st April 2016 to 31 March 2017

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	1	0	0	0	2
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	339	47	5	51	594	48	11	86	1 181
Skilled technical and academically qualified workers, junior management, supervisors, foremen	783	80	1	46	1 842	160	4	206	3 122
Semi-skilled and discretionary decision making	262	22	1	6	246	43	0	8	588
Unskilled and defined decision making	8	0	0	0	3	3	0	1	15
Not available	2	0	0	0	214	6	0	5	227
Total	1 395	150	7	103	2 900	260	15	306	5 136
Employees with disabilities	5	1	0	0	8	0	1	1	16

Table 4.8.6 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary actions finalised	13	1	0	0	8	0	0	0	22

Table 4.8.7 Skills development

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	539	9	8	0	738	8	1	0	1 303
Professionals	1 269	11	4	1	2 783	16	3	1	4 088
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	382	24	2	0	844	63	3	8	1 326
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	40	0	0	0	25	0	0	0	65
Total	2 230	44	14	1	4 390	87	7	9	6 782
Employees with disabilities	2	0	1	0	6	0	0	0	9

4.9. Signing of Performance Agreements by SMS Members

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

Table 4.9.1. Signing of Performance Agreements by SMS members as on 31 May 2016

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	2	01	01	50
Salary Level 15	03	01	01	100
Salary Level 14	17	10	08	80
Salary Level 13	65	41	36	88
Total	87	53	46	87

Table 4.9.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2016

Reasons
None

Table 4.9.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2016

Reasons
None

4.10. Performance Rewards

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

Table 4.10.1 Performance Rewards by race, gender and disability, 1st April 2016 to 31 March 2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Male	1 212	15 852	7.7	7 017	5 789
Asian, Male	2	96	2.1	35	17 249
Coloured, Male	172	1 583	10.9	998	5 800
White, Male	24	799	3	177	7 368
African, Female	2 950	43 323	6.8	19 068	6 464
Coloured, Female	288	2 901	9.9	1 691	5 871
Asian, Female	3	178	1.7	20	6 499
White, Female	179	2 735	6.5	1 169	6 532
Employees with a disability	37	197	18.8	283	7 640
Total	4 867	67 664	7.2	30 456	6 258

Table 4.10.2 Performance Rewards by salary band for personnel below Senior Management Service, 1st April 2016 to 31 March 2017

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R,000)	Average cost per employee (R)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	10	139	7.2	35	3 440	0
Skilled (Levels 3-5)	1 687	5 706	29.6	6 780	4 031	0
Highly skilled production (Levels 6-8)	3 041	43 223	7	21 660	7 123	0.1
Highly skilled supervision (Levels 9-12)	129	13 585	0.9	1 962	15 210	0
Other	0	4 956	0	0	0	0
Total	4 867	67 609	7.2	30 456	6 258	0.1

Table 4.10.3 Performance Rewards by critical occupation, 1st April 2016 to 31 March 2017

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	No. of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee (R)
Administrative related	44	96	45.8	661	15 020
All artisans in the building, metal, machinery etc.	7	13	53.9	33	4 764
Architects, town and traffic planners	0	6	0	0	0
Artisan project and related superintendents	2	2	100	15	7 362
Auxiliary and related workers	13	21	61.9	51	3 906
Building and other property caretakers	11	21	52.3	42	3 835
Bus and heavy vehicle drivers	6	10	60	29	4 849
Cleaners in offices, workshops, hospitals etc.	1 099	2 184	50.3	4 298	3 912
Client information clerks (switchboard, reception, information clerks)	7	9	77.8	47	6 665
Communication and information related	0	1	0	0	0
Community development workers	1	1	100	9	8 832

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	No. of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee (R)
Compositors, typesetters and related printing workers	0	1	0	0	0
Computer programmers	2	2	100	17	8 535
Computer system designers and analysts	1	1	100	8	8 284
Conservation labourers	1	3	33.3	4	3 876
Custodian personnel	1	1	100	23	22 474
Diplomats	0	1	0	0	0
Farm hands and labourers	2	4	50	7	3 342
Farming forestry advisors and farm managers	0	10	0	0	0
Finance and economics related	45	80	56.2	643	14 280
Financial and related professionals	45	69	65.2	422	9 366
Financial clerks and credit controllers	336	439	76.5	2 391	7 117
Firefighting and related workers	0	2	0	0	0
Food services aids and waiters	92	152	60.5	369	4 013
General legal administration and related professionals	0	1	0	0	0
Geologists, geophysicists, hydrologists and related professionals	0	1	0	0	0
Head of department/chief executive officer	4	5	80	37	9 331
Household and laundry workers	215	435	49.4	969	4 509
Household food and laundry services related	0	1	0	0	0
Housekeepers, laundry and related workers	1	2	50	3	3 362
Human resources and organisational development and related professionals	43	53	81.1	385	8 958
Human resources clerks	424	527	80.5	3 069	7 238
Human resources related	31	60	51.7	397	12 796
Inspectors of apprentices, works and vehicles	12	34	33.8	93	8 107
Legal related	0	4	0	0	0
Library, mail and related clerks	78	108	72.2	531	6 808
Light vehicle drivers	46	80	57.5	197	4 286
Logistical support personnel	46	61	75.4	456	9 916
Material-recording and transport clerks	373	534	69.9	2 666	7 148
Messengers, porters and deliverers	16	26	61.5	65	4 032
Motor vehicle drivers	2	4	50	9	4 478
Nursing assistants	3	9	33.3	12	3 997
Occupational therapy	1	4	25	4	3 819
Other administration and related clerks and organisers	1 183	2 711	43.6	7 980	6 746
Other administrative policy and related officers	204	271	75.3	1 716	8 411
Other information technology personnel	12	16	75	97	8 097
Other occupations	265	59 091	1	1 639	6 195
Physiotherapy	1	1	100	7	6 671
Printing and related machine operators	2	2	100	19	9 474
Professional nurse	0	1	0	0	0
Quantity surveyors and related professionals not classed elsewhere	1	1	100	7	7 186
Risk management and security services	69	109	63.3	466	6 751
Secretaries and other keyboard operating clerks	47	190	24.7	183	3 898
Security guards	53	107	49.5	256	4 820
Security officers	1	51	1.9	7	7 080
Senior managers	2	3	66.7	8	3 848
Speech therapy and audiology	17	32	53.1	106	6 254
Trade labourers	4 867	67 664	7.2	30 456	6 258
Youth workers	44	96	45.8	661	15 020
TOTAL	7	13	53.9	33	4 764

Table 4.10.4 Performance related rewards (cash bonus), by salary band for Senior Management Service, 1st April 2016 – 31 March 2017

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	42	0	0	0	0
Band B	0	10	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	2	0	0	0	0
Total	0	55	0	0	0	0

4.11. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by major occupation.

Table 4.11.1 Foreign workers by salary band

Salary Band	01-Apr-16		31-Mar-17		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	62	11.95	165	14.8	103	17.3
Highly skilled production (Levels 6-8)	331	63.78	727	65.1	396	66.3
Highly skilled supervision (Levels 9-12)	123	23.70	218	19.5	95	15.9
Senior Management (Levels 13-16)	1	0.19	2	0.2	1	0.2
Other	2	0.39	4	0.4	2	0.3
Total	519	100	1 116	100	597	100

Table 4.11.2 Foreign workers by major occupation

Major Occupation	01-Apr-16		31-Mar-17		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	518	99.81	1 114	99.8	596	99.8
Professionals and managers	1	0.19	2	0.2	1	0.2
Total	519	100	1 116	100	597	100

4.12. Leave utilisation

The following tables provide an indication of the use of sick leave and disability leave:

Table 4.12.1 Sick leave, 1 January 2016 to 31 December 2016

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)	378	61.6	100	0.3	3.8	195
Skilled (Levels 3-5)	16 621	56.4	2 410	8.2	6.9	10 765
Highly skilled production (Levels 6-8)	140 063	54.1	20 338	69.4	6.9	179 496
Highly skilled supervision (Levels 9-12)	42 779	54.1	6 334	21.6	6.8	88 159
Senior management (Levels 13-16)	275	59.6	27	0.1	10.2	1 018
Contract / Other	286	47.6	83	0.3	3.5	118
Total	200 402	54.3	29 292	100	6.8	279 751

Table 4.12.2 Disability leave (temporary and permanent), 1 January 2016 to 31 December 2016

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower Skilled (Levels 1-2)	73	100	2	0.2	36.5	36
Skilled (Levels 3-5)	2 924	98.5	51	5.3	57.3	1 789
Highly skilled production (Levels 6-8)	42 961	95.8	676	70.3	63.6	54 906
Highly skilled supervision (Levels 9-12)	13 099	93.6	232	24.1	56.5	24 603
Senior management (Levels 13-16)	213	100	1	0.1	213	784
TOTAL	59 270	95.4	962	100	61.6	82 118

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

Table 4.12.3 Annual Leave, 1 January 2016 to 31 December 2016

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	415	113	3.7
Skilled (Levels 3-5)	32 651	2 115	15.4
Highly skilled production (Levels 6-8)	62 185	3 335	18.6
Highly skilled supervision (Levels 9-12)	37 668	1 760	21.4
Senior management (Levels 13-16)	672	48	14.0
Contract, other	75	21	3.6
Total	133 666	7 392	18.1

Table 4.12.4 Capped leave, 1 January 2016 to 31 December 2016

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 Dec
Lower Skilled (Levels 1-2)	0	0	0	45.9
Skilled (Levels 3-5)	473.75	88	5.4	62.5
Highly skilled production (Levels 6-8)	1 440.25	313	4.6	58.4
Highly skilled supervision (Levels 9-12)	1 065	174	6.1	75.9
Senior management (Levels 13-16)	0	0	0	102.6
Total	2 979	575	5.2	65.3

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

Table 4.12.5 Leave payouts, 1 April 2016 to 31 March 2017

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R)
Capped leave payouts on termination of service for 2016/17	214 016	1 730	123 708
Current leave payout on termination of service for 2016/17	118	1	118 312
Total	214 134	1 731	123 705

4.13. HIV/AIDS & Health Promotion Programmes

Table 4.13.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<ul style="list-style-type: none"> Employees who are forced to leave their homes and work elsewhere within the Province due to redeployment and or rationalisation of schools. The Drivers who are travel throughout the Province and are way from their families for ays and sometimes for weeks. Head Office based employees that are categories as field workers who are often compelled to work away from their work station and families while visiting districts and schools for a number of days in a week and sometimes for consecutive weeks 	<ul style="list-style-type: none"> Facilitation of quarterly HCT sessions to enable employees to have a regular check of their HIV status. Early detection for those who participate and ensuring that they can access treatment if necessary and take precautions to avoid reinfection and infecting others. Facilitating access to treatment care and support for infected employees and affected families. Intensifying education on managing HIV so that it does not impede employee productivity. Sensitising managers on reasonable accommodation (physically and emotionally) of employees who are infected.

Table 4.13.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Mr Nceba Stofile has been appointed Director: Employee Health and Wellness with effect from 01 April 2017.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in	x		The Department has a Directorate: Employee Health and Wellness. The Directorate has 7 employees as follows:

Question	Yes	No	Details, if yes
this task and the annual budget that is available for this purpose.			<ul style="list-style-type: none"> • It is headed by a Director appointed in terms of the Department's new Service Delivery Model • A Manager, a CES seconded from IMD&G in 2007 to establish the Employee Health and Wellness Unit. She is a registered Psychologist. • An Assistant Director employed permanently in terms of the 2006 Organisational Structure. • A Chief Personnel Officer employed permanently in terms of the 2006 Organisational Structure • Three Wellness Practitioners seconded at SL 6 from HRM&D to implement the 4 Pillars of Employee Health and Wellness. <p>EHW does not have dedicated staff at District level. It is taken care of by officials employed as either Assistant Directors or Senior Admin Officers in HRD, PMDS and/or Labour Relations.</p> <p>The budget for the year under review was R4 412</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		<p>Yes. The Department is implementing an Integrated Employee Health and Wellness Programme model on the DPSA Strategic Framework for Employee Health and Wellness.</p> <p>The key elements of this programme are the following:</p> <ul style="list-style-type: none"> • HIV, AIDS STI and TB Management • Health and Productivity Management • Safety, Health, Environment, Risk and Quality Management • Wellness Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		<p>Yes. The list is provided on pages 125 and 126.</p>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.			<p>Human Resource Policies and procedures that might have a bearing on the implementation of EH&W programme have been reviewed. The purpose was to determine to what extent these either support or contradict the key principles for the effective implementation of an EH&W Programme. The following HR policies and procedures were reviewed:</p> <ul style="list-style-type: none"> • Service benefits • Leave • Medical Assistance • Compensation for occupational injuries and diseases • Employee Assistance Programme. • Training and Skills development • Performance management and development systems

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> • Employment equity • Safety Health and Environment <p>The review revealed that none of the policies and procedures in the Department contradicts key principles for the effective implementation of EH&WP. The HR policies and procedures in the ECDoE are clearly articulated and compiled in a user friendly manner. Furthermore each policy contains additional tools necessary for the implementation of the policies, such as step-by-step procedures for implementation; templates; business process performance framework to aid in monitoring and evaluation.</p>
<p>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.</p>	x		<ul style="list-style-type: none"> • Upholding the confidentiality principle throughout the access to treatment, care and support process • Ensuring anonymity during HCT sessions placing no emphasis at all on the names of participants and putting all emphasis on statistics • Identification of infected employees is protected during the referral process (names are kept strictly confidential by referring specialist only)
<p>7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.</p>	x		<ul style="list-style-type: none"> • An increase in the number of Employees who participate in the HCT programme • An increase in the number of Employees who disclose their status and seek assistance through the Employee Health and Wellness programme
<p>8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.</p>			<ul style="list-style-type: none"> • Quarterly Statistics indicating new infections • Follow up the work attendance of employees who have disclosed.

Provincial Employee Health and Wellness Committee

Name	Telephone	Credentials	Email
Designated Senior Manager			
Nceba Stofile	0406084382	Director : Employee Health and Wellness	nceba.stofile@ecdoe.gov.za
Employee Health and Wellness Unit : Provincial Office			
YF Bomela	0406084382	Manager : EH&W	yolisa.bomela@ecdoe.gov.za
CN Kunene	0406084617	ASS. MANAGER : EHW	nobukhosi.kunene@edu.ecprov.gov.za
N Falo	0406084113	Wellness Practitioner	ntombizandile.falo@edu.ecprov.gov.za
SG Kiva	0406084507	SHERQ Practitioner	somila.kiva@edu.ecprov.gov.za
B. Makhongolo	0406084699	HIV AIDS & TB MANGEMENT Practitioner	bongiwe.godloza@edu.ecprov.gov.za
Social Partners			
N Makayi	0406393229	SADTU	kngayeka@sadtu.co.za
J Lombard	0413640500	SAOU	saouok@saou.co.za
S Bunguza	0437432876	NEHAWU	ecadministrator@nehawu.org.za
S Mtshongwane	0415016800	PSA	sikhumbuzo.mtshongwane@edu.ecprov.gov.za
Z Makuleni	0413640399	NAPTOSA	peter@naptosa.org.za
ND Mtyongwe	0437053113	NAPWA	DollyM@buffalocity.gov.za
Other Departmental Units			
B Daimani	0406064222	FINANCE	bulelwa.dayimani@edu.ecprov.gov.za
N Mawisa	0406084753	HRD	nompumelelo.mawisa@edu.ecprov.gov.za
B Somwahla	0406084210	LABOUR RELATIONS	bulelwa.somwahla@edu.ecprov.gov.za
B Fanta	0406084550	SPU	bukelwa.fanta@edu.ecprov.gov.za
A Mbambo	0406084298	HRA	andile.mbambo@edu.ecprov.gov.za
District Representatives			
N Buso	0474913056	Butterworth	mfundo.buso@gmail.com
N Sotomela	0478740313	Cofimvaba	nomonde.sotomela@edu.ecprov.gov.za
Swanepoel	0488018651	Cradock	
S Matomela	0474895043	Dutywa	siyasanga.matomela@edu.ecpro.gov.za
P Veletshona	0437086245	East London	
V Mandindi	0466457854	Fort Beaufort	vusumzi.mandindi@edu.ecprov.gov.za
MV Rensburg	0498072206	Graaf-reinet	marlene.vanRensburg@eduecprov.gov.za
SL Dyaloyi	0466033362	Grahamstown	-
NF Simelela	0436043215	KWT	ndwezasimelela@yahoo.com
L Tole	0478780009	Lady Frere	lulamatole589@gmail.com
PN Gqaleni	0475027434	Libode	pozisa.gqaleni@webmail.co.za
N Mdolo	0392536686	Lusikisiki	tobekasipambo@yahoo.com
NA Gqabiya	0392560111	Maluti	ndileka.gqabiya@edu.gov.za
K Mzwabantu	0392510063	Mbizana	
Z Nkomo	0392551714	Mount Frere	
N Sikithi	039570048	MT Fletcher	sikithi@webmail.co.za
Madyibi	0475024214	Mthatha	
Z Ntlemeza	0475481121	Ngcobo	
L. Walters	0414034400	Port Elizabeth	walters@edu.ecprov.gov.za
M. Feliti	0458588900	Queenstown	alushy@webmail.co.za
X Hlongwane	0475530157	Qumbu	
D Silele	0516110052	Sterkspruit	dumabezwe.silele@edu.ecprov.gov.za
TL Mgoduka	0419954054	Uitenhage	lucky.Mgoduka@eduecprov.gov.za

4.14. Labour Relations

The following collective agreements were entered into with trade unions within the department.

Table 4.14.1 Collective agreements

Subject Matter	Date
Collective Agreement 1 of 2016: Amendments of Clause 18.2 & 18.3 of the ELRC Constitution 18.2 "vote weights"	19 th May 2016
Collective Agreement 2 of 2016: Amendments of Clause 9.3.1 of the ELRC constitution as certified by the Registrar of Labour on the 15 th December 2009 and Collective Agreement No 2 of 2011	10 th July 2016
Collective Agreement 3 of 2016: ELRC Guidelines: Promotion of Arbitrators	23 rd August 2016
Collective Agreement 4 of 2016: Transfer of serving educators in terms of operational requirements	23 rd August 2016
Collective Agreement 5 of 2016: Levy Agreement	23 rd August 2016

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

Table 4.14.2 Misconduct and disciplinary hearings finalised

Outcome of disciplinary hearings	Number	% of total
Demotion	1	4.55
Discharged	7	31.82
Fine	1	4.55
Final Written Warning	3	13.64
Suspension	10	45.45
Grand Total	22	100

Table 4.14.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% total
Absenteeism	8	36.36
Assault	1	4.55
Failed to comply with the Act	3	13.64
Insolent behaviour	1	4.55
Sexual relationship with a learner	1	4.55
Assaulted a learner	3	13.64
Prejudiced the administration	2	9.09
Abusive language	1	4.55
Failed to carry out a lawful order or instruction without a just or reasonable cause	2	9.09
Grand Total	22	100

Table 4.14.4 Grievances logged for the period 1 April 2016 to 31 March 2017

Grievances	Number	% of Total
Number of grievances pending	20	83.33
Number of grievances resolved	3	12.50
Number of grievances withdrawn	1	4.17
Total number of grievances lodged	24	100

Table 4.14.5 Disputes logged with Councils for the period 1 April 2016 to 31 March 2017

Disputes	Number	% of Total
Arbitration hearing pending	58	59
Awaiting arbitration award	2	2

Disputes	Number	% of Total
Conciliation hearing pending	26	27
Conciliation / pre-arbitration meeting	3	3
Dispute dismissed	1	1
Dispute settled	2	2
Dispute withdrawn	1	1
In limine hearing pending	5	5
Grand Total	98	100

Table 4.14.6 Strike actions for the period 1st April 2016 to 31 March 2017

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

Table 4.14.7 Precautionary suspensions for the period 1st April 2016 to 31 March 2017

Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	492 days
Cost of suspension(R'000)	R 1768 199.71

4.15. Skills Development

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

Table 4.15.1 Training needs identified

Occupational Category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Male	41	0	1 507	0	1 507
	Female	15	0	2 217	0	2 217
Professionals	Male	15 503	0	1 721	2 144	3 865
	Female	39 136	0	3 672	4 148	7 820
Technicians and associate professionals	Male	164	0	16	16	32
	Female	309	0	720	1 065	1 785
Clerks	Male	893	0	96	525	621
	Female	2 959	0	208	863	1 071
Service and sales workers	Male	248	0	0	0	0
	Female	29	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Craft and related trades workers	Male	27	0	0	0	0
	Female	9	0	0	46	46
Plant and machine operators and assemblers	Male	91	0	0	0	0
	Female	3	0	0	0	0

Occupational Category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Male	1 493	0	30	30	60
	Female	6 861	0	70	70	140
Sub Total	Male	18 460	0	3 370	2 715	6 085
	Female	49 321	0	6 887	6 192	13 079
Total		67 781	0	10 257	8 907	19 164

Table 4.15.2 Training provided for the period

Occupational Category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Male	41	0	556	0	556
	Female	15	0	747	0	747
Professionals	Male	15 503	0	1 285	0	1 285
	Female	39 136	0	2 803	0	2 803
Technicians and associate professionals	Male	164	0	0	0	0
	Female	309	0	0	0	0
Clerks	Male	893	0	366	42	408
	Female	2 959	0	806	112	918
Service and sales workers	Male	248	0	0	0	0
	Female	29	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
	Female	0	0	0	0	0
Craft and related trades workers	Male	27	0	0	0	0
	Female	9	0	0	0	0
Plant and machine operators and assemblers	Male	91	0	0	0	0
	Female	3	0	0	0	0
Elementary occupations	Male	1 493	0	0	40	40
	Female	6 861	0	0	25	25
Sub Total	Male	18 460	0	2 207	82	2 289
	Female	49 321	0	4 356	137	4 493
Total		67 781	0	6 563	219	6 782

4.16. Injury on duty

The following tables provide basic information on injury on duty.

