



Province of the EASTERN CAPE

EDUCATION

Our Pledge

As an official of the Department and servant of the public, I pledge to serve with **Empathy** and at all times to endeavour to treat learners, my colleagues and all other stakeholders with **Dignity** and **Courtesy**, and in the spirit of “all hands on deck” to strive continuously for **Unity** as I demonstrate **Focus** and **Passion** for all. I undertake to inspire **Confidence** in government service and to fulfil the fundamental principles of **Access** and **Equity** as enshrined in the Constitution of the Republic. **Trust** and **Honesty** are the essence of my being when called upon to display a high level of **Integrity** and **Accountability** in my daily operations, instilling in all round me a culture of **Ownership** and **Humility** as I make my contribution in moulding the future leaders of our beloved **Nation**, in doing so making the Eastern Cape a compelling place to live, work and invest in.

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