Table 4.16.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	16	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	16	100

4.17. Utilisation of Consultants

Table 4.17.1. Report on Consultant appointments using appropriated funds

Directorate	Project Title	Total Number of consultants that worked on project	Duration	Contract value in Rand	End date
HRM &D	Rationalisation	1	2 years	2 278 848	31 March 2018
HRM & D	Integrated management and human resource records restoration project for the Department of Education.	Consortium consisting of 4 companies	2 years	217 307 360	01 May 2016 – 30 April 2018
CFO	Audit Controller	1	3 years	2 268 288	31 March 2018
CFO	Internal Control Unit - ICU	1	1 year	2 268 288	31 March 2017
CFO	Provision of technical support to the CFO	70	1 year	19 095 000	1 September 2016 – 30 August 2017
EPEM	Technical support to Strategic, Annual and Operational Plans	1	1 year	703 296	30 September 2017
SCM	Technical support – Document Management	1	1	1 491 072	31 March 2018
SCM	Provision of technical support to Supply Chain Management of the Department for a period of eighteen months	(1 Consulting firm) 3	18 months	8 859 084,10	01 December 2015 – 31 May 2017
Accounting Services	Technical support	1	1 year	675 840	31 March 2017
EMIS	To ensure that schools report on	1	1 year	20 400 000	

Directorate	Project Title	Total Number of consultants that worked on project	Duration	Contract value in Rand	End date
	administrative matters to the Department.				
Infrastructure	Provide technical support in the implementation of EFMS	1	3 years	19 971 216,30	13 September 2015 – 31 August 2018
Infrastructure	Provision of infrastructure programme management services	1	3 years	16 212 521,52	01 April 2016 – 31 March 2019
Internal Audit	Provision of internal audit services and technical capacity in a co-sourced capacity	1	18 months	3 995 119,48	1 October 2015 -30 April 2017
Office of the SG	Rationalisation and amalgamation of schools		3 years	23 149 362	01 April 2016 – 31 March 2019
Office of the SG	Panel of Administrators to provide corporate support to the 12 Districts	1	2 years	3 217 327	01 March 2016 – 02 May 2018
Office of the SG	Panel of Administrators to provide corporate support to the 12 Districts	1	2 years	3 465 153	01 March 2016 – 02 May 2018
Office of the SG	Panel of Administrators to provide corporate support to the 12 Districts	1	2 years	3 215 826	01 March 2016 – 02 May 2018
Office of the SG	Panel of Administrators to provide corporate support to the 12 Districts	1	2 years	3 208 705	01 March 2016 – 02 May 2018
Office of the SG	Panel of Administrators to provide corporate support to the 12 Districts	1	2 years	3 370 079	01 March 2016 – 02 May 2018
Office of the SG	Administration of PILIR Cases	1	1 year	5 192 000	15 April 2016 – 16 March 2017

Directorate	Project Title	Total Number of consultants that worked on project	Duration	Contract value in Rand	End date
	Appointed as the Department Representative of a Disciplinary Hearing Process	1	1 year	6 500 000	August 2016

Table 4.17.2. Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDI)

Directorate	Project Title	Gender	Race	HDI Category
SCM	SCM Technical Support	Male	Black	100% black ownership
SCM	Document Management	Female	Black	100% black ownership
Internal Audit	CFO support (ICU)	Male	Black	100% black ownership
CFO Support	Audit Controller	Male	White	100% black ownership
HRM & D	Rationalisation	Male	Black	100% black ownership
EPEM	Technical support to Strategic, Annual and Operational Plans	Female	Coloured	100% black ownership

A wide-angle photograph of a construction site under a clear blue sky. In the foreground, two workers in white hard hats and high-visibility vests are working with large stacks of bricks. One worker is kneeling, and the other is leaning over a stack. The middle ground shows a long, narrow trench or foundation pit with several workers standing along its length. In the background, more workers and construction equipment are visible on a larger site. The overall scene is one of active construction work.

PART E

FINANCIAL

INFORMATION

2016/17 Annual Report
Vote 06: Department of Education Province of Eastern Cape

5.1. Report of the Auditor General

Report of the auditor-general to the Eastern Cape Provincial Legislature on vote no. 6: Department of Education

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Eastern Cape Department of Education set out on pages ... to ..., which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Education as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa (Act No. 3 of 2016) (DoRA).

Basis for qualified opinion

Goods and services

3. I was unable to obtain sufficient appropriate audit evidence for goods and services as supporting documentation was not provided to ascertain if goods and services were received. I was unable to confirm the amount of goods and services by alternative means. Consequently, I was unable to determine whether any adjustments to goods and services stated at R2,77 billion in note 5 to the financial statements was necessary.

Irregular expenditure

4. I was unable to obtain sufficient appropriate evidence to confirm irregular expenditure incurred of R784,3 million (2016: R1,2 billion) which was disclosed in note 25.1. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustment to irregular expenditure balance of R2,4 billion (2016: R1,6 billion) as disclosed in note 25 to the financial statements was necessary.

Moveable tangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence for computer equipment as contained in moveable tangible capital assets as I was not provided with a complete asset register. This was as a result of the department not having appropriate processes and systems in place to account for all its assets in the financial statements. I was unable to confirm the amount of computer equipment as contained in moveable tangible capital assets by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to computer equipment of R304 million as disclosed in note 30 to the financial statements.

Commitments

6. The department did not account for its commitments as required by the MCS as the department recognised commitments prior to award letters being communicated to the winning bidder. In addition, contract amounts were not always used in the calculation of commitments. This was because the department did not adequately review and reconcile the commitment schedules. Consequently, commitments as disclosed in note 21 to the financial statements are overstated by R2,2 billion (2016: R317,6 million).
7. In addition, the department did not disclose all the commitments at year-end, as required by the MCS, because it did not have appropriate processes and systems in place to account for all its commitments in the financial statements. I was unable to confirm the amount of commitments by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to commitments of R4,3 billion (2016: R2,8 billion) as disclosed in note 21 to the financial statements.

Employee benefits

8. There were calculation differences relating to capped leave which resulted in capped leave being understated by R340,6 million (2016: R883,5 million). In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as capped leave commitments as the department did not have adequate systems to maintain records of capped leave as required by the MCS. I could not confirm capped leave commitments by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to capped leave commitments of R2,6 billion as disclosed in note 23 to the financial statements.

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

Emphasis of matters

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

Prior period error

13. As disclosed in note 25.5 to the financial statements, the department effected a prior period error correction relating to irregular expenditure of R1,1 billion.

Underspending of conditional grants

14. As disclosed in note 34 to the financial statements, the department has underspent on the national school nutrition programme by R85,3 million.

Bank overdraft

15. The department was in an overdraft position of R42,9 million as disclosed in note 16 to the financial statements.

Additional matter

Unaudited supplementary schedules

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

Responsibilities of the accounting officer

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

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

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

Report on the audit of the annual performance report

Introduction and scope

21. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for

selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

22. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – public ordinary schools	x – x
Programme 5 – early childhood development	x – x
Programme 6 – infrastructure development	x – x
Programme 7 – examinations and education related services	x – x

24. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
25. The material findings in respect of the reliability of the selected programmes are as follows:

Programme 2 – public ordinary schools

PPM 205 – the percentage of children who turned 9 in the previous year and who are currently enrolled in grade 4

26. Invalid information was used to report on this target. The reported achievement for the target based on the evidence provided indicated the percentage of children who turned 9 in the previous year and who are currently enrolled in grade 4 of 68% was misstated. In the calculations of the department, the number of children who turned 9 in the previous year should have been 78 521 and not 87 246 and the number of children currently enrolled in grade 4 should have been 116 025 and not 128 917.

PPM 206 – the percentage of children who turned 12 in the preceding year and who are currently enrolled in grade 7

27. Invalid information was used to report on this target. The reported achievement for the target based on the evidence provided indicated the percentage of children who turned

12 in the preceding year and who are currently enrolled in grade 7 of 54% was misstated. In the calculation of the department, the number of children who turned 12 in the preceding year should have been 58 415 and not 64 883 and the number of children currently enrolled in grade 7 should have been 104 247 and not 120 285.

PPM 207 – number of schools provided with media resources

28. The reported achievement for the target for number of schools provided with media resources was misstated as the evidence provided indicated that during the financial year 157 media resources were provided to schools and not zero, as reported.

PPM 208 – learner absenteeism rate

29. The annual performance actual achievement reported on the annual report was not complete as not all learner attendance registers were captured on the SA-SAMS system. The reported achievement for the target for learner absenteeism was misstated as the evidence provided indicated learner absenteeism rate of 2.63% and not 2%.

PPM 209 - teacher absenteeism rate

30. The annual performance actual achievement reported on the annual report was not complete as not all teacher attendance registers were captured on the SA-SAMS system. The reported achievement for the target based on the evidence provided indicated the percentage teacher absenteeism of 4,1%, was misstated. In the calculation of the department, the total number of days lost due to teacher absenteeism was reported as 1 144 383 instead of 1 864 920 and the total number of working days was reported as 27 603 509 instead of 43 962 051.

PPM 211 – number of educators trained in language/literacy content

31. Invalid information was used to report on this target. The reported achievement for the target for number of educators trained in language/literacy content was misstated as the evidence provided indicated 2 587 instead of 1 054.
32. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target. This is because actual achievement reported in the annual performance report did not agree to the supporting evidence submitted for audit purposes. This was due to duplication of the portfolio of evidence, which was double for achievement. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 2 587.

PPM 212 – number of teachers trained on mathematics numeracy content

33. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target. This is because actual achievement reported in the annual performance report did not agree to the supporting evidence submitted for audit purposes. This was due to duplication of the portfolio of evidence, which resulted in double the achievement. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 3 609.

Statistical indicators

Percentage of learners having access to workbooks per grade

34. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target. This is because the reported target in the annual report did not agree to the supporting documentation submitted for audit purposes. Furthermore, the department does not have technical indicator description for this indicator. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 98%.

Percentage of learners having access to the required textbooks in all grades and all subjects

35. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target. The reported target in the annual report did not agree to the supporting documentation submitted for audit purposes. Furthermore the department does not have technical indicator description for this indicator. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 97%.

Other matters

36. I draw attention to the matters below.

Achievement of planned targets

37. Refer to the annual performance report on pages x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the under achievement of a significant number of targets. The department achieved only 20% of its targets overall, however 99% of the budget had been spent. This information should be considered in the context of the material findings on the reliability of the reported performance information included in the above paragraphs of this report.

Adjustment of material misstatements

38. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: public ordinary schools and programme 6: infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information for programme 2: public ordinary schools.

Report on audit of compliance with legislation

Introduction and scope

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

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

Annual financial statements

41. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA.
42. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Consequence management

43. Investigations were not conducted into all allegations of financial misconduct committed by officials, as required by treasury regulations 4.1.1 and 33.1.1.

Expenditure management

44. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.
45. Money owed by the department were not settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.
46. Effective steps were not taken to prevent fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The expenditure disclosed does not reflect the full extent of the fruitless and wasteful expenditure incurred.

Procurement and contract management

47. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.
48. Quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.
49. Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by treasury regulations 16A9.1(d) and the Preferential Procurement Regulations (PPR).
50. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of treasury regulation 16A6.4. Similar non-compliance was also reported in the prior year.
51. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No.5 of 2000) (PPPFA) and treasury regulations 16A6.3(b).

52. Contracts were awarded to bidders based on evaluation/ adjudication criteria that were differed from those stipulated in the original invitation for bidding, in contravention of treasury regulations 16A6.3(a) and the PPR.
53. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to suppliers whose tax matters have been declared by the South African Revenue Services to be in order as required by treasury regulations 16A9.1(d) and the PPR.
54. Quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and its regulations.
55. Contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and PPR.
56. Construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board in accordance with section 18(1) of the Construction Industry Development Board Act of South Africa, 2000 (Act No.38 of 2000).
57. IT related goods and services, classified as mandatory, were not procured through SITA as required by treasury regulation 16A6.3(e).
58. Sufficient appropriate audit evidence could not be obtained to determine whether persons in service of the department who had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4 and Public Service Regulation 3C.
59. Sufficient appropriate audit evidence could not be obtained to determine whether persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4.

Transfer payments

60. Sufficient appropriate audit evidence could not be obtained that appropriate measures were maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by Treasury Regulation 8.4.1.

Other information

61. The department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
62. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
63. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially

misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

64. No material inconsistencies were identified

Internal control deficiencies

65. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
66. Leadership did not implement effective human resource management to ensure that adequately and sufficiently skilled resources were in place as a number of key positions within top and middle management were vacant for extended periods. The continued absence of permanent officials to lead and guide the department compromised the effectiveness and stability of the control environment. As a result, performance management is not adequately implemented; monitored and consequence management is not always applied where necessary.
67. Significant deficiencies was noted in key priorities of the department relating to infrastructure, school management, learner-teacher support material and early childhood development. The district offices responsible for monitoring of the functioning of schools are not held accountable for executing their responsibilities, to the detriment of the provision of quality basic education. Service delivery reporting is not supported by a sound performance management system which should effectively monitor and evaluate all aspects of the department's performance.
68. Leadership had not institutionalised all the disciplines necessary to enable oversight and monitoring to promote efficiency and effectiveness in financial management, service delivery reporting and compliance with legislation. As a result, the correct tone was not set in building a high performance environment that promotes accountability.
69. Leadership has not sufficiently addressed the previously reported challenges faced by the department's supply chain management (SCM) unit. This was further aggravated by poor planning, implementation and monitoring of contracts and projects by user directorates within the department.
70. Various directorates at the department planned, worked and reported in isolation, which resulted in a lack of integration and alignment as well as impacting negatively on service delivery. This was compounded by deficiencies in monitoring and coordination between head office and the district offices, which had a detrimental impact on the department's performance and its ability to prepare financial statements and an annual performance report that were free of misstatements.
71. Deficiencies were noted in supervision, monitoring and consequence management relating to the daily and monthly control activities and record keeping, which resulted in limitations in the financial and performance reports.

72. The department has a significant budget for infrastructure which is critical for the maintenance and construction of school infrastructure. The department does not have an effective and well-resourced project management unit or adequate processes for procurement and contract management. A high rate of deviations from SCM regulations was noted, as well as poor planning that impacts infrastructure delivery.
73. The department budgeted to spend R4,5 billion on goods and services and capital expenditure. The majority of the expenditure was incurred during the last four months of the financial year, amounting to R2,9 billion (64%). Furthermore, in the last month alone of the financial year, R1,8 billion (40%) of the budget was spent. This was due to a lack of consequence management and poor financial disciplines.
74. The department does not adequately monitor and review information to ensure the accuracy of learner numbers at the time of transfers, is performed. Schools remain underfunded as a result of coordinating departments not instituting proper reconciliations of learner details.
75. The internal audit function, which plays a critical role in risk management, is not appropriately staffed, which restricts the completion of the majority of assignments in the internal audit plan. Management did not implement the recommendations arising from internal audits relating to the department's high-risk areas. As a result, the audit committee could not exercise adequate and effective oversight of the implementation of matters reported during the year.

Other reports

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

Performance audit

77. A performance audit was conducted during the 2015-16 financial year on the department's curriculum support and monitoring provided to schools through education districts. The report covered the period 2012 to 2016 (with greater emphasis being placed on 2014), and was tabled on 30 November 2016 as part of the 2015-16 education sector report.

Investigations

78. The department conducted internal investigations into the following matters:
- Ongoing internal investigation relating to an allegation of fraud at a district office.
 - 43 instances of alleged financial mismanagement and financial irregularities. The investigations in two of these instances were still ongoing at year-end. The investigations were finalised for the remainder of the cases, with one disciplinary hearing completed, one ongoing and two in the process of commencement at year-end.
 - The theft of assets was reported for criminal prosecution.

- Investigations were completed for two instances relating to transfers to schools.
- Two instances of alleged misappropriation of funds are under investigation.

79. External investigations are underway relating to the following matters:

- Human resource matters
- SCM irregularities

AUDITOR-GENERAL

East London

31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

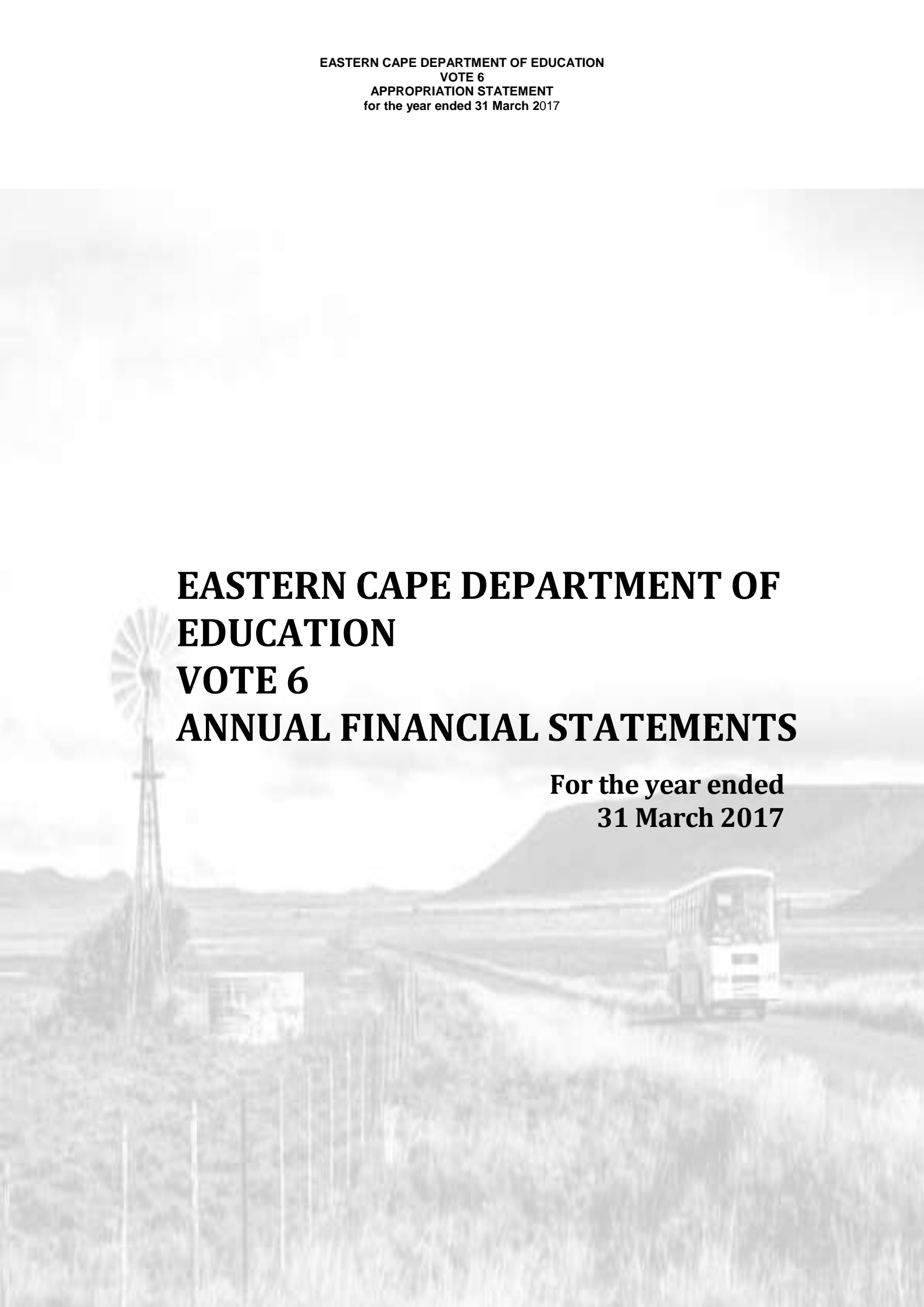
2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other

matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017**



**EASTERN CAPE DEPARTMENT OF
EDUCATION
VOTE 6
ANNUAL FINANCIAL STATEMENTS**

**For the year ended
31 March 2017**

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per programme										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Programme										
1. ADMINISTRATION	2 605 694	-	5 156	2 610 850	2 606 622	4 228	99.8%	2 660 696	2 242 994	
2. PUBLIC ORDINARY SCHOOL EDUCATION	24 802 667	-	86 235	24 888 902	25 012 249	(123 347)	100.5%	23 257 342	23 090 762	
3. INDEPENDENT SCHOOL SUBSIDIES	120 000	-	-	120 000	119 985	15	100.0%	116 317	115 587	
4. PUBLIC SPECIAL SCHOOL EDUCATION	690 280	-	(40 914)	649 366	643 705	5 661	99.1%	651 056	596 817	
5. EARLY CHILDHOOD DEVELOPMENT	630 961	-	(50 477)	580 484	449 985	130 499	77.5%	556 541	460 485	
6. INFRASTRUCTURE DEVELOPMENT	1 679 493	-	-	1 679 493	1 629 640	49 853	97.0%	1 448 205	1 448 205	
7. EXAMINATION AND EDUCATION RELATED SERVICES	451 640	-	-	451 640	502 863	(51 223)	111.3%	469 447	469 447	
Programme subtotal	30 980 734	-	-	30 980 734	30 965 049	15 685	99.9%	29 159 604	28 424 297	
Statutory Appropriation	1 902	-	-	1 902	1 902	-	100.0%	1 902	1 902	
Members remuneration	1 902	-	-	1 902	1 902	-	100.0%	1 902	1 902	
TOTAL	30 982 636	-	-	30 982 636	30 966 951	15 685	99.9%	29 161 506	28 426 199	
Reconciliation with statement of financial performance										
Add:										
Departmental receipts								45 456		
Actual amounts per statement of financial performance (total revenue)				30 982 636				29 206 962		
Actual amounts per statement of financial performance (total expenditure)					30 966 951				28 426 199	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	26 760 673	(302 652)	-	26 458 021	26 640 766	(182 745)	100.7%	25 534 043	24 775 870	
Compensation of employees	24 390 315	(509 426)	(1)	23 880 888	23 871 773	9 115	100.0%	22 989 231	22 635 463	
Salaries and wages	21 069 257	(509 029)	(1)	20 560 227	20 541 274	18 953	99.9%	19 657 973	19 435 689	
Social contributions	3 321 058	(397)	-	3 320 661	3 330 499	(9 838)	100.3%	3 331 258	3 199 774	
Goods and services	2 370 358	206 774	1	2 577 133	2 765 867	(188 734)	107.3%	2 544 812	2 140 407	
Administrative fees	738	273	-	1 011	1 001	10	99.0%	45	954	
Advertising	1 341	9 756	-	11 097	9 170	1 927	82.6%	4 729	4 635	
Minor assets	71 544	3 082	(43 144)	31 482	16 309	15 173	51.8%	56 733	3 795	
Audit costs: External	18 993	1 270	-	20 263	18 118	2 145	89.4%	21 934	21 274	
Bursaries: Employees	48 926	15 441	-	64 367	47 904	16 463	74.4%	64 896	61 654	
Catering: Departmental activities	38 699	11 301	-	50 000	40 262	9 738	80.5%	41 553	32 530	
Communication	18 588	11 573	-	30 161	28 900	1 261	95.8%	29 404	24 904	
Computer services	51 324	13 008	-	64 332	57 761	6 571	89.8%	73 483	53 026	
Consultants: Business and advisory services	51 506	229 537	-	281 043	252 743	28 300	89.9%	95 801	44 200	
Infrastructure and planning services	71 139	(71 139)	-	-	-	-	-	-	-	
Legal services	46 897	(13 700)	-	33 197	33 105	92	99.7%	43 874	19 138	
Contractors	136 352	6 704	-	143 056	156 080	(13 024)	109.1%	351 730	356 933	
Agency and support / outsourced services	123 117	30 875	-	153 992	127 764	26 228	83.0%	113 379	106 255	
Entertainment	20	715	-	735	593	142	80.7%	25	6	
Fleet services	369	-	-	369	38	331	10.3%	-	-	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification											
2016/17											2015/16
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000
Inventory: Clothing material and supplies	1 900	1 402	-	3 302	1 208	36.6%	2 094	57	22		
Inventory: Farming supplies	-	1 928	-	1 928	1 171	60.7%	757	887	1 088		
Inventory: Fuel, oil and gas	-	28	-	28	3 002	10721.4%	(2 974)	1 817	1 974		
Inventory: Learner and teacher support material	896 111	(232 527)	45 688	709 272	1 059 237	149.3%	(349 965)	587 889	642 034		
Inventory: Materials and supplies	-	89	-	89	2 290	2573.0%	(2 201)	1	106		
Inventory: Medical supplies	-	-	-	-	-	-	-	219	219		
Inventory: Other supplies	163 256	43 463	(582)	206 137	230 486	111.8%	(24 349)	237 112	352 633		
Consumable supplies	500	5 783	-	6 283	14 701	234.0%	(8 418)	11 229	9 336		
Consumable: Stationery, printing and office supplies	128 235	68 933	(400)	196 768	186 265	94.7%	10 503	108 588	125 785		
Operating leases	20 066	14 467	-	34 533	32 515	94.2%	2 018	29 748	44 076		
Property payments	94 778	(42 059)	(696)	52 023	48 037	92.3%	3 986	73 270	68 171		
Transport provided: Departmental activity	7 683	(5 531)	-	2 152	1 726	80.2%	426	40	619		
Travel and subsistence	158 038	110 358	(865)	267 531	259 785	97.1%	7 746	289 575	227 074		
Training and development	156 274	651	-	156 925	87 459	55.7%	69 466	31 893	129 410		
Operating payments	59 588	(11 220)	-	48 368	45 340	93.7%	3 028	33 955	38 196		
Venues and facilities	4 376	2 313	-	6 689	2 897	43.3%	3 792	4 801	6 483		
Rental and hiring	-	-	-	-	-	-	-	22	-		
Interest	-	-	-	-	3 126	-	(3 126)	-	-		
Transfers and subsidies	2 607 553	30 602	-	2 638 155	2 561 550	97.1%	76 605	2 579 893	2 598 339		
Provinces and municipalities	-	-	-	-	-	-	-	-	7 248		
Municipalities	-	-	-	-	-	-	-	-	7 248		

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification										
	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Municipal agencies and funds	-	-	-	-	-	-	-	7 248	-	
Departmental agencies and accounts	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315	
Departmental agencies and accounts	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315	
Non-profit institutions	2 228 909	30 602	-	2 259 511	2 257 635	1 876	99.9%	2 244 756	2 218 634	
Households	318 982	-	-	318 982	244 253	74 729	76.6%	253 630	268 944	
Social benefits	1 850	-	-	1 850	241 802	(239 952)	13070.4%	3 396	243 838	
Other transfers to households	317 132	-	-	317 132	2 451	314 681	0.8%	250 234	25 106	
Payments for capital assets	1 614 411	272 050	-	1 886 461	1 764 635	121 826	93.5%	1 029 124	1 011 016	
Buildings and other fixed structures	1 520 260	-	-	1 520 260	1 473 297	46 963	96.9%	950 027	969 945	
Buildings	-	-	-	-	-	-	-	950 027	969 945	
Other fixed structures	1 520 260	-	-	1 520 260	1 473 297	46 963	96.9%	-	-	
Machinery and equipment	90 109	274 875	-	364 984	290 926	74 058	79.7%	76 097	41 071	
Transport equipment	10 287	36 489	-	46 776	29 743	17 033	63.6%	38 586	24 766	
Other machinery and equipment	79 822	238 386	-	318 208	261 183	57 025	82.1%	37 511	16 305	
Intangible assets	4 042	(2 825)	-	1 217	412	805	33.9%	3 000	-	
Payments for financial assets	-	-	-	-	-	-	-	-	59 420	
TOTAL	30 982 636	-	-	30 982 636	30 966 951	15 685	99.9%	29 161 506	28 426 199	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 1: Administration										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. OFFICE OF THE MEC	8 519	1 302	-	9 821	7 386	2 435	75.2%	5 788	6 509	
2. CORPORATE SERVICES	1 262 573	210 622	-	1 473 195	1 387 058	86 137	94.2%	1 346 121	1 076 948	
3. EDUCATION MANAGEMENT	1 267 173	(203 413)	5 156	1 068 916	1 159 061	(90 145)	108.4%	1 257 791	1 114 597	
4. HUMAN RESOURCE DEVELOPMENT	8 647	5 184	-	13 831	12 756	1 075	92.2%	8 213	4 985	
5. EDUCATION MANAGEMENT INFORMATION SYSTEM (EMIS)	58 782	(13 695)	-	45 087	40 361	4 726	89.5%	42 783	39 955	
Total for sub programmes	2 605 694	-	5 156	2 610 850	2 606 622	4 228	99.8%	2 660 696	2 242 994	
Economic classification										
Current payments	2 487 643	(32 819)	5 156	2 459 980	2 520 564	(60 584)	102.0%	2 585 999	2 187 635	
Compensation of employees	2 070 362	(262 835)	5 156	1 812 683	1 900 692	(88 009)	104.9%	2 064 843	1 853 190	
Salaries and wages	1 907 396	(262 835)	5 156	1 649 717	1 642 064	7 653	99.5%	1 803 558	1 598 098	
Social contributions	162 966	-	-	162 966	258 628	(95 662)	158.7%	261 285	255 092	
Goods and services	417 281	230 016	-	647 297	616 746	30 551	95.3%	521 156	334 445	
Administrative fees	631	(1)	-	630	978	(348)	155.2%	24	936	
Advertising	1 341	9 256	-	10 597	8 689	1 908	82.0%	4 729	4 465	
Minor assets	612	5 609	-	6 221	15 458	(9 237)	248.5%	37 408	1 206	
Audit costs: External	18 993	747	-	19 740	18 118	1 622	91.8%	21 934	21 274	
Bursaries: Employees	6 762	(4 559)	-	2 203	1 820	383	82.6%	4 392	3 857	
Catering: Departmental activities	2 873	3 959	-	6 832	4 879	1 953	71.4%	5 866	4 019	
Communication	18 373	6 653	-	25 026	24 051	975	96.1%	29 404	24 904	
Computer services	34 036	23 871	-	57 907	55 045	2 862	95.1%	65 195	45 120	
Consultants: Business and advisory services	50 607	228 380	-	278 987	250 687	28 300	89.9%	92 867	40 864	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 1: Administration										
	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Infrastructure and planning services	71 139	(71 139)	-	-	-	-	-	-	-	
Legal services	46 897	(13 700)	-	33 197	33 105	92	99.7%	43 874	19 138	
Contractors	-	8 038	-	8 038	8 837	(799)	109.9%	5 497	3 147	
Agency and support / outsourced services	19 172	(4 932)	-	14 240	12 776	1 464	89.7%	18 442	9 869	
Entertainment	20	95	-	115	108	7	93.9%	25	6	
Fleet services	369	-	-	369	38	331	10.3%	-	-	
Inventory: Clothing material and supplies	-	1	-	1	1	-	100.0%	-	45	
Inventory: Fuel, oil and gas	-	12	-	12	2	10	16.7%	2	1	
Inventory: Materials and supplies	-	44	-	44	184	(140)	418.2%	84	-	
Inventory: Other supplies	40	144	-	184	-	184	-	2 000	-	
Consumable supplies	2	2 995	-	2 997	12 073	(9 076)	402.8%	7 979	10 098	
Consumable: Stationery, printing and office supplies	11 004	5 519	-	16 523	11 997	4 526	72.6%	18 714	7 990	
Operating leases	8 085	1 433	-	9 518	6 835	2 683	71.8%	17 312	10 364	
Property payments	41 792	(2 899)	-	38 893	39 969	(1 076)	102.8%	32 439	28 114	
Transport provided: Departmental activity	-	77	-	77	-	77	-	-	-	
Travel and subsistence	66 067	20 798	-	86 865	85 165	1 700	98.0%	84 911	74 865	
Training and development	5 349	5 118	-	10 467	8 305	2 162	79.3%	5 705	3 266	
Operating payments	13 117	3 369	-	16 486	16 827	(341)	102.1%	20 505	19 670	
Venues and facilities	-	1 128	-	1 128	799	329	70.8%	1 848	1 214	
Rental and hiring	-	-	-	-	-	-	-	-	13	
Interest	-	-	-	-	3 126	(3 126)	-	-	-	
Transfers and subsidies	55 174	-	-	55 174	38 679	16 495	70.1%	16 311	19 937	
Non-profit institutions	131	-	-	131	115	16	87.8%	240	209	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 1: Administration									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	55 043	-	-	55 043	38 564	16 479	70.1%	16 071	19 728
Social benefits	-	-	-	-	36 253	(36 253)	-	-	-
Other transfers to households	55 043	-	-	55 043	2 311	52 732	4.2%	16 071	19 728
Payments for capital assets	62 877	32 819	-	95 696	47 379	48 317	49.5%	58 386	35 422
Buildings and other fixed structures	-	-	-	-	-	-	-	-	65
Buildings	-	-	-	-	-	-	-	-	65
Machinery and equipment	59 151	35 644	-	94 795	46 967	47 828	49.5%	55 386	35 357
Transport equipment	-	27 267	-	27 267	27 217	50	99.8%	38 586	24 766
Other machinery and equipment	59 151	8 377	-	67 528	19 750	47 778	29.2%	16 800	10 591
Intangible assets	3 726	(2 825)	-	901	412	489	45.7%	3 000	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	2 605 694	-	5 156	2 610 850	2 606 622	4 228	99.8%	2 660 696	2 242 994

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 1.1: Office of the MEC										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	5 281	4 302	-	9 583	7 240	2 343	75.6%	5 447	6 268	
Compensation of employees	3 479	1 902	-	5 381	3 370	2 011	62.6%	3 186	4 374	
Salaries and wages	2 678	1 902	-	4 580	2 740	1 840	59.8%	2 570	3 667	
Social contributions	801	-	-	801	630	171	78.7%	616	707	
Goods and services	1 802	2 400	-	4 202	3 870	332	92.1%	2 261	1 894	
Minor assets	57	(20)	-	37	-	37	-	44	17	
Catering: Departmental activities	36	-	-	36	34	2	94.4%	309	270	
Entertainment	20	(19)	-	1	-	1	-	4	-	
Fleet services	16	-	-	16	-	16	-	-	-	
Consumable supplies	2	-	-	2	-	2	-	189	193	
Consumable: Stationery, printing and office supplies	213	(130)	-	83	69	14	83.1%	48	37	
Travel and subsistence	1 458	2 569	-	4 027	3 767	260	93.5%	1 621	1 335	
Venues and facilities	-	-	-	-	-	-	-	46	42	
Transfers and subsidies	131	-	-	131	115	16	87.8%	240	209	
Non-profit institutions	131	-	-	131	115	16	87.8%	240	209	
Payments for capital assets	3 107	(3 000)	-	107	31	76	29.0%	101	32	
Machinery and equipment	107	-	-	107	31	76	29.0%	101	32	
Other machinery and equipment	107	-	-	107	31	76	29.0%	101	32	
Intangible assets	3 000	(3 000)	-	-	-	-	-	-	-	
TOTAL	8 519	1 302	-	9 821	7 386	2 435	75.2%	5 788	6 509	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Economic classification		Sub-programme 1.2: CORPORATE SERVICES						2015/16		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments		1 218 354	143 359	-	1 361 713	1 326 402	35 311	97.4%	1 285 652	1 034 195
Compensation of employees		885 844	(67 984)	-	817 860	806 541	11 319	98.6%	853 592	787 748
Salaries and wages		772 898	(67 984)	-	704 914	689 204	15 710	97.8%	757 848	672 348
Social contributions		112 946	-	-	112 946	117 337	(4 391)	103.9%	95 744	115 400
Goods and services		332 510	211 343	-	543 853	516 735	27 118	95.0%	432 060	246 447
Administrative fees		632	(2)	-	630	978	(348)	155.2%	24	936
Advertising		1 338	9 256	-	10 594	8 689	1 905	82.0%	4 729	4 465
Minor assets		-	3 952	-	3 952	14 512	(10 560)	367.2%	35 701	747
Audit costs: External		18 993	747	-	19 740	18 118	1 622	91.8%	21 934	21 274
Bursaries: Employees		5 181	(2 979)	-	2 202	1 820	382	82.7%	3 392	3 384
Catering: Departmental activities		1 040	2 305	-	3 345	2 145	1 200	64.1%	2 723	1 844
Communication		18 110	6 713	-	24 823	23 964	859	96.5%	29 187	24 747
Computer services		32 798	24 702	-	57 500	54 708	2 792	95.1%	65 045	45 120
Consultants: Business and advisory services		38 013	219 720	-	257 733	231 340	26 393	89.8%	74 459	22 575
Infrastructure and planning services		71 139	(71 139)	-	-	-	-	-	-	-
Legal services		46 804	(13 607)	-	33 197	33 105	92	99.7%	43 874	19 138
Contractors		-	7 725	-	7 725	8 623	(898)	111.6%	4 822	2 875
Agency and support / outsourced services		19 172	(4 942)	-	14 230	12 776	1 454	89.8%	18 107	9 693
Entertainment		-	-	-	-	-	-	-	7	3
Fleet services		353	-	-	353	38	315	10.8%	-	-
Inventory: Clothing material and supplies		-	1	-	1	1	-	100.0%	-	45
Inventory: Fuel, oil and gas		-	-	-	-	-	-	-	2	1

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 1.2: CORPORATE SERVICES										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Inventory: Materials and supplies	-	44	-	44	168	(124)	381.8%	44	-	
Inventory: Other supplies	40	-	-	40	11 886	40	-	2 000	-	
Consumable supplies	-	2 632	-	2 632	5 583	(9 254)	451.6%	7 139	9 512	
Consumable: Stationery, printing and office supplies	5 748	2 501	-	8 249	6 833	2 666	67.7%	13 501	3 878	
Operating leases	7 855	1 402	-	9 257	38 505	2 424	73.8%	16 914	10 166	
Property payments	33 431	2 909	-	36 340	29 181	(2 165)	106.0%	31 239	27 596	
Travel and subsistence	18 871	15 919	-	34 790	1 019	5 609	83.9%	36 292	23 239	
Training and development	28	2 182	-	2 210	12 210	1 191	46.1%	789	209	
Operating payments	12 964	557	-	13 521	533	1 311	90.3%	18 851	14 146	
Venues and facilities	-	745	-	745	-	212	71.5%	1 285	841	
Rental and hiring	-	-	-	-	-	-	-	-	13	
Interest	-	-	-	-	3 126	(3 126)	-	-	-	
Transfers and subsidies	7 304	12 000	-	19 304	14 879	4 425	77.1%	5 623	7 621	
Households	7 304	12 000	-	19 304	14 879	4 425	77.1%	5 623	7 621	
Social benefits	-	-	-	-	12 568	(12 568)	-	-	-	
Other transfers to households	7 304	12 000	-	19 304	2 311	16 993	12.0%	5 623	7 621	
Payments for capital assets	36 915	55 263	-	92 178	45 777	46 401	49.7%	54 846	35 132	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	65	
Buildings	-	-	-	-	-	-	-	-	65	
Machinery and equipment	36 915	55 088	-	92 003	45 627	46 376	49.6%	51 846	35 067	
Transport equipment	-	27 267	-	27 267	27 217	50	99.8%	38 586	24 766	
Other machinery and equipment	36 915	27 821	-	64 736	18 410	46 326	28.4%	13 260	10 301	
Intangible assets	-	175	-	175	150	25	85.7%	3 000	-	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 1.2: CORPORATE SERVICES										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
TOTAL	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
	1 262 573	210 622	-	1 473 195	1 387 058	86 137	94.2%	1 346 121	1 076 948	

Sub-programme 1.3: Education Management										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
TOTAL	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	1 218 879	(192 469)	5 156	1 031 566	1 134 577	(103 011)	110.0%	1 243 904	1 102 232	
Compensation of employees	1 159 063	(196 753)	5 156	967 466	1 070 850	(103 384)	110.7%	1 184 231	1 039 949	
Salaries and wages	1 110 381	(196 753)	5 156	918 784	933 085	(14 301)	101.6%	1 022 450	904 215	
Social contributions	48 682	-	-	48 682	137 765	(89 083)	283.0%	161 781	135 734	
Goods and services	59 816	4 284	-	64 100	63 727	373	99.4%	59 673	62 283	
Administrative fees	(1)	1	-	-	-	-	-	-	-	
Advertising	3	-	-	3	-	3	-	-	-	
Minor assets	555	1 677	-	2 232	946	1 286	42.4%	1 663	442	
Catering: Departmental activities	1 166	1 473	-	2 639	2 036	603	77.2%	2 396	1 760	
Communication	250	(60)	-	190	87	103	45.8%	147	157	
Consultants: Business and advisory services	-	1 856	-	1 856	1 163	693	62.7%	501	455	
Legal services	93	(93)	-	-	-	-	-	-	-	
Contractors	-	313	-	313	214	99	68.4%	675	272	
Agency and support / outsourced services	-	10	-	10	-	10	-	60	(4)	
Entertainment	-	114	-	114	108	6	94.7%	14	3	
Inventory: Fuel, oil and gas	-	12	-	12	2	10	16.7%	-	-	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 1.3: Education Management										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Inventory: Materials and supplies	-	-	-	-	16	(16)	-	40	-	
Inventory: Other supplies	-	144	-	144	-	144	-	-	-	
Consumable supplies	-	363	-	363	187	176	51.5%	651	393	
Consumable: Stationery, printing and office supplies	4 826	3 148	-	7 974	6 345	1 629	79.6%	5 121	4 031	
Operating leases	186	31	-	217	2	215	0.9%	198	198	
Property payments	8 361	(5 808)	-	2 553	1 464	1 089	57.3%	1 193	518	
Transport provided: Departmental activity	-	77	-	77	-	77	-	-	-	
Travel and subsistence	44 277	(2 214)	-	42 063	46 372	(4 309)	110.2%	44 837	48 264	
Training and development	-	305	-	305	144	161	47.2%	107	41	
Operating payments	100	2 562	-	2 662	4 380	(1 718)	164.5%	1 554	5 423	
Venues and facilities	-	373	-	373	261	112	70.0%	516	330	
Transfers and subsidies	47 739	(13 000)	-	34 739	23 175	11 564	66.7%	10 448	12 107	
Households	47 739	(13 000)	-	34 739	23 175	11 564	66.7%	10 448	12 107	
Social benefits	-	-	-	-	23 175	(23 175)	-	-	-	
Other transfers to households	47 739	(13 000)	-	34 739	-	34 739	-	10 448	12 107	
Payments for capital assets	555	2 056	-	2 611	1 309	1 302	50.1%	3 439	258	
Machinery and equipment	555	2 056	-	2 611	1 309	1 302	50.1%	3 439	258	
Other machinery and equipment	555	2 056	-	2 611	1 309	1 302	50.1%	3 439	258	
TOTAL	1 267 173	(203 413)	5 156	1 068 916	1 159 061	(90 145)	108.4%	1 257 791	1 114 597	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Sub-programme 1.4: Human Resource Development

Economic classification	2016/17							2015/16	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	8 647	5 184	-	13 831	12 756	1 075	92.2%	8 213	4 985
Compensation of employees	-	-	-	-	-	-	-	-	(242)
Salaries and wages	-	-	-	-	-	-	-	-	(242)
Goods and services	8 647	5 184	-	13 831	12 756	1 075	92.2%	8 213	5 227
Bursaries: Employees	1 581	(1 580)	-	1	-	1	-	1 000	473
Catering: Departmental activities	619	111	-	730	612	118	83.8%	438	145
Travel and subsistence	1 268	4 388	-	5 656	5 368	288	94.9%	1 980	1 592
Training and development	5 179	2 255	-	7 434	6 771	663	91.1%	4 794	3 016
Venues and facilities	-	10	-	10	5	5	50.0%	1	1
TOTAL	8 647	5 184	-	13 831	12 756	1 075	92.2%	8 213	4 985

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 1.5: Education Management Information System (EMIS)									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2016/17									
2015/16									
Current payments	36 482	6 805	-	43 287	39 589	3 698	91.5%	42 783	39 955
Compensation of employees	21 976	-	-	21 976	19 931	2 045	90.7%	23 834	21 361
Salaries and wages	21 439	-	-	21 439	17 035	4 404	79.5%	20 690	18 110
Social contributions	537	-	-	537	2 896	(2 359)	539.3%	3 144	3 251
Goods and services	14 506	6 805	-	21 311	19 658	1 653	92.2%	18 949	18 594
Catering: Departmental activities	12	70	-	82	52	30	63.4%	-	-
Communication	13	-	-	13	-	13	-	70	-
Computer services	1 238	(831)	-	407	337	70	82.8%	150	-
Consultants: Business and advisory services	12 594	6 804	-	19 398	18 184	1 214	93.7%	17 907	17 834
Agency and support/ outsourced services	-	-	-	-	-	-	-	275	180
Consumable: Stationery, printing and office supplies	217	-	-	217	-	217	-	44	44
Operating leases	44	-	-	44	-	44	-	200	-
Property payments	-	-	-	-	-	-	-	7	-
Travel and subsistence	193	136	-	329	477	(148)	145.0%	181	435
Training and development	142	376	-	518	371	147	71.6%	15	-
Operating payments	53	250	-	303	237	66	78.2%	100	101
Transfers and subsidies	-	1 000	-	1 000	510	490	51.0%	-	-
Households	-	1 000	-	1 000	510	(510)	51.0%	-	-
Social benefits	-	-	-	-	510	(510)	-	-	-
Other transfers to households	-	1 000	-	1 000	-	1 000	-	-	-
Payments for capital assets	22 300	(21 500)	-	800	262	538	32.8%	-	-
Machinery and equipment	21 574	(21 500)	-	74	-	74	-	-	-
Other machinery and equipment	21 574	(21 500)	-	74	-	74	-	-	-

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 1.5: Education Management Information System (EMIS)									
2016/17					2015/16				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Intangible assets	726	-	-	726	262	464	36.1%	-	-
TOTAL	58 782	(13 695)	-	45 087	40 361	4 726	89.5%	42 783	39 955

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 2: Public Ordinary School Education										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. PUBLIC PRIMARY SCHOOLS	8 398 599	138 909	79 196	8 616 704	8 628 838	(12 134)	100.1%	7 490 863	7 557 363	
2. PUBLIC SECONDARY SCHOOLS	15 135 080	(176 889)	7 039	14 965 230	15 189 231	(224 001)	101.5%	14 586 285	14 370 686	
3. HUMAN RESOURCE DEVELOPMENT	64 870	37 980	-	102 850	81 586	21 264	79.3%	87 665	86 063	
4. SCHOOL SPORT, CULTURE AND MEDIA SERVICES	47 269	-	-	47 269	43 723	3 546	92.5%	30 091	27 651	
5. CONDITIONAL GRANTS	1 156 849	-	-	1 156 849	1 068 871	87 978	92.4%	1 062 438	1 048 999	
Total for sub programmes	24 802 667	-	86 235	24 888 902	25 012 249	(123 347)	100.5%	23 257 342	23 090 762	
Economic classification										
Current payments	22 537 437	(269 913)	79 196	22 346 720	22 539 051	(192 331)	100.9%	21 007 811	20 783 507	
Compensation of employees	21 209 430	(246 194)	15 122	20 978 358	20 844 366	133 992	99.4%	19 847 578	19 749 510	
Salaries and wages	18 198 156	(246 194)	15 122	17 967 084	17 862 217	104 867	99.4%	16 854 076	16 884 491	
Social contributions	3 011 274	-	-	3 011 274	2 982 149	29 125	99.0%	2 993 502	2 865 019	
Goods and services	1 328 007	(23 719)	64 074	1 368 362	1 694 685	(326 323)	123.8%	1 160 233	1 033 997	
Administrative fees	106	262	-	368	11	357	3.0%	-	-	
Advertising	-	500	-	500	481	19	96.2%	-	170	
Minor assets	21 269	2 688	-	23 957	581	23 376	2.4%	2 117	972	
Audit costs: External	-	523	-	523	-	523	-	-	-	
Bursaries: Employees	42 164	20 000	-	62 164	46 084	16 080	74.1%	60 504	57 797	
Catering: Departmental activities	23 852	10 275	-	34 127	28 332	5 795	83.0%	26 235	21 868	
Communication	15	4 920	-	4 935	4 849	86	98.3%	-	-	
Computer services	11 647	(10 863)	-	784	-	784	-	1 288	1 282	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 2: Public Ordinary School Education									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	-	2 056	-	2 056	2 056	-	100.0%	2 934	3 336
Contractors	7 835	(1 570)	-	6 265	3 880	2 385	61.9%	7 110	4 124
Agency and support / outsourced services	86 096	35 024	-	121 120	96 265	24 855	79.5%	80 073	81 548
Entertainment	-	155	-	155	25	130	16.1%	-	-
Inventory: Clothing material and supplies	400	1 321	-	1 721	1 200	521	69.7%	10	-
Inventory: Farming supplies	-	1 928	-	1 928	1 171	757	60.7%	1 088	887
Inventory: Fuel, oil and gas	-	16	-	16	3 000	(2 984)	18750.0%	1 957	1 801
Inventory: Learner and teacher support material	808 360	(204 576)	64 074	667 858	1 050 052	(382 194)	157.2%	576 773	574 408
Inventory: Materials and supplies	-	-	-	-	2 066	(2 066)	-	21	1
Inventory: Other supplies	163 175	37 770	-	200 945	225 514	(24 569)	112.2%	229 227	111 549
Consumable supplies	129	2 322	-	2 451	1 881	570	76.7%	969	828
Consumable: Stationery, printing and office supplies	6 180	36 264	-	42 444	42 990	(546)	101.3%	3 441	2 408
Operating leases	11 583	12 154	-	23 737	24 664	(927)	103.9%	24 824	17 909
Property payments	45 847	(38 188)	-	7 659	4 925	2 734	64.3%	29 273	42 241
Transport provided: Departmental activity	7 683	(5 892)	-	1 791	1 523	268	85.0%	619	40
Travel and subsistence	46 231	62 572	-	108 803	105 279	3 524	96.8%	73 056	78 492
Training and development	23 642	11 057	-	34 699	32 904	1 795	94.8%	24 904	21 796
Operating payments	20 000	(6 958)	-	13 042	13 864	(822)	106.3%	11 066	8 704
Venues and facilities	1 793	2 521	-	4 314	1 088	3 226	25.2%	2 744	1 827
Rental and hiring	-	-	-	-	-	-	-	-	9
Transfers and subsidies	2 251 412	30 602	-	2 282 014	2 229 733	52 281	97.7%	2 248 371	2 251 244

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 2: Public Ordinary School Education

	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	1 989 323	30 602	-	2 019 925	2 028 386	(8 461)	100.4%	2 012 567	2 005 560
Households	262 089	-	-	262 089	201 347	60 742	76.8%	235 804	245 684
Social benefits	-	-	-	-	201 222	(201 222)	-	3 396	243 838
Other transfers to households	262 089	-	-	262 089	125	261 964	0.0%	232 408	1 846
Payments for capital assets	13 818	239 311	7 039	260 168	243 465	16 703	93.6%	1 160	3 017
Machinery and equipment	13 502	239 311	7 039	259 852	243 465	16 387	93.7%	1 160	3 017
Transport equipment	10 287	2 722	-	13 009	2 526	10 483	19.4%	-	-
Other machinery and equipment	3 215	236 589	7 039	246 843	240 939	5 904	97.6%	1 160	3 017
Intangible assets	316	-	-	316	-	316	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	52 994
TOTAL	24 802 667	-	86 235	24 888 902	25 012 249	(123 347)	100.5%	23 257 342	23 090 762

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Economic classification	Sub-programme 2.1: Public Primary Schools						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 948 040	131 537	79 196	8 158 773	8 043 379	115 394	98.6%	7 129 031	7 131 580
Compensation of employees	7 536 992	217 550	15 122	7 769 664	7 455 567	314 097	96.0%	6 832 512	6 981 241
Salaries and wages	6 245 631	217 550	15 122	6 478 303	6 373 311	104 992	98.4%	5 919 854	5 954 140
Social contributions	1 291 361	-	-	1 291 361	1 082 256	209 105	83.8%	912 658	1 027 101
Goods and services	411 048	(86 013)	64 074	389 109	587 812	(198 703)	151.1%	296 519	150 339
Minor assets	-	-	-	-	-	-	-	17	7
Catering: Departmental activities	6 574	(6 430)	-	144	102	42	70.8%	1 915	1 244
Computer services	4 363	(4 363)	-	-	2 835	1 704	-	-	-
Contractors	5 197	(658)	-	4 539	2 835	1 704	62.5%	4 488	2 490
Agency and support / outsourced services	9 447	(842)	-	8 605	5 553	3 052	64.5%	2 935	2 377
Inventory: Learner and teacher support material	336 307	(47 054)	64 074	353 327	556 881	(203 554)	157.6%	167 968	92 534
Inventory: Other supplies	30 000	(18 000)	-	12 000	11 169	831	93.1%	105 447	31 257
Consumable supplies	-	-	-	-	-	-	-	19	19
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	417	220
Operating leases	10 000	(3 201)	-	6 799	6 185	614	91.0%	867	51
Property payments	9 160	(7 792)	-	1 368	1 129	239	82.5%	5 910	13 929
Transport provided: Departmental activity	-	296	-	296	197	99	66.6%	493	40
Travel and subsistence	-	2 031	-	2 031	2 138	(107)	105.3%	4 635	3 608
Training and development	-	-	-	-	-	-	-	976	971
Operating payments	-	-	-	-	1 623	(1 623)	-	395	1 556
Venues and facilities	-	-	-	-	-	-	-	37	36
Transfers and subsidies	447 837	7 364	-	455 201	583 586	(128 385)	128.2%	359 832	425 783
Non-profit institutions	339 832	7 364	-	347 196	504 616	(157 420)	145.3%	339 832	344 083

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 2.1: Public Primary Schools										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Households	108 005	-	-	108 005	78 970	29 035	73.1%	20 000	81 700	
Social benefits	-	-	-	-	78 909	(78 909)	-	-	81 640	
Other transfers to households	108 005	-	-	108 005	61	107 944	0.1%	20 000	60	
Payments for capital assets	2 722	8	-	2 730	1 873	857	68.6%	2 000	-	
Machinery and equipment	2 722	8	-	2 730	1 873	857	68.6%	2 000	-	
Transport equipment	-	2 722	-	2 722	1 866	856	68.6%	-	-	
Other machinery and equipment	2 722	(2 714)	-	8	7	1	87.5%	2 000	-	
TOTAL	8 398 599	138 909	79 196	8 616 704	8 628 838	(12 134)	100.1%	7 490 863	7 557 363	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 2.2: Public Secondary Schools										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	14 375 135	(439 380)	-	13 935 755	14 275 817	(340 062)	102.4%	13 690 097	13 480 272	
Compensation of employees	13 641 670	(463 744)	-	13 177 926	13 365 525	(187 599)	101.4%	12 993 568	12 748 387	
Salaries and wages	11 921 859	(463 744)	-	11 458 115	11 466 052	(7 937)	100.1%	10 913 840	10 910 683	
Social contributions	1 719 811	-	-	1 719 811	1 899 473	(179 662)	110.4%	2 079 728	1 837 704	
Goods and services	733 465	24 364	-	757 829	910 292	(152 463)	120.1%	696 529	731 885	
Administrative fees	-	262	-	262	11	251	4.2%	-	-	
Advertising	-	500	-	500	481	19	96.2%	-	170	
Minor assets	-	2 164	-	2 164	228	1 936	10.5%	478	106	
Audit costs: External	-	523	-	523	-	523	-	-	-	
Bursaries: Employees	8 000	(8 000)	-	-	-	-	-	-	-	
Catering: Departmental activities	-	18 344	-	18 344	15 130	3 214	82.5%	14 923	12 200	
Communication	-	4 920	-	4 920	4 800	120	97.6%	-	-	
Computer services	7 284	(6 500)	-	784	-	784	-	1 288	1 282	
Consultants: Business and advisory services	-	2 056	-	2 056	2 056	-	100.0%	2 934	3 336	
Contractors	2 269	(912)	-	1 357	1 045	312	77.0%	2 622	1 634	
Agency and support / outsourced services	60 000	33 377	-	93 377	88 445	4 932	94.7%	75 621	77 665	
Entertainment	-	155	-	155	25	130	16.1%	-	-	
Inventory: Clothing material and supplies	-	233	-	233	125	108	53.6%	10	-	
Inventory: Farming supplies	-	1 928	-	1 928	1 171	757	60.7%	1 088	887	
Inventory: Fuel, oil and gas	-	16	-	16	7	9	43.8%	15	14	
Inventory: Learner and teacher support material	466 778	(157 572)	-	309 206	492 103	(182 897)	159.2%	400 183	478 003	
Inventory: Materials and supplies	-	-	-	-	1 160	(1 160)	-	20	-	

EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6
APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 2.2: Public Secondary Schools										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Inventory: Other supplies	128 000	56 690	-	184 690	180 335	4 355	97.6%	115 905	71 788	
Consumable supplies	-	1 669	-	1 669	1 080	589	64.7%	401	267	
Consumable: Stationery, printing and office supplies	3 247	37 414	-	40 661	39 246	1 415	96.5%	1 881	1 206	
Operating leases	-	15 355	-	15 355	12 979	2 376	84.5%	17 389	16 690	
Property payments	36 687	(30 426)	-	6 261	3 784	2 477	60.4%	23 159	28 312	
Transport provided: Departmental activity	-	-	-	-	-	-	-	126	-	
Travel and subsistence	1 200	51 602	-	52 802	49 099	3 703	93.0%	26 976	30 820	
Training and development	-	5 369	-	5 369	3 810	1 559	71.0%	484	452	
Operating payments	20 000	(6 958)	-	13 042	12 139	903	93.1%	10 096	6 663	
Venues and facilities	-	2 155	-	2 155	1 033	1 122	47.9%	930	390	
Transfers and subsidies	759 380	23 238	-	782 618	675 050	107 568	86.3%	897 228	834 420	
Non-profit institutions	605 296	23 238	-	628 534	552 673	75 861	87.9%	686 424	675 407	
Households	154 084	-	-	154 084	122 377	31 707	79.4%	210 804	159 013	
Social benefits	-	-	-	-	122 313	(122 313)	-	-	158 826	
Other transfers to households	154 084	-	-	154 084	64	154 020	0.0%	210 804	187	
Payments for capital assets	565	239 253	7 039	246 857	238 364	8 493	96.6%	(1 040)	3 000	
Machinery and equipment	249	239 253	7 039	246 541	238 364	8 177	96.7%	(1 040)	3 000	
Other machinery and equipment	249	239 253	7 039	246 541	238 364	8 177	96.7%	(1 040)	3 000	
Intangible assets	316	-	-	316	-	316	-	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	52 994	
TOTAL	15 135 080	(176 889)	7 039	14 965 230	15 189 231	(224 001)	101.5%	14 586 285	14 370 686	

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 2.3: Human Resource Development										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	64 870	37 980	-	102 850	81 579	21 271	79.3%	87 665	86 063	
Goods and services	64 870	37 980	-	102 850	81 579	21 271	79.3%	87 665	86 063	
Minor assets	-	20	-	20	3	17	15.0%	18	8	
Bursaries: Employees	34 164	28 000	-	62 164	46 084	16 080	74.1%	60 504	57 797	
Catering: Departmental activities	1 578	1 086	-	2 664	2 054	610	77.1%	2 327	2 070	
Inventory: Learner and teacher support material	-	50	-	50	-	50	-	-	-	
Consumable: Stationery, printing and office supplies	-	100	-	100	52	48	52.0%	173	123	
Property payments	-	-	-	-	-	-	-	204	-	
Travel and subsistence	8 357	2 969	-	11 326	10 624	702	93.8%	4 447	8 929	
Training and development	20 771	5 688	-	26 459	22 707	3 752	85.8%	19 881	17 111	
Venues and facilities	-	67	-	67	55	12	82.1%	111	25	
Payments for capital assets	-	-	-	-	7	(7)	-	-	-	
Machinery and equipment	-	-	-	-	7	(7)	-	-	-	
Other machinery and equipment	-	-	-	-	7	(7)	-	-	-	
TOTAL	64 870	37 980	-	102 850	81 586	21 264	79.3%	87 665	86 063	

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 2.4: School Sport, Culture and Media Services										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	47 025	(50)	-	46 975	43 534	3 441	92.7%	29 891	27 634	
Goods and services	47 025	(50)	-	46 975	43 534	3 441	92.7%	29 891	27 634	
Minor assets	880	504	-	1 384	206	1 178	14.9%	500	260	
Catering: Departmental activities	11 222	(2 725)	-	8 497	7 853	644	92.4%	4 173	3 803	
Agency and support / outsourced services	-	2 489	-	2 489	2 267	222	91.1%	1 517	1 485	
Inventory: Clothing material and supplies	-	1 088	-	1 088	1 075	13	98.8%	-	-	
Inventory: Materials and supplies	-	-	-	-	906	(906)	-	-	-	
Inventory: Other supplies	920	(920)	-	-	-	-	-	-	-	
Consumable supplies	23	653	-	676	616	60	91.1%	549	542	
Consumable: Stationery, printing and office supplies	2 237	(1 250)	-	987	793	194	80.3%	393	323	
Operating leases	-	-	-	-	-	-	-	-	-	
Property payments	-	30	-	30	12	18	40.0%	-	-	
Transport provided: Departmental activity	7 683	(6 188)	-	1 495	1 326	169	88.7%	-	-	
Travel and subsistence	22 795	5 970	-	28 765	27 166	1 599	94.4%	21 193	19 927	
Training and development	-	-	-	-	1 314	(1 314)	-	-	-	
Venues and facilities	1 265	299	-	1 564	-	1 564	-	1 566	1 285	
Rental and hiring	-	-	-	-	-	-	-	-	9	
Payments for capital assets	244	50	-	294	189	105	64.3%	200	17	
Machinery and equipment	244	50	-	294	189	105	64.3%	200	17	
Other machinery and equipment	244	50	-	294	189	105	64.3%	200	17	
TOTAL	47 269	-	-	47 269	43 723	3 546	92.5%	30 091	27 651	

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 2.5: Conditional Grants										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	102 367	-	-	102 367	94 742	7 625	92.6%	71 127	57 958	
Compensation of employees	30 768	-	-	30 768	23 274	7 494	75.6%	21 498	19 882	
Salaries and wages	30 666	-	-	30 666	22 854	7 812	74.5%	20 382	19 668	
Social contributions	102	-	-	102	420	(318)	411.8%	1 116	214	
Goods and services	71 599	-	-	71 599	71 468	131	99.8%	49 629	38 076	
Administrative fees	106	-	-	106	-	106	-	-	-	
Minor assets	20 389	-	-	20 389	144	20 245	0.7%	1 104	591	
Catering: Departmental activities	4 478	-	-	4 478	3 193	1 285	71.3%	2 897	2 551	
Communication	15	-	-	15	49	(34)	326.7%	-	-	
Contractors	369	-	-	369	-	369	-	-	-	
Agency and support / outsourced services	16 649	-	-	16 649	-	16 649	-	-	21	
Inventory: Clothing material and supplies	400	-	-	400	-	400	-	-	-	
Inventory: Fuel, oil and gas	-	-	-	-	2 993	(2 993)	-	1 942	1 787	
Inventory: Learner and teacher support material	5 275	-	-	5 275	1 068	4 207	20.2%	8 622	3 871	
Inventory: Materials and supplies	-	-	-	-	-	-	-	1	1	
Inventory: Other supplies	4 255	-	-	4 255	34 010	(29 755)	799.3%	7 875	8 504	
Consumable supplies	106	-	-	106	185	(79)	174.5%	-	-	
Consumable: Stationery, printing and office supplies	696	-	-	696	2 899	(2 203)	416.5%	577	536	
Operating leases	1 583	-	-	1 583	5 500	(3 917)	347.4%	6 568	1 168	
Travel and subsistence	13 879	-	-	13 879	16 252	(2 373)	117.1%	15 805	15 208	
Training and development	2 871	-	-	2 871	5 073	(2 202)	176.7%	3 563	3 262	

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Sub-programme 2.5: Conditional Grants

Economic classification	2016/17						2015/16		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Operating payments					102	(102)	-	575	485
Venues and facilities	528	-	-	528		528	-	100	91
Transfers and subsidies	1 044 195	-	-	1 044 195	971 097	73 098	93.0%	991 311	991 041
Non-profit institutions	1 044 195	-	-	1 044 195	971 097	73 098	93.0%	986 311	986 070
Households	-	-	-	-	-	-	-	5 000	4 971
Social benefits	-	-	-	-	-	-	-	3 396	3 372
Other transfers to households	-	-	-	-	-	-	-	1 604	1 599
Payments for capital assets	10 287	-	-	10 287	3 032	7 255	29.5%	-	-
Machinery and equipment	10 287	-	-	10 287	3 032	7 255	29.5%	-	-
Transport equipment	10 287	-	-	10 287	660	9 627	6.4%	-	-
Other machinery and equipment	-	-	-	-	2 372	(2 372)	-	-	-
TOTAL	1 156 849	-	-	1 156 849	1 068 871	87 978	92.4%	1 062 438	1 048 999

EASTERN CAPE DEPARTMENT OF EDUCATION

VOTE 6

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 3: Independent School Subsidies										
2016/17						2015/16				
Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. PRIMARY PHASE	70 801	-	-	70 801	63 244	7 557	89.3%	67 448	66 718	
2. SECONDARY PHASE	49 199	-	-	49 199	56 741	(7 542)	115.3%	48 869	48 869	
Total for sub programmes	120 000	-	-	120 000	119 985	15	100.0%	116 317	115 587	
Economic classification										
Transfers and subsidies	120 000	-	-	120 000	119 985	15	100.0%	116 317	115 587	
Non-profit institutions	120 000	-	-	120 000	119 985	15	100.0%	116 317	115 587	
TOTAL	120 000	-	-	120 000	119 985	15	100.0%	116 317	115 587	

Sub-Programme 3.1: Primary Phase										
2016/17						2015/16				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and subsidies	70 801	-	-	70 801	63 244	7 557	89.3%	67 448	66 718	
Non-profit institutions	70 801	-	-	70 801	63 244	7 557	89.3%	67 448	66 718	
TOTAL	70 801	-	-	70 801	63 244	7 557	89.3%	67 448	66 718	

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APPROPRIATION STATEMENT
for the year ended 31 March 2017

Sub-programme 3.2: Secondary Phase									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	49 199	-	-	49 199	56 741	(7 542)	115.3%	48 869	48 869
Non-profit institutions	49 199			49 199	56 741	(7 542)	115.3%	48 869	48 869
TOTAL	49 199	-	-	49 199	56 741	(7 542)	115.3%	48 869	48 869

Programme 4: Public Special School Education									
	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. SCHOOLS	681 923	-	(40 914)	641 009	638 116	2 893	99.5%	644 575	590 947
2. HUMAN RESOURCE DEVELOPMENT	2 570	-	-	2 570	1 969	601	76.6%	2 442	2 113
3. SCHOOL SPORT, CULTURE AND MEDIA SERVICES	5 787	-	-	5 787	3 593	2 194	62.1%	1 972	1 690
4. CONDITIONAL GRANTS FOR OSD THERAPIST	-	-	-	-	27	(27)	-	2 067	2 067
Total for sub programmes	690 280	-	(40 914)	649 366	643 705	5 661	99.1%	651 056	596 817
Economic classification									
Current payments	613 822	-	(33 875)	579 947	577 082	2 865	99.5%	571 728	522 542
Compensation of employees	576 178	-	(20 279)	555 899	555 926	(27)	100.0%	534 877	500 521
Salaries and wages	498 577	-	(20 279)	478 298	472 001	6 297	98.7%	461 561	424 047
Social contributions	77 601	-	-	77 601	83 925	(6 324)	108.1%	73 316	76 474
Goods and services	37 644	-	(13 596)	24 048	21 156	2 892	88.0%	36 851	22 021
Administrative fees	1	-	-	1	-	1	-	-	-

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Programme 4: Public Special School Education									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	6 861	(4 550)	(1 856)	455	166	289	36.5%	1 867	-
Catering: Departmental activities	4 420	(2 274)	-	2 146	1 314	832	61.2%	2 448	725
Entertainment	-	465	-	465	460	5	98.9%	-	-
Inventory: Clothing material and supplies	-	70	-	70	-	70	-	-	-
Inventory: Learner and teacher support material	19 233	(7 000)	(9 197)	3 036	3 036	-	100.0%	13 459	2 801
Inventory: Other supplies	2	5 000	(582)	4 420	4 418	2	100.0%	4 601	9 818
Consumable: Stationery, printing and office supplies	-	400	(400)	-	-	-	-	810	-
Property payments	3 100	(1 800)	(696)	604	604	-	100.0%	3 100	236
Transport provided: Departmental activity	-	284	-	284	203	81	71.5%	-	-
Travel and subsistence	1 457	7 805	(865)	8 397	7 413	984	88.3%	8 124	6 169
Training and development	2 570	1 600	-	4 170	3 542	628	84.9%	2 442	2 113
Operating payments	-	-	-	-	-	-	-	-	159
Transfers and subsidies	69 419	-	-	69 419	66 623	2 796	96.0%	72 651	74 223
Non-profit institutions	67 569	-	-	67 569	62 282	5 287	92.2%	70 896	70 754
Households	1 850	-	-	1 850	4 341	(2 491)	234.6%	1 755	3 469
Social benefits	1 850	-	-	1 850	4 326	(2 476)	233.8%	-	-
Other transfers to households	-	-	-	-	15	(15)	-	1 755	3 469
Payments for capital assets	7 039	-	(7 039)	-	-	-	-	6 677	52
Machinery and equipment	7 039	-	(7 039)	-	-	-	-	6 677	52
Transport equipment	-	6 500	-	6 500	-	6 500	-	-	-
Other machinery and equipment	7 039	(6 500)	(7 039)	(6 500)	-	(6 500)	-	6 677	52
Total	690 280	-	(40 914)	649 366	643 705	5 661	99.1%	651 056	596 817

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Economic classification	Sub-programme 4.1 : Schools							2015/16	
	2016/17							Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Current payments	605 465	-	(33 875)	571 590	571 493	97	100.0%	565 247	516 672
Compensation of employees	576 178	-	(20 279)	555 899	555 899	-	100.0%	532 810	498 454
Salaries and wages	498 577	-	(20 279)	478 298	471 974	6 324	98.7%	459 824	422 334
Social contributions	77 601	-	-	77 601	83 925	(6 324)	108.1%	72 986	76 120
Goods and services	29 287	-	(13 596)	15 691	15 594	97	99.4%	32 437	18 218
Minor assets	6 856	(5 000)	(1 856)	-	-	-	-	1 867	-
Catering: Departmental activities	98	200	-	298	233	65	78.2%	2 000	321
Entertainment	-	465	-	465	460	5	98.9%	-	-
Inventory: Learner and teacher support material	19 233	(7 000)	(9 197)	3 036	3 036	-	100.0%	13 459	2 801
Inventory: Other supplies	-	5 000	(582)	4 418	4 418	-	100.0%	4 601	9 818
Consumable: Stationery, printing and office supplies	-	400	(400)	-	-	-	-	810	-
Property payments	3 100	(1 800)	(696)	604	604	-	100.0%	3 100	236
Travel and subsistence	-	6 135	(865)	5 270	5 270	-	100.0%	6 600	4 883
Training and development	-	1 600	-	1 600	1 573	27	98.3%	-	-
Operating payments	-	-	-	-	-	-	-	-	159
Transfers and subsidies	69 419	-	-	69 419	66 623	2 796	96.0%	72 651	74 223
Non-profit institutions	67 569	-	-	67 569	62 282	5 287	92.2%	70 896	70 754
Households	1 850	-	-	1 850	4 341	(2 491)	234.6%	1 755	3 469
Social benefits	1 850	-	-	1 850	4 326	(2 476)	233.8%	-	-
Other transfers to households	-	-	-	-	15	(15)	-	1 755	3 469
Payments for capital assets	7 039	-	(7 039)	-	-	-	-	6 677	52
Machinery and equipment	7 039	-	(7 039)	-	-	-	-	6 677	52
Transport equipment	-	6 500	-	6 500	-	6 500	-	-	-

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Sub-programme 4.1: Schools									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Other machinery and equipment	7 039	(6 500)	(7 039)	(6 500)		(6 500)	-	6 677	52
TOTAL	681 923	-	(40 914)	641 009	638 116	2 893	99.5%	644 575	590 947

Sub-programme 4.2: Human Resource Development									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	2 570	-	-	2 570	1 969	601	76.6%	2 442	2 113
Goods and services	2 570	-	-	2 570	1 969	601	76.6%	2 442	2 113
Catering: Departmental activities	-	-	-	-	-	-	-	(100)	-
Travel and subsistence	-	-	-	-	-	-	-	100	-
Training and development	2 570	-	-	2 570	1 969	601	76.6%	2 442	2 113
TOTAL	2 570	-	-	2 570	1 969	601	76.6%	2 442	2 113

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Sub-programme 4.3: School Sport, Culture and Media Services										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	5 787	-	-	5 787	3 593	2 194	62.1%	1 972	1 690	
Goods and services	5 787	-	-	5 787	3 593	2 194	62.1%	1 972	1 690	
Administrative fees	1	-	-	1	-	1	-	-	-	
Minor assets	5	450	-	455	166	289	36.5%	-	-	
Catering: Departmental activities	4 322	(2 474)	-	1 848	1 081	767	58.5%	548	404	
Inventory: Clothing material and supplies	-	70	-	70	-	70	-	-	-	
Inventory: Other supplies	2	-	-	2	-	2	-	-	-	
Transport provided: Departmental activity	-	284	-	284	203	81	71.5%	-	-	
Travel and subsistence	1 457	1 670	-	3 127	2 143	984	68.5%	1 424	1 286	
TOTAL	5 787	-	-	5 787	3 593	2 194	62.1%	1 972	1 690	

Sub-programme: 4.4: Conditional Grants for OSD Therapist										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	-	-	-	-	27	(27)	-	2 067	2 067	
Compensation of employees	-	-	-	-	27	(27)	-	2 067	2 067	
Salaries and wages	-	-	-	-	27	(27)	-	1 737	1 713	
Social contributions	-	-	-	-	-	-	-	330	354	
TOTAL	-	-	-	-	27	(27)	-	2 067	2 067	

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Programme 5: Early Childhood Development										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. GRADE R IN PUBLIC SCHOOLS	606 008	1 500	(50 477)	557 031	447 340	109 691	80.3%	530 969	456 374	
2. PRE-GRADE R TRAINING	22 746	(1 500)	-	21 246	1 217	20 029	5.7%	23 478	2 429	
3. HUMAN RESOURCE DEVELOPMENT	2 207	-	-	2 207	1 428	779	64.7%	2 094	1 682	
Total for sub programmes	630 961	-	(50 477)	580 484	449 985	130 499	77.5%	556 541	460 485	
Economic classification										
Current payments	612 444	-	(50 477)	561 967	436 711	125 256	77.7%	548 744	460 485	
Compensation of employees	384 731	-	-	384 731	361 877	22 854	94.1%	364 641	353 076	
Salaries and wages	334 716	-	-	334 716	361 346	(26 630)	108.0%	363 912	352 417	
Social contributions	50 015	-	-	50 015	531	49 484	1.1%	729	659	
Goods and services	227 713	-	(50 477)	177 236	74 834	102 402	42.2%	184 103	107 409	
Minor assets	41 288	-	(41 288)	-	-	-	-	15 033	-	
Catering: Departmental activities	250	94	-	344	127	217	36.9%	1 000	529	
Inventory: Learner and teacher support material	66 881	(19 589)	(9 189)	38 103	6 033	32 070	15.8%	51 795	10 675	
Consumable: Stationery, printing and office supplies	-	31 036	-	31 036	26 659	4 377	85.9%	15 755	12 952	
Travel and subsistence	214	884	-	1 098	635	463	57.8%	8 000	81 571	
Training and development	119 080	(12 447)	-	106 633	41 358	65 275	38.8%	92 520	1 682	
Venues and facilities	-	22	-	22	22	-	100.0%	-	-	
Transfers and subsidies	18 517	-	-	18 517	13 274	5 243	71.7%	7 797	-	
Non-profit institutions	18 517	-	-	18 517	13 274	5 243	71.7%	7 797	-	
Total	630 961	-	(50 477)	580 484	449 985	130 499	77.5%	556 541	460 485	

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Sub-programme: 5.1: Grade R in Public Schools										
Economic classification	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	594 212	-	(50 477)	543 735	434 372	109 363	79.9%	530 969	456 374	
Compensation of employees	384 731	-	-	384 731	361 877	22 854	94.1%	364 641	353 076	
Salaries and wages	334 716			334 716	361 346	(26 630)	108.0%	363 912	352 417	
Social contributions	50 015		-	50 015	531	49 484	1.1%	729	659	
Goods and services	209 481	-	(50 477)	159 004	72 495	86 509	45.6%	166 328	103 298	
Minor assets	41 288	-	(41 288)	-	-	-	-	15 033	-	
Inventory: Learner and teacher support material	66 881	(19 589)	(9 189)	38 103	6 033	32 070	15.8%	51 795	10 675	
Consumable: Stationery, printing and office supplies	-	31 036		31 036	26 659	4 377	85.9%	15 755	12 952	
Travel and subsistence	-	-	-	-	-	-	-	-	79 671	
Training and development	101 312	(11 447)		89 865	39 803	50 062	44.3%	83 745	-	
Transfers and subsidies	11 796	1 500	-	13 296	12 968	328	97.5%	-	-	
Non-profit institutions	11 796	1 500	-	13 296	12 968	328	97.5%	-	-	
TOTAL	606 008	1 500	(50 477)	557 031	447 340	109 691	80.3%	530 969	456 374	

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Sub-programme: 5.2: Pre-Grade R Training									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	16 025	-	-	16 025	911	15 114	5.7%	15 681	2 429
Goods and services	16 025	-	-	16 025	911	15 114	5.7%	15 681	2 429
Catering: Departmental activities	250	94	-	344	127	217	36.9%	1 000	529
Travel and subsistence	214	884	-	1 098	635	463	57.8%	8 000	1 900
Training and development	15 561	(1 000)	-	14 561	127	14 434	0.9%	6 681	-
Venues and facilities	-	22	-	22	22	-	100.0%	-	-
Transfers and subsidies	6 721	(1 500)	-	5 221	306	4 915	5.9%	7 797	-
Non-profit institutions	6 721	(1 500)	-	5 221	306	4 915	5.9%	7 797	-
TOTAL	22 746	(1 500)	-	21 246	1 217	20 029	5.7%	23 478	2 429

Sub-programme: 5.3: Human Resource Development									
Economic classification	2016/17					2015/16			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	2 207	-	-	2 207	1 428	779	64.7%	2 094	1 682
Goods and services	2 207	-	-	2 207	1 428	779	64.7%	2 094	1 682
Training and development	2 207	-	-	2 207	1 428	779	64.7%	2 094	1 682
TOTAL	2 207	-	-	2 207	1 428	779	64.7%	2 094	1 682

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Programme 6: Infrastructure Development										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. ADMINISTRATION	30 967	-	-	30 967	14 158	16 809	45.7%	30 800	24 709	
2. PUBLIC ORDINARY SCHOOLS	1 352 136	-	-	1 352 136	1 460 749	(108 613)	108.0%	1 202 527	1 280 881	
3. SPECIAL SCHOOLS	75 435	-	-	75 435	69 419	6 016	92.0%	70 864	56 023	
4. EARLY CHILDHOOD DEVELOPMENT	220 955	-	-	220 955	85 314	135 641	38.6%	144 014	86 592	
Total for sub programmes	1 679 493	-	-	1 679 493	1 629 640	49 853	97.0%	1 448 205	1 448 205	
Economic classification										
Current payments	159 066	-	-	159 066	156 343	2 723	98.3%	480 930	471 899	
Compensation of employees	25 646	-	-	25 646	12 112	13 534	47.2%	24 425	6 582	
Salaries and wages	22 312	-	-	22 312	10 883	11 429	48.8%	21 999	5 929	
Social contributions	3 334	-	-	3 334	1 229	2 105	36.9%	2 426	653	
Goods and services	133 420	-	-	133 420	144 231	(10 811)	108.1%	456 505	465 317	
Minor assets	633	-	-	633	-	633	-	-	-	
Communication	200	-	-	200	-	200	-	-	-	
Contractors	128 517	-	-	128 517	143 200	(14 683)	111.4%	338 930	349 470	
Inventory: Clothing material and supplies	1 500	-	-	1 500	-	1 500	-	-	-	
Inventory: Other supplies	-	-	-	-	-	-	-	116 000	115 262	
Consumable: Stationery, printing and office supplies	-	-	-	-	42	(42)	-	120	15	
Travel and subsistence	2 510	-	-	2 510	860	1 650	34.3%	1 255	556	
Training and development	60	-	-	60	107	(47)	178.3%	200	-	
Operating payments	-	-	-	-	22	(22)	-	-	14	
Transfers and subsidies	-	-	-	-	-	-	-	17 248	-	

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Programme 6: Infrastructure Development									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces and municipalities	-	-	-	-	-	-	-	7 248	-
Municipalities	-	-	-	-	-	-	-	7 248	-
Municipal agencies and funds	-	-	-	-	-	-	-	7 248	-
Non-profit institutions	-	-	-	-	-	-	-	10 000	-
Payments for capital assets	1 520 427	-	-	1 520 427	1 473 297	47 130	96.9%	950 027	969 880
Buildings and other fixed structures	1 520 260	-	-	1 520 260	1 473 297	46 963	96.9%	950 027	969 880
Buildings	-	-	-	-	-	-	-	950 027	969 880
Other fixed structures	1 520 260	-	-	1 520 260	1 473 297	46 963	96.9%	-	-
Machinery and equipment	167	-	-	167	-	167	-	-	-
Other machinery and equipment	167	-	-	167	-	167	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 679 493	-	-	1 679 493	1 629 640	49 853	97.0%	1 448 205	1 448 205

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Sub-programme 6.1: Administration										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	30 644	-	-	30 644	14 158	16 486	46.2%	30 800	21 192	
Compensation of employees	25 646	-	-	25 646	12 112	13 534	47.2%	24 425	6 578	
Salaries and wages	22 312	-	-	22 312	10 883	11 429	48.8%	21 999	5 925	
Social contributions	3 334	-	-	3 334	1 229	2 105	36.9%	2 426	653	
Goods and services	4 998	-	-	4 998	2 046	2 952	40.9%	6 375	14 614	
Minor assets	633	-	-	633	-	633	-	-	-	
Communication	200	-	-	200	-	200	-	-	-	
Contractors	95	-	-	95	1 015	(920)	1068.4%	4 800	14 029	
Inventory: Clothing material and supplies	1 500	-	-	1 500	-	1 500	-	-	-	
Consumable: Stationery, printing and office supplies	-	-	-	-	42	(42)	-	120	15	
Travel and subsistence	2 510	-	-	2 510	860	1 650	34.3%	1 255	556	
Training and development	60	-	-	60	107	(47)	178.3%	200	-	
Operating payments	-	-	-	-	22	(22)	-	-	14	
Payments for capital assets	323	-	-	323	-	323	-	-	3 517	
Buildings and other fixed structures	156	-	-	156	-	156	-	-	3 517	
Buildings	-	-	-	-	-	-	-	-	3 517	
Other fixed structures	156	-	-	156	-	156	-	-	-	
Machinery and equipment	167	-	-	167	-	167	-	-	-	
Other machinery and equipment	167	-	-	167	-	167	-	-	-	
Total	30 967	-	-	30 967	14 158	16 809	45.7%	30 800	24 709	

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Sub-programme 6.2: Public Ordinary Schools										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	121 516	-	-	121 516	141 685	(20 169)	116.6%	449 785	449 785	
Goods and services	121 516	-	-	121 516	141 685	(20 169)	116.6%	449 785	449 785	
Contractors	121 516	-	-	121 516	141 685	(20 169)	116.6%	333 785	334 523	
Inventory: Other supplies	-	-	-	-	-	-	-	116 000	115 262	
Transfers and subsidies	-	-	-	-	-	-	-	17 248	-	
Provinces and municipalities	-	-	-	-	-	-	-	7 248	-	
Municipalities	-	-	-	-	-	-	-	7 248	-	
Municipal agencies and funds	-	-	-	-	-	-	-	7 248	-	
Non-profit institutions	-	-	-	-	-	-	-	10 000	-	
Payments for capital assets	1 230 620	-	-	1 230 620	1 319 064	(88 444)	107.2%	735 494	824 670	
Buildings and other fixed structures	1 230 620	-	-	1 230 620	1 319 064	(88 444)	107.2%	735 494	824 670	
Buildings	-	-	-	-	-	-	-	735 494	824 670	
Other fixed structures	1 230 620	-	-	1 230 620	1 319 064	(88 444)	107.2%	-	-	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
Total	1 352 136	-	-	1 352 136	1 460 749	(108 613)	108.0%	1 202 527	1 280 881	

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Sub-programme 6.3: Special Schools										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	6 906	-	-	6 906	500	6 406	7.2%	345	62	
Compensation of employees	-	-	-	-	-	-	-	-	4	
Salaries and wages	-	-	-	-	-	-	-	-	4	
Goods and services	6 906	-	-	6 906	500	6 406	7.2%	345	58	
Contractors	6 906	-	-	6 906	500	6 406	7.2%	345	58	
Payments for capital assets	68 529	-	-	68 529	68 919	(390)	100.6%	70 519	55 961	
Buildings and other fixed structures	68 529	-	-	68 529	68 919	(390)	100.6%	70 519	55 961	
Buildings	-	-	-	-	-	-	-	-	55 961	
Other fixed structures	68 529	-	-	68 529	68 919	(390)	100.6%	70 519	-	
TOTAL	75 435	-	-	75 435	69 419	6 016	92.0%	70 864	56 023	

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for the year ended 31 March 2017

Sub-programme 6.4: Early Childhood Development									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	-	-	-	-	-	-	-	-	860
Goods and services	-	-	-	-	-	-	-	-	860
Contractors	-	-	-	-	-	-	-	-	860
Payments for capital assets	220 955	-	-	220 955	85 314	135 641	38.6%	144 014	85 732
Buildings and other fixed structures	220 955	-	-	220 955	85 314	135 641	38.6%	144 014	85 732
Buildings	-	-	-	-	-	-	-	144 014	85 732
Other fixed structures	220 955	-	-	220 955	85 314	135 641	38.6%	-	-
TOTAL	220 955	-	-	220 955	85 314	135 641	38.6%	144 014	86 592

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for the year ended 31 March 2017

Programme 7: Examination and Education Related Services										
	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Sub programme										
1. PAYMENTS TO SETA	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315	
2. PROFESSIONAL SERVICES	39 773	-	-	39 773	35 976	3 797	90.5%	33 425	30 032	
3. SPECIAL PROJECTS	1 783	-	-	1 783	1 961	(178)	110.0%	1 302	1 216	
4. EXTERNAL EXAMINATIONS	310 831	-	-	310 831	366 561	(55 730)	117.9%	306 284	310 553	
5. CONDITIONAL GRANTS	39 591	-	-	39 591	38 703	888	97.8%	35 731	35 331	
Total for sub programmes	451 640	-	-	451 640	502 863	(51 223)	111.3%	469 447	469 447	
Economic classification										
Current payments	348 359	80	-	348 439	409 113	(60 674)	117.4%	336 929	347 900	
Compensation of employees	122 066	(397)	-	121 669	194 898	(73 229)	160.2%	150 965	170 682	
Salaries and wages	106 198	-	-	106 198	190 861	(84 663)	179.7%	150 965	168 805	
Social contributions	15 868	(397)	-	15 471	4 037	11 434	26.1%	-	1 877	
Goods and services	226 293	477	-	226 770	214 215	12 555	94.5%	185 964	177 218	
Administrative fees	-	12	-	12	12	-	100.0%	21	18	
Minor assets	881	(665)	-	216	104	112	48.1%	308	1 617	
Catering: Departmental activities	7 304	(753)	-	6 551	5 610	941	85.6%	6 004	5 389	
Communication	-	-	-	-	-	-	-	-	-	
Computer services	5 641	-	-	5 641	2 716	2 925	48.1%	7 000	6 624	
Consultants: Business and advisory services	899	(899)	-	-	-	-	-	-	-	
Contractors	-	236	-	236	163	73	69.1%	193	192	
Agency and support / outsourced services	17 849	783	-	18 632	18 723	(91)	100.5%	14 864	14 838	

EASTERN CAPE DEPARTMENT OF EDUCATION
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APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 7: Examination and Education Related Services									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and supplies	-	10	-	10	7	3	70.0%	12	12
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	15	15
Inventory: Learner and teacher support material	1 637	(1 362)	-	275	116	159	42.2%	7	5
Inventory: Materials and supplies	-	45	-	45	40	5	88.9%	1	-
Inventory: Medical supplies	-	-	-	-	-	-	-	219	219
Inventory: Other supplies	39	549	-	588	554	34	94.2%	805	483
Consumable supplies	369	466	-	835	747	88	89.5%	388	303
Consumable: Stationery, printing and office supplies	111 051	(4 286)	-	106 765	104 577	2 188	98.0%	86 945	85 223
Operating leases	398	880	-	1 278	1 016	262	79.5%	1 940	1 475
Property payments	4 039	828	-	4 867	2 539	2 328	52.2%	3 359	2 679
Travel and subsistence	41 559	18 299	-	59 858	60 433	(575)	101.0%	51 728	47 922
Training and development	5 573	(4 677)	-	896	1 243	(347)	138.7%	3 639	3 036
Operating payments	26 471	(7 631)	-	18 840	14 627	4 213	77.6%	6 625	5 408
Venues and facilities	2 583	(1 358)	-	1 225	988	237	80.7%	1 891	1 760
Transfers and subsidies	93 031	-	-	93 031	93 256	(225)	100.2%	119 644	118 902
Departmental agencies and accounts	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315
Non-profit institutions	33 369	-	-	33 369	33 593	(224)	100.7%	26 939	26 524
Households	-	-	-	-	1	(1)	-	-	63
Social benefits	-	-	-	-	1	(1)	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	63

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for the year ended 31 March 2017

Programme 7: Examination and Education Related Services									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	10 250	(80)	-	10 170	494	9 676	4.9%	12 874	2 645
Machinery and equipment	10 250	(80)	-	10 170	494	9 676	4.9%	12 874	2 645
Other machinery and equipment	10 250	(80)	-	10 170	494	9 676	4.9%	12 874	2 645
TOTAL	451 640	-	-	451 640	502 863	(51 223)	111.3%	469 447	469 447

Programme 7.1: Payments To SETA									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315
Transfers and subsidies	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315
Departmental agencies	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315
TOTAL	59 662	-	-	59 662	59 662	-	100.0%	92 705	92 315

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for the year ended 31 March 2017

Programme 7.2: Professional Services										
	2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	38 672	107		38 779	35 634	3 145	91.9%	32 955	29 553	
Compensation of employees	-	-	-	-	-	-	-	-	8	
Salaries and wages	-	-	-	-	-	-	-	-	8	
Goods and services	38 672	107	-	38 779	35 634	3 145	91.9%	32 955	29 545	
Administrative fees	-	12	-	12	12	-	100.0%	16	14	
Minor assets	874	(717)	-	157	55	102	35.0%	286	258	
Catering: Departmental activities	4 746	21	-	4 767	4 212	555	88.4%	4 345	3 889	
Consultants: Business and advisory services	150	(150)	-	-	-	-	-	-	-	
Contractors	-	68	-	68	63	5	92.6%	-	-	
Agency and support / outsourced services	-	62	-	62	31	31	50.0%	158	134	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	12	12	
Inventory: Learner and teacher support material	1 637	(1 362)	-	275	116	159	42.2%	7	5	
Inventory: Materials and supplies	-	40	-	40	40	-	100.0%	-	-	
Inventory: Other supplies	5	549	-	554	554	-	100.0%	749	483	
Consumable supplies	366	434	-	800	715	85	89.4%	371	352	
Consumable: Stationery, printing and office supplies	8 583	(3 082)	-	5 501	5 064	437	92.1%	4 679	3 948	
Operating leases	-	20	-	20	-	20	-	-	-	
Property payments	-	-	-	-	-	-	-	39	33	
Travel and subsistence	16 657	8 738	-	25 395	23 737	1 658	93.5%	19 435	18 164	
Training and development	4 521	(3 884)	-	637	636	1	99.8%	2 746	2 149	

EASTERN CAPE DEPARTMENT OF EDUCATION
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for the year ended 31 March 2017

Programme 7.2: Professional Services									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	-	40		40	15	25	37.5%	15	10
Venues and facilities	1 133	(682)		451	384	67	85.1%	97	94
Transfers and subsidies	-	-	-	-	1	(1)	-	-	28
Households	-	-	-	-	1	(1)	-	-	28
Social benefits	-	-	-	-	1	(1)	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	28
Payments for capital assets	1 101	(107)	-	994	341	653	34.3%	470	451
Machinery and equipment	1 101	(107)	-	994	341	653	34.3%	470	451
Other machinery and equipment	1 101	(107)	-	994	341	653	34.3%	470	451
TOTAL	39 773	-	-	39 773	35 976	3 797	90.5%	33 425	30 032

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for the year ended 31 March 2017

Programme 7.3: Special Projects										
	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Economic classification										
Current payments	1 783	-	-	1 783	1 961	(178)	110.0%	1 302	1 181	
Goods and services	1 783	-	-	1 783	1 961	(178)	110.0%	1 302	1 181	
Catering: Departmental activities	344	-	-	344	79	265	23.0%	374	274	
Agency and support / outsourced services	589	-	-	589	329	260	55.9%	-	-	
Consumable: Stationery, printing and office supplies	202	-	-	202	46	156	22.8%	-	-	
Travel and subsistence	515	-	-	515	1 118	(603)	217.1%	578	563	
Training and development	-	-	-	-	347	(347)	-	200	194	
Venues and facilities	133	-	-	133	42	91	31.6%	150	150	
Transfers and subsidies	-	-	-	-	-	-	-	-	35	
Households	-	-	-	-	-	-	-	-	35	
Other transfers to households	-	-	-	-	-	-	-	-	35	
TOTAL	1 783	-	-	1 783	1 961	(178)	110.0%	1 302	1 216	

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for the year ended 31 March 2017

Programme 7.4: External Examinations

	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	268 613	(27)		268 586	332 968	(64 382)	124.0%	267 241	281 835
Compensation of employees	118 810	-		118 810	192 477	(73 667)	162.0%	149 178	168 977
Salaries and wages	103 365			103 365	188 475	(85 110)	182.3%	149 178	167 100
Social contributions	15 445			15 445	4 002	11 443	25.9%	-	1 877
Goods and services	149 803	(27)		149 776	140 491	9 285	93.8%	118 063	112 858
Administrative fees				-	-	-	-	5	4
Minor assets	7	52		59	49	10	83.1%	22	1 359
Catering: Departmental activities	509	147		656	561	95	85.5%	405	364
Computer services	5 641	-		5 641	2 716	2 925	48.1%	7 000	6 624
Consultants: Business and advisory services	749	(749)		-	-	-	-	-	-
Contractors		168		168	99	69	58.9%	5	5
Agency and support / outsourced services		19		19	-	19	-	-	-
Inventory: Clothing material and supplies		10		10	7	3	70.0%	-	-
Inventory: Fuel, oil and gas		-		-	-	-	-	15	15
Inventory: Materials and supplies		5		5	-	5	-	1	1
Inventory: Other supplies	34	-		34	-	34	-	56	-
Consumable supplies	3	27		30	27	3	90.0%	10	(56)
Consumable: Stationery, printing and office supplies	98 150	1 065		99 215	97 693	1 522	98.5%	80 739	79 750
Operating leases	398	40		438	196	242	44.7%	1 940	1 475
Property payments	4 039	541		4 580	2 252	2 328	49.2%	3 320	2 646
Travel and subsistence	13 802	5 780		19 582	21 790	(2 208)	111.3%	17 440	14 895

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Programme 7.4: External Examinations									
2016/17					2015/16				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and developments		(1)		(1)	-	(1)	-	-	
Operating payments	26 471	(7 671)	-	18 800	14 612	4 188	77.7%	6 600	5 389
Venues and facilities		540		540	489	51	90.6%	505	388
Transfers and subsidies	33 369	-	-	33 369	33 593	(224)	100.7%	26 939	26 524
Non-profit institutions	33 369	-	-	33 369	33 593	(224)	100.7%	26 939	26 524
Payments for capital assets	8 849	27	-	8 876	-	8 876	-	12 104	2 194
Machinery and equipment	8 849	27	-	8 876	-	8 876	-	12 104	2 194
Other machinery and equipment	8 849	27	-	8 876	-	8 876	-	12 104	2 194
Total	310 831	-	-	310 831	366 561	(55 730)	117.9%	306 284	310 553

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Programme 7.5: Conditional Grants										
	2016/17					2015/16				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Economic classification										
Current payments	39 291	-	-	39 291	38 550	741	98.1%	35 431	35 331	
Compensation of employees	3 256	(397)	-	2 859	2 421	438	84.7%	1 787	1 697	
Salaries and wages	2 833	(397)	-	2 436	2 386	447	84.2%	1 787	1 697	
Social contributions	423	-	-	423	35	(9)	134.6%	-	-	
Goods and services	36 035	397	-	36 432	36 129	303	99.2%	33 644	33 634	
Catering: Departmental activities	1 705	(921)	-	784	758	26	96.7%	880	862	
Contractors	-	-	-	-	1	(1)	-	188	187	
Agency and support / outsourced services	17 260	702	-	17 962	18 363	(401)	102.2%	14 706	14 704	
Inventory: Medical supplies	-	-	-	-	5	-	-	219	219	
Consumable supplies	5	-	-	5	5	-	100.0%	7	7	
Consumable: Stationery, printing and office supplies	4 116	(2 269)	-	1 847	1 774	73	96.0%	1 527	1 525	
Operating leases	-	820	-	820	820	-	100.0%	-	-	
Property payments	-	287	-	287	287	-	100.0%	-	-	
Travel and subsistence	10 585	3 781	-	14 366	13 788	578	96.0%	14 275	14 300	
Training and development	1 052	(792)	-	260	260	-	100.0%	693	693	
Operating payments	-	-	-	-	-	-	-	10	9	
Venues and facilities	1 317	(1 216)	-	101	73	28	72.3%	1 139	1 128	
Payments for capital assets	300	-	-	300	153	147	51.0%	300	-	
Machinery and equipment	300	-	-	300	153	147	51.0%	300	-	
Other machinery and equipment	300	-	-	300	153	147	51.0%	300	-	
TOTAL	39 591	-	-	39 591	38 703	888	97.8%	35 731	35 331	

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

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

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

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

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

3. Detail on payments for financial assets

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

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

Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
PUBLIC ORDINARY SCHOOL EDUCATION	24 888 902	25 012 249	(123 347)	-0.5%

Explanation of variance: The final appropriation for the programme amounts to R24.937 billion. The Programme spent R25.012 billion and reported net over expenditure of R74.377 million. Compensation of Employees under spent by R112.075 million due to high educator attrition rate coupled with the slow filling of posts for school based educator and non-educator posts in Public schools and slow payment processes. In terms of Goods and Services over spending of R190.397 million is due to payment of the LTSM Batch 2 delivered to a large number of schools to augment shortages verified through audits as well as high demand of School Furniture which was procured and delivered late in the financial year. With regards to Transfers and Subsidies, over expenditure of R5.719 million late submissions of identified learners with IDs for final mop up just after the schools opened for the 2017 academic year. In terms of Payments for Capital Assets, the department embarked on the bulk buying of laptops for schools and circuits and the net under spending of R9.348 million is due to late receipt of some of the invoices from the service provider.

Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
EARLY CHILDHOOD DEVELOPMENT	580 484	449 985	130 499	22.5%

Explanation of variance: The under expenditure of R689 000 in Compensation of Employees is attributed to the appointment of professionally qualified practitioners into mainstream schooling; leaving vacancies in Grade R. The under expenditure of R125.156 million in Goods and Services relates to Minor Assets, LTSM and Training as a result of the bid for educational toys not awarded at the time of reporting. The provision of stationery and LTSM is committed for LTSM as well as for the provision of Grade R training. Lastly, 9 training invoices has been submitted for processing as well as training of 125 Pre Grade R practitioners was delayed (NQF Level 4) due to the finalisation of the Service Level Agreement and contracted service providers are awaiting renewal/confirmation of their accreditation status.

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
EXAMINATION AND EDUCATION RELATED SERVICES	451 640	502 863	(51 223)	-11.3%

Explanation of variance: CoE overspent R73.229 million due to increased number of learners resulting in the Department appointing exam assistants and officials from head office and districts which were not in the baseline. Goods and Services under spent due to challenges within the Directorate and SCM in provision of security services during examination periods.

Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
PUBLIC SPECIAL SCHOOLS	649 366	643 705	5 661	0.9%

Explanation of variance: The under spending of R2.795 million in Goods and Services was because of delays in the procurement of Assistive devices which resulted on the bid being awarded in March 2017 as well as changes made on the National Sporting Programme that had to give way for summer games that were sanctioned by Sport Recreation Arts & Culture.

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	23 880 888	23 871 773	9 115	0.0%
Goods and services	2 577 133	2 765 867	(188 734)	-7.3%
Transfers and subsidies				
Departmental agencies and accounts	59 662	59 662	-	0.0%
Non-profit institutions	2 259 511	2 257 635	1 876	0.1%
Payments for capital assets				
Buildings and other fixed structures	1 520 260	1 473 297	46 963	3.1%
Machinery and equipment	364 984	290 926	74 058	20.3%
Intangible assets	1 217	412	805	66.1%

Explanation of variance:

Compensation of Employees Education's under expenditure is mainly due to the attrition rate coupled with the slow filling of posts, slow payment processes for school based educator and non-educator posts in Public schools as well as non-filling of posts on the Annual Recruitment Plan (ARP).

Goods and Services over spent due to payment of the LTSM Batch 2 delivered to a large number of schools to augment shortages verified through audits as well as high demand of School Furniture which was procured and delivered late in the financial year.

Transfers and subsidies, under expenditure is mainly due to unpaid leave gratuities on Households, which resulted from the high attrition rate amongst school-based educators. There is also over spending on NPI, as a result of unanticipated transfers to schools due to the learner number verification process which saw an additional 82 thousand learners being verified as valid after a virement of R62.587 million for norms and standards reduced the budget for Public Ordinary Schools Education to fund Goods and Services for examination printing materials.

Payment for capital assets. The department spent R1.781 billion of the R1.886 billion adjusted budget for capital assets, representing a net over expenditure of R105.299 million, which is mainly observed on Machinery and

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

Equipment due to bulk purchase of Computer Desktops and Laptops for schools, head office and district offices officials. The under spending in Machinery and Equipment is due to late receipt of invoices from service providers specifically Vodacom for Desktops and Laptops as well as late procurement of specialised buses for Special Schools which also resulted in late receipt of invoices. Software and other Intangibles under spending relates to Education Management Information Systems. Software updates were completed on SASAMS and the amount available is savings realised which will be used to offset over expenditure in **Machinery and Equipment**. The Department recorded net under spending on Buildings and other fixed structures due to delays in processing of invoices. The net under spending on Infrastructure is **R46.963 million** due to delays in processing of invoices.

Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Maths, science and technology grant	59 341	58 241	1 100	1.9%
Education Infrastructure Grant	1 505 088	1 568 634	(63 546)	-4.2%
HIV and AIDS Grant	39 591	38 703	888	2.2%
National School Nutrition Programme	1 085 184	999 890	85 294	7.9%
Extended public works incentive programme (Social Sector)	10 160	19 871	(9 711)	78.7%
Extended public works integrated programme	2 144	1 993	151	-567.4%
EPWP incentive for municipalities	-	-	-	-

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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	30 980 734	29 159 604
Statutory appropriation	2	1 902	1 902
Departmental revenue	3	-	45 456
TOTAL REVENUE		30 982 636	29 206 962
EXPENDITURE			
Current expenditure			
Compensation of employees	4	23 871 773	22 635 465
Goods and services	5	2 765 917	2 144 334
Interest and rent on land	6	3 125	-
Total current expenditure		26 640 815	24 779 799
Transfers and subsidies			
Transfers and subsidies	9	2 561 550	2 574 920
Total transfers and subsidies		2 561 550	2 574 920
Expenditure for capital assets			
Tangible assets	9	1 762 628	1 012 060
Intangible assets	9	1 958	-
Total expenditure for capital assets		1 764 586	1 012 060
Payments for financial assets	7	-	59 420
TOTAL EXPENDITURE		30 966 951	28 426 199
SURPLUS/(DEFICIT) FOR THE YEAR		15 685	780 763

EASTERN CAPE DEPARTMENT OF EDUCATION
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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	15 685	735 307
Annual appropriation	(62 037)	722 616
Conditional grants	77 722	12 964
Departmental revenue and NRF Receipts	¹⁵ -	45 456
SURPLUS/(DEFICIT) FOR THE YEAR	15 685	780 763

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STATEMENT OF FINANCIAL POSITION
as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		181 657	687 267
Unauthorised expenditure	10	174 570	-
Cash and cash equivalents	11	-	685 796
Prepayments and advances	12	746	-
Receivables	13	6 341	1 471
Non-current assets		95 853	84 854
Receivables	13	95 853	84 854
TOTAL ASSETS		277 510	772 121
LIABILITIES			
Current liabilities		258 596	753 764
Voted funds to be surrendered to the Revenue Fund	14	190 255	735 580
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	5 773	3 557
Bank overdraft	16	42 928	-
Payables	17	19 640	14 627
TOTAL LIABILITIES		258 596	753 764
NET ASSETS		18 914	18 357
Represented by:			
Recoverable revenue		18 914	18 357
TOTAL		18 914	18 357

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		18 357	21 825
Transfers:		557	(3 468)
Debts revised		(771)	(2 579)
Debts recovered (included in departmental receipts)		(6 958)	(12 939)
Debts raised		8 286	12 050
Closing balance		18 914	18 357
TOTAL		18 914	18 357

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CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		31 046 198	29 272 322
Annual appropriated funds received	<u>1</u>	30 980 734	29 159 604
Statutory appropriated funds received	<u>2</u>	1 902	1 902
Departmental revenue received	<u>3</u>	63 508	110 764
Interest received		54	52
Net (increase)/decrease in working capital		(186 172)	15 645
Surrendered to Revenue Fund		(796 926)	(669 077)
Current payments		(26 463 120)	(24 779 526)
Interest paid	<u>6</u>	(3 125)	-
Payments for financial assets	<u>7</u>	-	(59 420)
Transfers and subsidies paid	<u>8</u>	(2 561 550)	(2 574 920)
Net cash flow available from operating activities	<u>18</u>	1 035 305	1 205 024
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	(1 764 586)	(1 012 060)
Net cash flows from investing activities		(1 764 586)	(1 012 060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		557	(3 468)
Net cash flows from financing activities		557	(3 468)
Net increase/(decrease) in cash and cash equivalents		(728 724)	189 496
Cash and cash equivalents at beginning of period		685 796	496 300
Cash and cash equivalents at end of period	<u>19</u>	(42 928)	685 796

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Comparative information</p>
5.1	<p>Prior period comparative information</p> <p>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.</p>
5.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
6	<p>Revenue</p>
6.1	<p>Appropriated funds</p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
6.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
6.3	<p>Accrued departmental revenue</p>

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

	<p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
7	Expenditure
7.1	Compensation of employees
7.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
7.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
7.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
7.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accruals and payables not recognised are measured at cost.</p>
7.4	Leases
7.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
7.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
8	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p>

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

	<p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
9	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
10	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
11	<p>Financial assets</p>
11.1	<p>Financial assets</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
11.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
12	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
13	<p>Capital Assets</p>
13.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
13.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p>

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	<p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
13.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
14	<p>Provisions and Contingents</p>
14.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
14.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
14.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
14.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
15	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

	<ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
16	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
17	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
18	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
19	<p>Employee benefits</p> <p>Short-term employee benefits that give rise to a present or constructive obligation (accruals, payables not recognised and provisions) are disclosed in the Employee benefits note to the financial statements. These amounts are not recognised in the statement of performance or the statement of financial position.</p>
20	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
21	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for all infrastructure related projects. In terms of the arrangement the department is the principal and is responsible for directing Eastern Cape Roads and Public Works to undertake transactions relating to infrastructure requirements through the Memorandum of Understanding. All related revenues, expenditures,</p>

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

	assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
22	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
23	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
24	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
25	<p>Inventories</p> <p>At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p> <p>Subsequent measurement of the cost of inventory is determined on the weighted average basis.</p>
26	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>

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

	Final Appropriation	2016/17 Actual Funds Received	Funds not requested/ not received	Final Appropriation	2015/16 Appropriation received
	R'000	R'000	R'000	R'000	R'000
1. Annual Appropriation					
1.1 Annual Appropriation					
ADMINISTRATION	2 610 850	2 610 850	-	2 660 696	2 660 696
PUBLIC ORDINARY SCHOOL EDUCATION	24 888 902	24 888 902	-	23 257 342	23 257 342
INDEPENDENT SCHOOL SUBSIDIES	120 000	120 000	-	116 317	116 317
PUBLIC SPECIAL SCHOOL EDUCATION	649 366	649 366	-	651 056	651 056
EARLY CHILDHOOD DEVELOPMENT	580 484	580 484	-	556 541	556 541
INFRASTRUCTURE DEVELOPMENT	1 679 492	1 679 492	-	1 448 205	1 448 205
EXAMINATION AND EDUCATION RELATED SERVICES	451 640	451 640	-	469 447	469 447
Total	30 980 734	30 980 734	-	29 159 604	29 159 604

1.2 Conditional grants

	Note	2016/17 R'000	2015/16 R'000
Total grants received	34	2 701 508	2 236 666
Provincial grants included in Total Grants received		2 701 508	2 236 666

EASTERN CAPE DEPARTMENT OF EDUCATION
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

2. Statutory Appropriation

	2016/17 R'000	2015/16 R'000
Members' remuneration	1 902	1 902
Total	1 902	1 902
Actual Statutory Appropriation received	1 902	1 902

3. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	50 029	50 326
Fines, penalties and forfeits	3.2	2	8
Interest, dividends and rent on land	3.3	54	52
Transactions in financial assets and liabilities	3.4	13 477	60 430
Total revenue collected		63 562	110 816
Less: Own revenue included in appropriation	15	63 562	65 360
Departmental revenue collected		-	45 456

3.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the Department	3	50 029	50 326
Sales by market establishment		49	61
Other sales		49 980	50 265
Total		50 029	50 326

3.2 Fines, penalties and forfeits

	Note	2016/17 R'000	2015/16 R'000
Fines	3	2	8
Total		2	8

3.3 Interest, dividends and rent on land

	Note	2016/17 R'000	2015/16 R'000
Interest	3	54	52
Total		54	52

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3.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	3	R'000	R'000
Stale cheques written back		-	2 939
Other Receipts including Recoverable Revenue		13 477	57 491
Total		13 477	60 430

4. Compensation of employees

4.1 Salaries and Wages

	Note	2016/17	2015/16
		R'000	R'000
Basic salary		17 676 360	16 761 686
Performance award		43 354	33 465
Service Based		47 754	44 460
Compensative/circumstantial		405 864	369 794
Periodic payments		14 192	9 068
Other non-pensionable allowances		2 353 759	2 217 219
Total		20 541 283	19 435 692

4.2 Social contributions

	Note	2016/17	2015/16
		R'000	R'000
Employer contributions			
Pension		2 222 580	2 099 656
Medical		1 102 701	1 095 174
UIF		110	23
Bargaining council		1 812	1 572
Official unions and associations		3 287	3 348
Total		3 330 490	3 199 773
Total compensation of employees		23 871 773	22 635 465
Average number of employees		71 860	68 850

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5. Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		1 002	953
Advertising		9 170	4 721
Minor assets	5.1	16 427	4 213
Bursaries (employees)		47 904	61 653
Catering		40 309	32 549
Communication		28 900	24 945
Computer services	5.2	57 176	53 026
Consultants: Business and advisory services		252 744	44 200
Legal services		30 054	19 138
Contractors		156 395	357 934
Agency and support / outsourced services		127 739	106 255
Entertainment		592	7
Audit cost – external	5.3	18 118	21 274
Fleet services		38	-
Inventory	5.4	1 296 219	825 654
Consumables	5.5	204 647	124 171
Operating leases		33 167	29 747
Property payments	5.6	48 145	73 478
Rental and hiring		-	22
Transport provided as part of the departmental activities		2 748	40
Travel and subsistence	5.7	258 726	210 035
Venues and facilities		4 318	4 802
Training and development		86 147	111 563
Other operating expenditure	5.8	45 232	33 954
Total		2 765 917	2 144 334

5.1. Minor assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets	5	16 427	4 213
Machinery and equipment		16 427	4 213
Total		16 427	4 213

5.2. Computer services

	Note	2016/17 R'000	2015/16 R'000
SITA computer services	5	34 752	50 359
External computer service providers		22 424	2 667
Total		57 176	53 026

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5.3. Audit cost – External

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Regularity audits		16 833	18 352
Performance audits		-	2 427
Computer audits		1 285	495
Total		18 118	21 274

5.4. Inventory

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Clothing material and accessories		1 182	-
Farming supplies		1 192	-
Learning, teaching and support material		1 059 310	587 641
Materials and supplies		2 468	-
Other supplies	<u>5.4.1</u>	232 067	238 013
Total		1 296 219	825 654

5.4.1 Other supplies

	Note <u>5.4</u>	2016/17 R'000	2015/16 R'000
Assets for distribution		232 067	237 976
Machinery and equipment		1 580	551
School furniture		230 487	237 425
Total		232 067	237 976

5.5. Consumables

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Consumable supplies		18 404	15 566
Uniform and clothing		1 165	942
Household supplies		1 059	1 058
IT consumables		1 921	416
Other consumables		14 259	13 150
Stationery, printing and office supplies		186 243	108 605
Total		204 647	124 171

5.6. Property payments

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Municipal services		3 163	40 866
Property maintenance and repairs		-	101
Other		44 982	32 511
Total		48 145	73 478

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5.7. Travel and subsistence

	Note	2016/17 R'000	2015/16 R'000
Local	5	258 726	210 035
Total		258 726	210 035

5.8. Other operating expenditure

	Note	2016/17 R'000	2015/16 R'000
Resettlement costs	5	-	5 460
Other		45 232	28 494
Total		45 232	33 954

6. Interest and rent on land

	Note	2016/17 R'000	2015/16 R'000
Interest paid		3 125	-
Total		3 125	-

7. Payments for financial assets

	Note	2016/17 R'000	2015/16 R'000
Debts written off	7.1	-	59 420
Total		-	59 420

7.1. Debts written off

	Note	2016/17 R'000	2015/16 R'000
Other debt written off	7	-	-
Disallowance fraud account		-	1 957
Advances account		-	6 426
Salary account		-	51 037
Total		-	59 420
Total debt written off		-	59 420

8. Transfers and subsidies

	Note	2016/17 R'000	2015/16 R'000
Departmental agencies and accounts	Annex 1A	59 662	92 315
Non-profit institutions	Annex 1B	2 257 635	2 218 637
Households	Annex 1C	244 254	263 972
Total		2 561 551	2 574 924

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9. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		1 762 628	1 012 060
Buildings and other fixed structures	32	1 471 601	969 944
Machinery and equipment	30	291 027	42 116
Intangible assets		1 958	-
Software	31	1 958	-
Total		1 764 586	1 012 060

9.1. Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Total R'000
Tangible assets	1 762 628	1 762 628
Buildings and other fixed structures	1 471 601	1 471 601
Machinery and equipment	291 027	291 027
Intangible assets	1 958	1 958
Software	1 958	1 958
Total	1 764 586	1 764 586

9.2. Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Total R'000
Tangible assets	1 012 060	1 012 060
Buildings and other fixed structures	969 944	969 944
Machinery and equipment	42 116	42 116
Total	1 012 060	1 012 060

9.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		21 774	19 004
Machinery and equipment		21 774	19 004
Total		21 774	19 004

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10. Unauthorised expenditure

10.1. Reconciliation of unauthorised expenditure

	Note	2016/17 R'000	2015/16 R'000
Unauthorised expenditure – discovered in current year		174 570	-
Current		174 570	-
Closing balance		174 570	-

10.2. Analysis of awaiting authorisation per economic classification

Current		174 570	-
Total		174 570	-

10.3. Analysis of unauthorised expenditure awaiting authorisation per type

	2016/17 R'000	2015/16 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		
	174 570	-
Total	174 570	-

10.4. Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Overspending of Programme 2 and Programme 7	Still to be investigated	174 570
Total		174 570

11. Cash and cash equivalents

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		-	685 796
Total		-	685 796

12. Prepayments and advances

	Note	2016/17 R'000	2015/16 R'000
Prepayments (Not expensed)	12.1	746	-
Total		746	-

12.1. Prepayments (Not expensed)

	Note	2016/17 R'000	2015/16 R'000
Goods and services	12	746	-
Total		746	-

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13. Receivables

	Note	2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Staff debt	13.1	1 462	95 853	97 315	1 328	84 854	86 182
Other debtors	13.2	4 879	-	4 879	143	-	143
Total		6 341	95 853	102 194	1 471	84 854	86 325

13.1. Staff debt

	Note	2016/17	2015/16
	13	R'000	R'000
Debt account		32 295	27 569
Medical aid		74	-
Sal: Reversal		49 123	44 777
Sal: Recoverable		14	-
Pension recoverable		3 548	3 548
Deduction disallowance		2 528	2 175
Tax debt		9 648	8 100
Sal: UIF		12	13
Insurance deductions		73	-
Total		97 315	86 182

13.2. Other debtors

	Note	2016/17	2015/16
	13	R'000	R'000
Unpaid BAS EBT		-	4
Disallowance fraud account		4 172	-
Receipt deposit		696	137
Receipt control		2	2
Receivable: Other debtors		9	-
Total		4 879	143

13.3. Impairment of receivables

	Note	2016/17	2015/16
		R'000	R'000
Estimate of impairment of receivables		2 864	7 933
Total		2 864	7 933

14. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		735 580	602 311
Prior period error		-	-
As restated		735 580	602 311
Transfer from statement of financial performance (as restated)		15 685	735 580
Add: Unauthorised expenditure for current year		174 570	-
Paid during the year		(735 580)	(602 311)
Closing balance		190 255	735 580

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

	Note	2016/17 R'000	2015/16 R'000
Opening balance		3 557	(40 493)
Prior period error		-	-
As restated		<u>3 557</u>	<u>(40 493)</u>
Transfer from Statement of Financial Performance		-	45 456
Own revenue included in appropriation		63 562	65 360
Paid during the year		<u>(61 346)</u>	<u>(66 766)</u>
Closing balance		<u>5 773</u>	<u>3 557</u>

16. Bank Overdraft

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		<u>42 928</u>	<u>-</u>
Total		<u>42 928</u>	<u>-</u>

17. Payables – current

	Note	2016/17 R'000	2015/16 R'000
Clearing accounts	17.1	19 526	14 627
Other payables	17.2	114	-
Total		<u>19 640</u>	<u>14 627</u>

17.1. Clearing accounts

	Note	2016/17 R'000	2015/16 R'000
Sal: ACB	17	8 442	9 840
Sal: Garnishee		32	304
Medical aid		-	13
Sal: Pension fund		226	37
Sal: Income tax		9 178	4 348
Other		64	85
GEHS refunds		1 571	-
Pension debt		5	-
Official unions		8	-
Total		<u>19 526</u>	<u>14 627</u>

17.2. Other payables

	Note	2016/17 R'000	2015/16 R'000
Debts in credit	17	<u>114</u>	<u>-</u>
Total		<u>114</u>	<u>-</u>

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18. Net cash flow available from operating activities

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Net surplus as per Statement of Financial Performance		15 685	781 036
Add back non cash/cash movements not deemed operating activities		1 019 620	423 988
(Increase)/decrease in receivables – current		(15 869)	40 750
(Increase)/decrease in prepayments and advances		(746)	6 426
Increase/(decrease) in payables – current		5 013	(31 531)
Expenditure on capital assets		1 764 586	1 012 060
Surrenders to Revenue Fund		(796 926)	(669 077)
Own revenue included in appropriation		63 562	65 360
Net cash flow generated by operating activities		<u>1 035 305</u>	<u>1 205 024</u>

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

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account		(42 928)	685 796
Total		<u>(42 928)</u>	<u>685 796</u>

20. Contingent liabilities and contingent assets

20.1. Contingent liabilities

Liable to	Nature	<i>Note</i>	2016/17 R'000	2015/16 R'000
Housing loan guarantees	Employees	Annex 2	44 046	55 719
Claims against the department		Annex 3	95 795	118 427
Intergovernmental payables (unconfirmed balances)		Annex 5	10 412	17 647
Total			<u>150 253</u>	<u>191 793</u>

20.2. Contingent assets

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Nature of contingent asset			
Unconfirmed claims receivable from other departments		3 900	2 326
Total		<u>3 900</u>	<u>2 326</u>

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21. Commitments

	Note	2016/17 R'000	2015/16 R'000
Current expenditure		518 511	161 505
Approved and contracted		465 942	160 959
Approved but not yet contracted		52 569	546
Capital expenditure		3 769 228	2 606 562
Approved and contracted		1 717 677	1 783 356
Approved but not yet contracted		2 051 551	823 206
Total Commitments		4 287 739	2 768 067

22. Accruals and payables not recognised

22.1. Accruals

Listed by economic classification			2016/17 R'000	2015/16 R'000
	30 Days	30+ Days	Total	Total
Goods and services	15 706	1 274	16 980	61 342
Transfers and subsidies	-	144 791	144 791	203 002
Capital assets	206 996	-	206 996	100 607
Total	222 702	146 065	368 767	364 951

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		73 916	20 404
Public ordinary school education		120 415	246 241
Public special school education		737	278
Infrastructure development		173 694	92 629
Examination and education related services		5	5 399
Total		368 767	364 951

22.2. Payables not recognised

Listed by economic classification			2016/17 R'000	2015/16 R'000
	30 Days	30+ Days	Total	Total
Goods and services	145 288	16 388	161 676	34 123
Capital assets	-	26 958	26 958	-
Total	145 288	43 346	188 634	34 123

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	2016/17 R'000	2015/16 R'000
Listed by programme level		
Administration	8 639	817
Public ordinary school education	179 129	33 301
Public special school education	7	5
Early childhood development	6	-
Infrastructure development	604	-
Examination and education related services	249	-
Total	188 634	34 123

23. Employee benefits

	Note	2016/17 R'000	2015/16 R'000
Leave entitlement		254 584	224 279
Service bonus (Thirteenth cheque)		751 687	708 756
Performance awards		35 082	754
Capped leave commitments		2 573 479	2 639 836
Other		8 977	26 837
Total		3 623 809	3 600 462

Leave entitlement with a negative balance is R0.638m (2016: R2.123m). Other employee benefits relate to cost of employment related accruals (2016: R21.459m) and long service awards of R8.977m (2016: R5.378m).

24. Lease commitments

24.1. Operating leases expenditure

	Buildings and other fixed structures	Total
2016/17		
Not later than 1 year	18 709	18 709
Later than 1 year and not later than 5 years	20 496	20 496
Total lease commitments	39 205	39 205
2015/16		
Not later than 1 year	16 284	16 284
Later than 1 year and not later than 5 years	33 625	33 625
Total lease commitments	49 909	49 909

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24.2. Finance leases expenditure

2016/17	Machinery and equipment	Total
Not later than 1 year	82 648	82 648
Later than 1 year and not later than 5 years	80 843	80 843
Total lease commitments	163 491	163 491

2015/16	Machinery and equipment	Total
Not later than 1 year	17 843	17 843
Later than 1 year and not later than 5 years	22 924	22 924
Total lease commitments	40 767	40 767

25. Irregular expenditure

25.1. Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		1 645 479	677 322
Prior period error		-	107 202
As restated		1 645 479	784 524
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		784 278	1 247 096
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	(340 567)
Less: Amounts not condoned and recoverable		(3 538)	-
Less: Amounts not condoned and not recoverable		-	(45 574)
Closing balance		2 426 219	1 645 479

Analysis of awaiting condonation per age classification

Current year	140 254	140 254
Prior years		
Total	140 254	140 254

25.2. Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Infrastructure		467 639
Goods and services		316 639
Total		784 278

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25.3. Details of irregular expenditure recoverable (not condoned)

Incident	2016/17 R'000
Employees receiving compensation not entitled to the compensation	3 538
Total	<u>3 538</u>

25.4. Details of irregular expenditures under investigation (not included in the main note)

Incident	2016/17 R'000
Procurement process	964 755
Bid invitations and receipt of bids	3 534
Bid evaluation - points and functionality	44 791
Variation orders	142 038
Total	<u>1 155 118</u>

25.5. Prior period error

Nature of prior period error	2015/16 R'000
Relating to 2015/16 (affecting the opening balance)	107 202
Irregular expenditure confirmed through investigations	107 202
Relating to 2015/16	981 609
Restatement effect in the 2015/16 financial year as a result of conclusions in Irregular expenditure under investigation in the prior period	981 609
Total prior period errors	<u>1 088 811</u>

25.6. Details of the non-compliance where an institution was not represented in a bid committee for contracts arranged by other institutions

Incident	2016/17 R'000
Procurement for infrastructure projects - no representation on bid committee	193 841
Total	<u>193 841</u>

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26. Fruitless and wasteful expenditure

26.1. Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Opening balance		152 279	71 858
Prior period error			-
As restated		<u>152 279</u>	<u>71 858</u>
Fruitless and wasteful expenditure – relating to current year		9 608	80 421
Closing balance		<u>161 887</u>	<u>152 279</u>

26.2. Analysis of awaiting resolution per economic classification

	2016/17 R'000	2015/16 R'000
Current	7 849	61 147
Transfers and subsidies	1 759	19 274
Total	<u>9 608</u>	<u>80 421</u>

26.3. Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Interest payment	Still under investigation	3 124
Damages	Still under investigation	4 015
COE related	Still under investigation	191
Services rendered	Still under investigation	519
Transfer payments	Still under investigation	1 759
Total		<u>9 608</u>

26.4. Prior period error

	<i>Note</i>	2016/17 R'000
Nature of prior period error		
Relating to 2015/16		78 694
Debt written off		59 420
Transfer payments		19 274
Total prior period errors		<u>78 694</u>

26.5. Details of fruitless and wasteful expenditures under investigation (not included in the main note)

Incident	2016/17 R'000
Prior year COE overpayments and suspensions	27 115
Total	<u>27 115</u>

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27. Related party transactions

Payments made	Note	2016/17 R'000	2015/16 R'000
Goods and services		46 337	25 125
Total		46 337	25 125

In kind goods and services provided/received	Note	2016/17 R'000
The department is utilising buildings paid for by the Department of roads and Public Works		
Operating leases		15 453
Municipal services payment		1 235
Transactions with related parties of employees		29 649
Total		46 337

28. Key management personnel

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers	1	1 902	1 902
Officials:			
Level 15 to 16	5	6 111	5 802
Level 14	14	12 472	10 183
Family members of key management personnel			
	28	9 625	11 011
Total		30 110	28 898

29. Provisions

	Note	2016/17 R'000	2015/16 R'000
School nutrition programme		1 444	1444
Long service award		44 719	59 846
Total		46 163	61 290

Reconciliation of movement in provisions – 2016/17

	School nutrition programme R'000	Long service award R'000	Total provisions R'000
Opening balance	1 444	59 846	61 290
Increase in provision		44 719	44 719
Settlement of provision		(59 846)	(59 846)
Closing balance	1 444	44 719	46 163

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Reconciliation of movement in provisions – 2015/16

	School Nutrition Programme R'000	Long service award R'000	Total provisions R'000
Opening balance	2 948	49 390	52 338
Increase in provision	188	59 846	60 034
Settlement of provision	(1 692)	(49 390)	(51 082)
Closing balance	1 444	59 846	61 290

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Openin g balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	168 628	-	281 727	55 072	395 283
Transport assets	35 761	-	7 033	-	42 794
Computer equipment	90 427	-	268	55 072	303 955
Furniture and office equipment	36 099	-	600	-	40 545
Other machinery and equipment	6 341	-	1 648	-	7 989
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	168 628	-	281 727	55 072	395 283

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	2 090	20 271

These are assets that could not be found during the asset verification exercise and are recorded in a Loss Control Register. These assets are being investigated by the department. The outcome of the investigation will determine whether the asset has been lost, stolen, or possibly sold but not updated. Where the asset has been lost or stolen the authorisation process should be followed to allow for the asset to be written off and the asset register updated.

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30.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	291 026	-	(22 147)	12 848	281 727
Transport assets	27 878	-	(18 086)	(2 759)	7 033
Computer equipment	253 732	-	-	14 868	268 600
Furniture and office equipment	3 707	-	-	739	4 446
Other machinery and equipment	5 709	-	(4 061)	-	1 648
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	291 026	-	(22 147)	12 848	281 727

30.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000
MACHINERY AND EQUIPMENT		55 072	55 072
Computer equipment	-	55 072	55 072
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	55 072	55 072

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30.3 Movement for 2015/16

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	147 228	(9 453)	30 853	-	168 628
Transport assets	22 849	(7 004)	19 916	-	35 761
Computer equipment	83 396	(2 057)	9 088	-	90 427
Furniture and office equipment	35 965	(280)	414	-	36 099
Other machinery and equipment	5 018	(112)	1 435	-	6 341
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	147 228	(9 453)	30 853	-	168 628

30.4. Prior period error

	Note	2016/17 R'000
Nature of prior period error		(9 453)
Relating to 2015/16:		
Delivery of vehicles (acceptance of risks and rewards)		(7 004)
Adjustment for assets under investigation		(2 281)
Reclassification of additions		(168)
Total prior period errors		(9 453)

30.5. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Machinery and equipment R'000	Total R'000
Opening balance	70 041	70 041
Additions	21 491	21 491
Disposals	(2 706)	(2 706)
TOTAL MINOR ASSETS	88 826	88 826
	Machinery and equipment	Total
Number of R1 minor assets	158	158
Number of minor assets at cost	57 011	57 011

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TOTAL NUMBER OF MINOR ASSETS	57 169	57 169
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Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	2 853	6 744

These are assets that could not be found during the asset verification exercise and are recorded in a Loss Control Register. These assets are being investigated by the department. The outcome of the investigation will determine whether the asset has been lost, stolen, or possibly sold but not updated. Where the asset has been lost or stolen the authorisation process should be followed to allow for the asset to be written off and the asset register updated.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Machinery and equipment R'000	Tot R'000
Opening balance	68 049	68 049
Prior period error	(864)	(864)
Additions	2 856	2 856
TOTAL MINOR ASSETS	70 041	70 041

	Machinery and equipment	Total
Number of R1 minor assets	156	156
Number of minor assets at cost	54 932	54 932
TOTAL NUMBER OF MINOR ASSETS	55 088	55 088

30.6. Prior period error

	2015/16 R'000
Nature of prior period error	
Relating to 2015/16:	(864)
Adjustment for assets under investigation	(768)
Reclassification of additions	(96)
Total prior period errors	(864)

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31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Value adjustments	Additions	Disposals	Closin g Balanc e
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 066	-	1 958	-	3 024
TOTAL INTANGIBLE CAPITAL ASSETS	1 066	-	1 958	-	3 024

31.1. Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non- Cash	(Developmen t work in progress – current costs)	Receive d current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 958	-	-	-	1 958
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	1 958	-	-	-	1 958

31.2. Movement for 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 066	-	-	-	1 066
TOTAL INTANGIBLE CAPITAL ASSETS	1 066	-	-	-	1 066

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32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-	-

32.1. Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash R'000	Non- cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	1 471 601	-	(1 471 601)	-	-
Dwellings	1 471 601	-	(1 471 601)	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1 471 601	-	(1 471 601)	-	-

32.2. S42 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2016/17

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	587	2 433 999
Non-residential buildings	587	2 433 999
TOTAL	587	2 433 999

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Assets subjected to transfer in terms of S42 of the PFMA – 2015/16

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	476	1 990 112
Non-residential buildings	476	1 990 112
TOTAL	476	1 990 112

33. Principal-agent arrangements

33.1. Department acting as the principal

	Fee paid 2016/17 R'000	2015/16 R'000
Eastern Cape Department of Roads and Public Works	690 646	1 035 255
Total	690 646	1 035 255

Eastern Cape Department of Roads and Public Works is acting as an agent for this department for all infrastructure related projects.

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34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	2016/17							2015/16			
	GRANT ALLOCATION				SPENT			Division of Revenue Act	Amount spent by department	R'000	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department				Under / (Overspending)
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Maths, science and technology grant	55 371	3 970	-	-	59 341	59 341	58 241	1 100	98%	36 586	26 349
Education infrastructure grant	1 614 493	-	-	(109 405)	1 505 088	1 505 088	1 505 088	-	100%	1 136 410	1 136 427
HIV and AIDS grant	39 591	-	-	-	39 591	39 591	38 703	888	98%	35 751	35 331
National school nutrition programme	1 074 182	-	-	11 002	1 085 184	1 085 184	999 890	85 294	92%	1 020 116	1 017 979
Extended public works incentive programme (social sector)	10 160	-	-	-	10 160	10 160	19 871	(9 711)	196%	3 000	3 379
Extended public works integrated programme	2 144	-	-	-	2 144	2 144	1 993	151	93%	2 736	2 170
OSD for therapists grant	-	-	-	-	-	-	-	-	-	2 067	2 067
TOTAL	2 795 941	3 970	-	(98 403)	2 701 508	2 701 508	2 623 786	77 722	-	2 236 666	2 223 702

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ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	2016/17					2015/16	
	TRANSFER ALLOCATION			TRANSFER		R'000	Appropriation Act
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000		
SETA	59 662	-	-	59 662	59 662	100%	92 705
TOTAL	59 662	-	-	59 662	59 662		92 705

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2016/17						2015/16	
	TRANSFER ALLOCATION			EXPENDITURE			Appropriation Act	R'000
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred		
R'000	R'000	R'000	R'000	R'000	%			
Transfers								
Section 20 & 21 Schools	2 040 888	-	(51 565)	1 989 323	2 028 386	102%	1 988 236	
Independent schools	120 000	-	-	120 000	119 985	100%	116 317	
Special schools	73 014	-	(5 445)	67 569	62 282	92%	70 896	
ECD sites	20 517	-	(2 000)	18 517	13 274	72%	7 797	
HIV and AIDS (life skills)	21 369	-	12 000	33 369	33 593	101%	26 939	
Donations to NPI	131	-	-	131	115	88%	120	
Programme 6	-	-	-	-	-	-	10 000	
TOTAL	2 275 919	-	(47 010)	2 228 909	2 257 635		2 220 305	

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2016/17							2015/16	
	TRANSFER ALLOCATION				EXPENDITURE			Appropriation Act	R'000
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred			
R'000	R'000	R'000	R'000	R'000	R'000	%			
HOUSEHOLDS									
Transfers									
Leave gratuities	238 982	-	80 000	318 982	244 254	77%		248 630	
TOTAL	238 982	-	80 000	318 982	244 254			248 630	

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ANNEXURE 2
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
0001 STANDARD BANK		-	8 483	333	2 927	-	5 889	-	-
0002 NEDBANK		-	42	-	-	-	42	-	-
0003 NEDBANK LIMITED		-	8 101	125	539	-	7 687	-	-
0004 FIRSTRAND BANK		-	2 195	-	112	-	2 083	-	-
0010 NEDBANK		-	167	-	34	-	133	-	-
0013 MEEG BANK		-	75	-	-	-	75	-	-
0017 ABSA		-	20 867	56	5 642	-	15 281	-	-
0031 UNIQUE FINANCE		-	628	-	156	-	472	-	-
0052 PEOPLES BANK		-	4 272	-	980	-	3 292	-	-
0053 NEDBANK LTD		-	4 692	-	436	-	4 256	-	-
0054 FNB		-	760	-	35	-	725	-	-
0055 OLD MUT		-	4 906	-	1 383	-	3 523	-	-
0056 UNITED		-	13	-	-	-	13	-	-
0071 GBS MUTUAL BANK		-	37	-	2	-	35	-	-
0076 TNBS MUTUAL BAN		-	353	-	-	-	353	-	-
0103 HILANO FIN SERVI		-	12	-	-	-	12	-	-
0104 ITHALA LIMITED		-	34	111	35	-	110	-	-
0279 HOUS. DEV. BOAR, 0516 GREEN START		-	12	-	-	-	12	-	-
0444 BOE BANK LIMITED		-	48	-	-	-	48	-	-
0512 SA HOME LOANS		-	-	6	-	-	6	-	-
0516 GREENEEN START		-	23	-	23	-	-	-	-
TOTAL		-	55 720	631	12 304	-	44 047	-	-

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**ANNEXURE 3
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017**

Nature of Liability	Opening Balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims against the department	118 427	92 851	(115 483)	-	95 795
Unconfirmed inter-governmental payables	17 647	8 009	(14 045)	-	11 611
TOTAL	136 074	100 860	(129 528)	-	107 406

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ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department								
Education KZN	-	-	377	399	377	399	-	-
Education Northern Cape	-	-	41	232	41	232	-	-
Education Western Cape	-	-	332	332	332	332	-	-
Education Gauteng	-	-	280	517	280	517	-	-
Education National	-	-	37	37	37	37	-	-
Higher Education	-	-	342	97	342	97	-	-
Education Mpumalanga	-	-	142	-	142	-	-	-
Education Limpopo	-	-	126	-	126	-	-	-
Education Free State	-	-	331	324	331	324	-	-
Justice	-	-	19	19	19	19	-	-
National Public Works	-	-	47	47	47	47	-	-
Correctional Services	-	-	34	-	34	-	-	-
Parliament SA	-	-	29	29	29	29	-	-
National Department of Correctional Services	-	-	-	34	-	34	-	-
Education North West Education Sport	-	-	25	56	25	56	-	-
SADTU	-	-	205	205	205	205	-	-
Department of Public Works	-	-	1 535	-	1 535	-	-	-
TOTAL	-	-	3 900	2 326	3 900	2 326	-	-

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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS								
Current								
National Departments	15 127	15 157	-	-	15 127	15 157	-	-
EC Social development	29	29	83	-	112	29	-	-
EC Dept. of Roads and Public Works	7 874	-	-	100	7 874	100	-	-
EC Provincial Treasury	82	82	-	-	82	82	-	-
EC Office of the Premier	-	-	3 502	17 547	3 502	17 547	-	-
EC Dept of Transport	-	-	6 706	-	6 706	-	-	-
Education North West	47	47	-	-	47	47	-	-
Education: Mpumalanga	135	135	-	-	135	135	-	-
Health Gauteng	58	58	-	-	58	58	-	-
Education : KZN	-	-	121	-	121	-	-	-
TOTAL	23 352	15 508	10 412	17 647	33 764	33 155	-	-

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**ANNEXURE 6
INVENTORIES**

	Inventory: Textbooks	Note	Quantity	2016/17		2015/16	
				R'000	Quantity	R'000	Quantity
Opening balance			4 376	2 203	296	174	
Add: Additions/Purchases - Cash			8 171 614	3 052 154	1 059 237	827 714	
(Less): Issues			(7 810 517)	(3 049 981)	(1 023 348)	(827 592)	
Closing balance			365 473	4 376	36 185	296	

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**ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5 846 590	1 473 297	-	7 319 887
Non-residential buildings	5 846 590	1 473 297	-	7 319 887
TOTAL	5 846 590	1 473 297	-	7 319 887

Age analysis on ongoing projects	Number of projects		2016/17
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	130	26	396 348 217
1 to 3 Years	-	368	1 310 717 233
3 to 5 Years	-	275	869 208 230
Longer than 5 Years	-	115	926 363 226
Total	130	784	3 502 636 906

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	4 876 646	-	969 944	-	5 846 590
Non-residential buildings	4 876 646	-	969 944	-	5 846 590
TOTAL	4 876 646	-	969 944	-	5 846 590

Annexure A: Service Delivery Improvement Plan 2015 - 2017

Service Delivery Improvement Plan 2015/6 – 2017/18

Situational Analysis

Performance Delivery Environment

Although there has been some improvement in the quality of teaching and learning in the Province since the introduction of the ANA, the biggest service delivery challenge confronting the Basic Education Sector in the country in general and the Province in particular remains the relatively poor quality of education in seventy to eighty percent of public school as was the case for the previous five years. The poor quality of teaching and learning has been reported by numerous studies and evaluations such as ANA, National Senior Certificate (NSC) results and research conducted on behalf of the Department of Basic Education and International Studies like SACMEQ and TIMMS. The Department will, therefore, continue in the next five years with focused attention on achieving Government's number one national policy outcome of Quality of Basic Education by 2030.

The Department will accelerate the implementation of the National Strategy of Learner Attainment (NSLA) in schools and Districts with an increased focus on Teacher Development for those teachers in:

- Curriculum Management and Delivery
- Resourcing Schooling
- Financing Education
- Human Resource Demand, Supply and Utilisation
- Infrastructure Management and Delivery
- Leadership, Management and Administration of Education.

Grade	Subject	Pass Rate
Grade 3	Home Language	between 58% and 70%
Grade 3	Mathematics	between 60% and 68%
Grade 6	Home Language	between 55% and 69%
Grade 6	Mathematics Home Language	between 40% and 74%
Grade 9		between 45% and 75%
Grade 9	Mathematics	between 58% and 70%
Grade 12	Bachelor's	between 22% and 35%
Grade 12	Mathematics	between 27% and 56%
Grade 12	Physical Science	between 27% and 56%

Annual National Assessments (ANA) were rolled out to all learners in Grade 3 and 6 for the first time in 2011 and in Grade 9 in 2012. In line with the progressive pass rate targets set in the Action Plan to 2019: Towards the Realisation of Schooling 2030, the Department decided on the following pass rate targets to be achieved in ANA and NCS by 2019/20, in addition to improving the NSC pass rate from 75% to 85%:

Key to the improvement of the quality of Basic Education in the Province is greater emphasis on Continuing Professional Teacher Development (CPTD). Other concomitant and/or related challenges are inefficiencies in the system such as the over-expenditure in the compensation of employees (in particular teachers) due to excess teachers in the system; unviable schools that are very small to small and need to be rationalised, the functionality of most schools need to be enhanced through better management and governance; a school infrastructure backlog estimated at R54 billion; the shortage of teachers in the Foundation Phase for Afrikaans and Sesotho, and for subjects like Accounting, Agriculture, Mathematics and Physical Science, whilst there is an oversupply of teachers in subjects

like Geography and Life Orientation; many teachers are not teaching the prescribed tuition time; and the increasing lack of learner discipline.

With a view to improving school functionality all Districts developed Districts Improvement Plans for the 2015 academic year based on their School and Circuit Improvement Plans. The rationalisation of very small and small needs to be taken into consideration when existing inappropriate and unsafe structures have to be replaced. A related aspect is the availability of hostels accommodation and learner transport where schools have to be closed down. With the majority of schools having migrated to Section 21 status and thus receiving their school allocation directly, more is being done to enhance school management and governance, especially in underperforming schools.

National Legislation:

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

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

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

Is the determinants of national policy for education, including the determination of policy on salaries and conditions of employment of educators. It was designed to inscribe in law policies, as well as the legislative and monitoring responsibilities of the Minister of Education, and to formalise relations between national and provincial authorities. It laid the foundation for the establishment of the Council of Education Ministers (CEM), as well as the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums to collaborate in developing a new education system. As such, it provides for the formulation of national policies in general and further education and training for, inter alia, curriculum, assessment, language policy, as well as quality assurance. NEPA embodies the principle of co-operative governance, elaborated upon in Schedule 3 of the Constitution. The NETF requires that a National Education and Training Council (NETC) be established. This Council was established through Regulations dated 09 October 2009.

Service Delivery Improvement Plan	
For the Period: 2015/17	
Department: Education	
Reporter: Service Standards Sub-Directorate and all directorates who supplied data and Information	
Vision	The vision of the Eastern Cape Department of Education is to offer a quality education and training system that transforms schools into centres of community life and promotes shared moral values, good governance and sustainable development
Mission	The Department of Education strives to provide quality education for sustainable development by: Providing socially relevant and economically responsive programmes that address the human resource needs of the Province and 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 capacity of all employees. Encouraging participatory decision-making processes which strive to empower the whole community at all levels.
Values	The vision and mission are supported by the following values which are based upon Section 195 of the Constitution (Act no. 108 of 1996) and the Batho Pele principles: Continuous improvement towards excellence in the standards of performance and professionalism through our work ethos. Mutual trust, respect and moral values that promote human dignity as reflected in the concept of Ubuntu. Participatory processes in policy making. Public administration that promotes sustainable development. The provision of value for money and accountability to the people of the province, the Constitution and the Bill of Rights. Transparency, equity and redress through the provision of timely, accessible and accurate information. Good human resource management and career – development practices for all employees to maximize human potential.
Key Services	Provision of Quality Teaching and Learning to all learners at AET centres, ECD sites, learners in Public Ordinary Schools and Special School In primary and Secondary Schools focusing on grades 3, 6 and 9 To Special needs learners ECD learners FET and AET learners To provide financial support to independent schools
Sources:	Operational Plans, Annual Performance Plans, Annual Reports, Premier's State of the Province Address, Consolidated Eastern Cape Programme of action for 2011/12 an annexure to the Provincial Strategic Framework, State of the Nation Address, The MEC of Education's Budget Speech, The 2010/15 Strategic Plans for the ECDoE, Schooling 2030 and the Ministerial Delivery Agreement focusing on Outcome One the improved quality of basic education, Consultation and interviews with Units and Directorates responsible for delivery of the key services.

Standard (Planned Standard)

This part of the SDIP has incorporated an amalgamation of service standards relating to grades 3, 6 and 9 literacy and numeracy learner performance. The reasons for this are as follows:

They all fall under the Chief Directorate Curriculum Management.

They are all related to learner performance at three exit points: grades 3, 6 and 9

By incorporating the three grades a more holistic view of learner performance over three grades is given

The Batho Pele processes required by the template are dealt with in an integrated way by the Curriculum Chief Directorate

Key Service		Service Beneficiaries	Current Standards (2016)	Desired Standards (2017)
To improve numeracy and literacy levels in all grades from grade 1 – 9 using the ANA assessments as baselines		Learners in grades 3,6 and 9 to benefit directly from the assessments through the setting of National Benchmarks to improve learner performance. Teachers will benefit in improving content and pedagogical knowledge based on Nationally set assessment standards.	In the 2015 ANA assessment 58% of Grade 3 learners to pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%) In the 2015 ANA assessment 50% of Grade 3 learners to pass Mathematics. (Progression requirement for mathematics are set at 40-49%) In the 2015 ANA assessment 50% of Grade 6 learners to pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%) In the 2015 ANA assessment 40 % of Grade 6 learners to pass mathematics (progression requirement for mathematics is 40-49%) In the 2014/15 ANA assessment 45% of Grade 9 learners to pass Language (progression requirement for Home Language are set at 50-59% and for Additional Language 40-49%) In the 2015 ANA assessment 35 % of Grade 9 learners to pass mathematics (progression requirement for mathematics is 40-49%)	In the 2016 ANA assessment 62% of Grade 3 learners to pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%) In the 2016 ANA assessment 50% of Grade 3 learners to pass Mathematics. (Progression requirement for mathematics are set at 40-49%) In the 2016 ANA assessment 55% of Grade 6 learners to pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%) In the 2016 ANA assessment 45 % of Grade 6 learners to pass mathematics (progression requirement for mathematics is 40-49%) In the 2016 ANA assessment 50% of Grade 9 learners to pass Language (progression requirement for Home Language is 50-59% and for Additional Language 40-49%) In the 2016 ANA assessment 40 % of Grade 9 learners to pass mathematics (progression requirement for mathematics is 40-49%)
			Quantity	Quantity
			Quality	Quality
			Consultation	Consultation

Key Service	Service Beneficiaries	Current Standards (2016)		Desired Standards (2017)	
		<p>Access</p> <p>At the start of the process of having National Assessments implemented, a sample of learners in sampled schools, were exposed to these assessments. ANA has now been implemented in all schools for all learners thus increasing access</p>	<p>Access</p> <p>At the start of the process of having National Assessments implemented, a sample of learners in sampled schools, were exposed to these assessments. ANA has now been implemented in all schools for all learners thus increasing access.</p>	<p>Courtesy</p> <p>All schools are timeously informed about the nature and times of the assessments A cross-section of relevant stakeholders is part of this process</p>	<p>Courtesy</p> <p>Monitoring and support of numeracy and literacy strategy involving all relevant stakeholders</p>
		<p>Openness and Transparency</p> <p>Regular meetings of staff at provincial and district level with feedback to schools Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education 's budget and policy speech , the ECDoE Master Plan which was made public through various media releases</p>	<p>Openness and Transparency</p> <p>Reports on learner performance to all stakeholders including analyses of results through various media releases</p>	<p>Information</p> <p>Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders Information relating to the area of literacy and numeracy has been the focus of attention in the SONA, SOPA address, MEC of Education 's budget and policy speech , the ECDoE Master Plan which was made public through various media releases</p>	<p>Information</p> <p>Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders</p>

Key Service	Service Beneficiaries	Current Standards (2016)	Desired Standards (2017)
		<p>Redress</p> <p>The Foundations for learning campaign, The Quality Teaching and Learning Campaign. The ECDoE LAIS Programme (aligned to the National Strategy for Learner Attainment, the Master Plan Project and the Mother Tongue Project launched in 2010 , as precursors of ANA are largely focused on improving numeracy and literacy particularly in previously disadvantaged schools as ANA is.</p>	<p>Redress</p> <p>Improvement strategies e.g. remedial strategies, subject intervention strategies in schools, district and provincial improvement plans to increase the percentage of learners achieving an acceptable standard of performance. Schools are required to develop and implement ANA improvement plans to improve learner performance which is designed to enhance their progression through the school system</p>
		<p>Value for Money</p> <p>The improvement of numeracy and literacy will have far reaching benefits. Poor performance in mathematics and language led to high drop-out and repetition rates. The implementation of ANA has the potential to mediate these problems thereby enhancing value for money.</p>	<p>Value for Money</p> <p>Projects implemented according to planned budget and time frames Poor performance in mathematics and language led to high drop-out and repetition rates. The implementation of ANA has the potential to mediate these problems thereby enhancing value for money.</p>
		<p>Time</p> <p>The standards set for each grade with minimum progression requirements are set out in the service standards set out above. The number of students in the form of a percentage are given above for each year of the cycle.</p>	<p>Time</p> <p>The time frames in which learner achievements are projected to improve are set out in the service standards above</p>
		<p>Cost</p> <p>As per budget allocations in the relevant financial year. Provincial and District budgets focused on this area</p>	<p>Cost</p> <p>As per budget in the relevant financial year Provincial and District budgets focused on this area</p>
		<p>Human Resources</p> <p>At Head Office and District level the Foundation Phase, Intermediate Phase and Senior Phase have compliments of staff in the subject areas who monitor and support schools.</p>	<p>Human Resources</p> <p>At Head Office and District level the Foundation Phase, Intermediate Phase and Senior Phase have compliments of staff in the subject areas who monitor and support schools.</p>

Standard (Planned Standard)

An intervention strategy to be rolled out to improve teacher and learner performance in Mathematics from 11% to 33% at Intermediate and Senior Phases in the 2015 ANA assessment.

Grade 8 and 9 maths – one plus four programme

Key Service	Service Beneficiary (Who will benefit from the service)	Current Standard	Desired Standard
Providing content and pedagogical support to all Grade 8 and 9 mathematics educators	Educators and learners in grades 8 and 9, National and Provincial Education Departments .	<p>Current Situation – To improve learner performance in grade 8 and 9 mathematics in the ANA assessment from an 11% pass rate in 2014 to 33% in 2015</p> <p>Quantity</p> <p>All Grade 8 and 9 teachers and all Grade 8 and 9 learners in the Eastern Cape.</p>	<p>(Desired Standard – 2016) 40% of Grade 9 learners and 45% of Grade 6 learners to pass mathematics in the Annual National Assessments in 2016</p> <p>Quantity</p> <p>All Grade 8 and 9 teachers and all Grade 8 and 9 learners in the Eastern Cape</p>
		<p>Quality</p> <p>Improving the quality of teaching and pass rates in Mathematics in Grade 8 and 9. A pre and post- test is intended to measure whether the project has an impact and has improved the quality of teaching and learning processes involved for both teachers and learners</p>	<p>Quality</p> <p>Improving the quality of teaching and pass rates in Mathematics in Grade 8 and 9. A pre and post- test is intended to measure whether the project has an impact and has improved the quality of teaching and learning processes involved for both teachers and learners</p>
		<p>Consultation</p> <p>A series of consultative meetings were held between Provincial and District officials in the three clusters which include all 23 districts. The programme was adapted in consultation with teachers from being a one plus four to a one plus nine framework. An effective and efficient communication system to be implemented at all levels of the District system – District, School Management, Teachers and SGBs</p>	<p>Consultation</p> <p>A series of consultative meetings were held between Provincial and District officials in the three clusters which include all 23 districts. The programme was adapted in consultation with teachers from being a one plus four to a one plus nine framework. An effective and efficient communication system to be implemented at all levels of the District system – District, School Management, Teachers and SGBs</p>

Key Service	Service Beneficiary (Who will benefit from the service)	Current Standard	Desired Standard
		<p>Current Situation – To improve learner performance in grade 8 and 9 mathematics in the ANA assessment from an 11% pass rate in 2014 to 33% in 2015</p>	<p>(Desired Standard – 2016 40% of Grade 9 learners and 45% of Grade 6 learners to pass mathematics in the Annual National Assessments in 2016</p>
		<p>Access</p>	<p>Access</p>
		<p>Courtesy</p>	<p>Courtesy</p>
		<p>Openness and Transparency</p>	<p>Openness and Transparency</p>
		<p>Information</p>	<p>Information</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
	(Who will benefit from the service)	<p>Current Situation – To improve learner performance in grade 8 and 9 mathematics in the ANA assessment from an 11% pass rate in 2014 to 33% in 2015</p>	<p>(Desired Standard – 2016 40% of Grade 9 learners and 45% of Grade 6 learners to pass mathematics in the Annual National Assessments in 2016</p>
		<p>of the project, the roles and responsibilities of the stakeholders . This circular was preceded by a series of consultative and information sessions outlined under consultation in this document</p>	<p>and information sessions outlined under consultation in this document</p>
		<p>The project seeks to address all the topics in the Mathematics curriculum, so that teachers can confidently and competently ensure the learners are able to master the necessary competences and skills. This project was adapted from the National model of One plus four to nine plus one to accommodate the rural areas of the Eastern Cape Province. The roll out will happen at Circuit level to obviate long distances that teachers from remote schools have to travel. All learners and teachers from all schools to benefit from this project</p> <p>Redress</p>	<p>The project seeks to address all the topics in the Mathematics curriculum, so that teachers can confidently and competently ensure the learners are able to master the necessary competences and skills. This project was adapted from the National model of One plus four to nine plus one to accommodate the rural areas of the Eastern Cape Province. The roll out will happen at Circuit level to obviate long distances that teachers from remote schools have to travel. All learners and teachers from all schools to benefit from this project</p> <p>Redress</p>
		<p>All grade 8 and 9 mathematics learners and teachers to benefit from this project at no cost to the school. This project is intended to have an impact on all schools involved to maximise human and budgetary inputs. All the necessary competences and skills required by teachers and learners in mathematics to be covered in this project so that inputs, outputs and outcomes can be maximised.</p> <p>Value for Money</p>	<p>All grade 8 and 9 mathematics learners and teachers to benefit from this project at no cost to the school. This project is intended to have an impact on all schools involved to maximise human and budgetary inputs. All the necessary competences and skills required by teachers and learners in mathematics to be covered in this project so that inputs, outputs and outcomes can be maximised.</p> <p>Value for Money</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
	(Who will benefit from the service)	<p>Current Standard Current Situation – To improve learner performance in grade 8 and 9 mathematics in the ANA assessment from an 11% pass rate in 2014 to 33% in 2015</p>	<p>Desired Standard (Desired Standard – 2016 40% of Grade 9 learners and 45% of Grade 6 learners to pass mathematics in the Annual National Assessments in 2016</p>
		<p>be covered in this project so that inputs, outputs and outcomes can be maximised.</p>	
		<p>Time The project will be rolled out in all 23 districts from February 2015 to October 2015 leading up to the ANA assessment</p>	<p>Time The project will be rolled out in all 23 districts from February 2015 to October 2015 leading up to the ANA assessment</p>
		<p>Cost Proposed budget R16 million</p>	<p>Cost Proposed budget R16 million</p>
		<p>Human Resources The implementation plan involves human resources Provincial Office, District Offices and Schools. All have clearly stated roles and responsibilities</p>	<p>Human Resources The implementation plan involves human resources Provincial Office, District Offices and Schools. All have clearly stated roles and responsibilities</p>

Standard (Planned Standard)

Establishment and implementation of multi-disciplinary district-based teams for WSE implementation to maximise school improvement and support in 2015
Implementation of MDDT in Districts

Key Service	Service Beneficiary	Current Standard	Desired Standard
<p>Mobilisation of District Support Services staff (EDOs and Curriculum, ESSS personnel). Establishment of teams to monitor and support school improvement interventions.</p>	<p>Schools: Principals, SMTs, SGBs, teachers, RCLs and Learners</p>	<p>13 schools per district to be supported by one team of 3 evaluators. Evaluators working over 3 days at a school, yielding a total of 280 schools provincially evaluated in a year. At Provincial level a CES with 8 coordinators for the 8 envisaged municipal district to be appointed for the coordination of the district operations.</p>	<p>Thirteen schools per district to be supported by one team of 3 evaluators. Evaluators working over 3 days at a school, yielding a total of 280 schools provincially evaluated in a year. At Provincial level a CES with 8 coordinators for the 8 envisaged municipal districts to be appointed for the coordination of the district operations.</p>
		<p>Quantity</p>	<p>Quantity</p>
		<p>Quality</p>	<p>Quality</p>
		<p>Consultation</p>	<p>Consultation</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
		<p>Access</p> <p>Trained MDDTs will give districts and schools access to enhanced monitoring and evaluation processes and feedback to enhance school effectiveness.</p> <p>Courtesy</p> <p>The approach more collaborative than individualistic. Communication will be done upfront to include frontline implementers like District coordination Chief Directors etc. District management teams will be responsible for harmonising the introduction of this initiative so that it is in sync with the existing district operations.</p> <p>Openness and transparency</p> <p>The information included under consultation and access indicate that full disclosure to all stakeholders relating to this MDDT process prior to and during implementation are in built into the concept document approved by the Superintendent –General of Education on 24 March 2014</p> <p>Information</p> <p>A memorandum signed and approved by the Superintendent – General of education gives detailed information about the roll-out and implementation of MDDTs. This document forms the basis of communication and information sharing with all stakeholders.</p>	<p>Access</p> <p>Trained MDDTs will give districts and schools access to enhanced monitoring and evaluation processes and feedback to enhance school effectiveness.</p> <p>Courtesy</p> <p>The approach more collaborative than individualistic. Communication will be done upfront to include frontline implementers like District coordination Chief Directors etc. District management teams will be responsible for harmonising the introduction of this initiative so that it is in sync with the existing district operations.</p> <p>Openness and Transparency</p> <p>The information included under consultation and access indicate that full disclosure to all stakeholders relating to this MDDT process prior to and during implementation are in built into the concept document approved by the Superintendent –General of Education on 24 March 2014</p> <p>Information</p> <p>A memorandum signed and approved by the Superintendent – General of education gives detailed information about the roll-out and implementation of MDDTs. This document forms the basis of communication and information sharing with all stakeholders</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
		<p>WSE adopts a transversal and developmental approach to pursue school effectiveness.</p> <p>To institute MDDTs will ensure that all schools are monitored and supported in a fair and just manner without prejudice because they are operative as a collective rather than individuals.</p> <p>Redress</p> <p>WSE is premised on evidence-based and participatory interventions rather than on assumptions as it has been the approach to development historically.</p> <p>Once effectiveness is improved, a more efficient schooling system can evolve thereby maximising value for money.</p> <p>Value for Money</p> <p>For instance, using the currently employed district officials to achieve more, in terms of monitoring and evaluation which will help to collect more accurate and reliable planning information to craft future interventions in continuous improvements.</p> <p>Time</p> <p>The plan is to have fully functional teams by the end of 2015.</p> <p>Cost</p> <p>Overall monitoring cost = R777 400.00</p> <p>Human Resources</p> <p>Twenty-three district based teams of three members each and a provincial team of 1 + 8.</p>	<p>WSE adopts a transversal and developmental approach to pursue school effectiveness.</p> <p>To institute MDDTs will ensure that all schools are monitored and supported in a fair and just manner without prejudice because they are operative as a collective rather than individuals</p> <p>WSE is premised on evidence-based participatory interventions rather than on assumptions as it has been the approach to development historically</p> <p>Once effectiveness is improved, a more efficient schooling system can evolve thereby maximising value for money.</p> <p>For instance, using the currently employed district officials to achieve more, in terms of monitoring and evaluation which will help to collect more accurate and reliable planning information to craft future interventions in pursuit of continuous improvements.</p> <p>Value for Money</p> <p>For instance, using the currently employed district officials to achieve more, in terms of monitoring and evaluation which will help to collect more accurate and reliable planning information to craft future interventions in pursuit of continuous improvements.</p> <p>Time</p> <p>By 2016 these teams should operational in terms of visiting schools and writing reports.</p> <p>Cost</p> <p>Overall monitoring cost = R777 400.00</p> <p>Human Resources</p> <p>Twenty-three district based teams of three members each and a provincial team of 1 + 8.</p>

Annexure B: Statistical Indicators

Statistical Indicator	Estimated	Actual
	2016/17	
Programme 1: Administration		
Percentage of learners in schools that are funded at a minimum level	92.4%	92.2 %
Percentage of schools with full set of financial management responsibilities on the basis of assessment	97.8%	
Percentage of women in SMS positions. (Percentage of office based women in Senior Management Service)	22.8%	21.8%
Percentage of women in Principal posts.	41.1%	39.5%
Percentage of women employees	73%	72.8%
Number of schools compensated in terms of the fee exemption policy	76	57
Programme 2: Public Ordinary School Education		
Number of learners enrolled in public ordinary schools	1 744 286	1 711 115
Number of educators employed in public ordinary schools	51 855	51 193
Number of non-educator staff employed in public ordinary schools	4 553	5 163
Number of learners with access to the National School Nutrition Programme (NSNP)	1 752 069	1 579 570
Number of learners eligible to benefit from learner transport	68 631	69 578
Number of learners with special education needs identified in public ordinary schools	-	38 191
Percentage of learners who are in classes with no more than 45 learners	-	67%
Percentage of learners having access to workbooks per grade	100%	98%
Percentage of schools where allocated teaching posts are all filled	39.3%	62.9%*
Percentage of learners having access to the required textbooks in all grades and all subjects	100%	97%
Programme 4: Public Special School Education		
Number of learners enrolled in public special schools	9 763	9 426
Number of educators employed in public special schools	875	888
Number of professional support staff employed in public special schools	79	0
Number of non-professional and non-educator staff employed in public special schools	955	1 026
Number of special schools	43	43
Number of learners in special schools provided with assistive devices	532	532

* As at 31 March 2017, 62.9% of the PPN schools - the warm bodies equals or exceeds the number of allocated posts.

Statistical Indicator	Estimated	Actual
	2016/17	
Programme 5: Early Childhood Development		
Early Childhood Development Number of learners enrolled in Grade R in public schools	150 000	124 145
Number of Grade R practitioners employed in public ordinary schools per quarter	5 335	4 938
Number of ECD practitioners trained	-	-
Number of learners enrolled in Pre-grade R	-	1 907
Programme 7: Examination and Education Related Services		
Number of learners in Grade 12 who wrote National Senior Certificate (NSC) examinations	88 000	83 019
Number of learners who passed National Senior Certificate (NSC)	61 608	14 826
Number of learners who obtained Bachelor passes in the National Senior Certificate (NSC)	22 000	15 654
Number of learners who passed Maths in the NSC examinations	18 000	8 792
Number of Grade 12 achieving 50% or more in Mathematics	8 000	5 081
Number of learners who passed Physical Science in the NSC examinations	15 000	13 709
Number of Grade 12 achieving 50% or more in Physical Science	6 000	4 406
Number of Grade 3 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA)	121 816	N/A
Number of Grade 3 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA)	121 816	N/A
Number of Grade 6 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA)	95 066	N/A
Number of Grade 6 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA)	39 611	N/A
Number of Grade 9 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA)	42 888	N/A
Number of Grade 9 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA)	29 582	N/A

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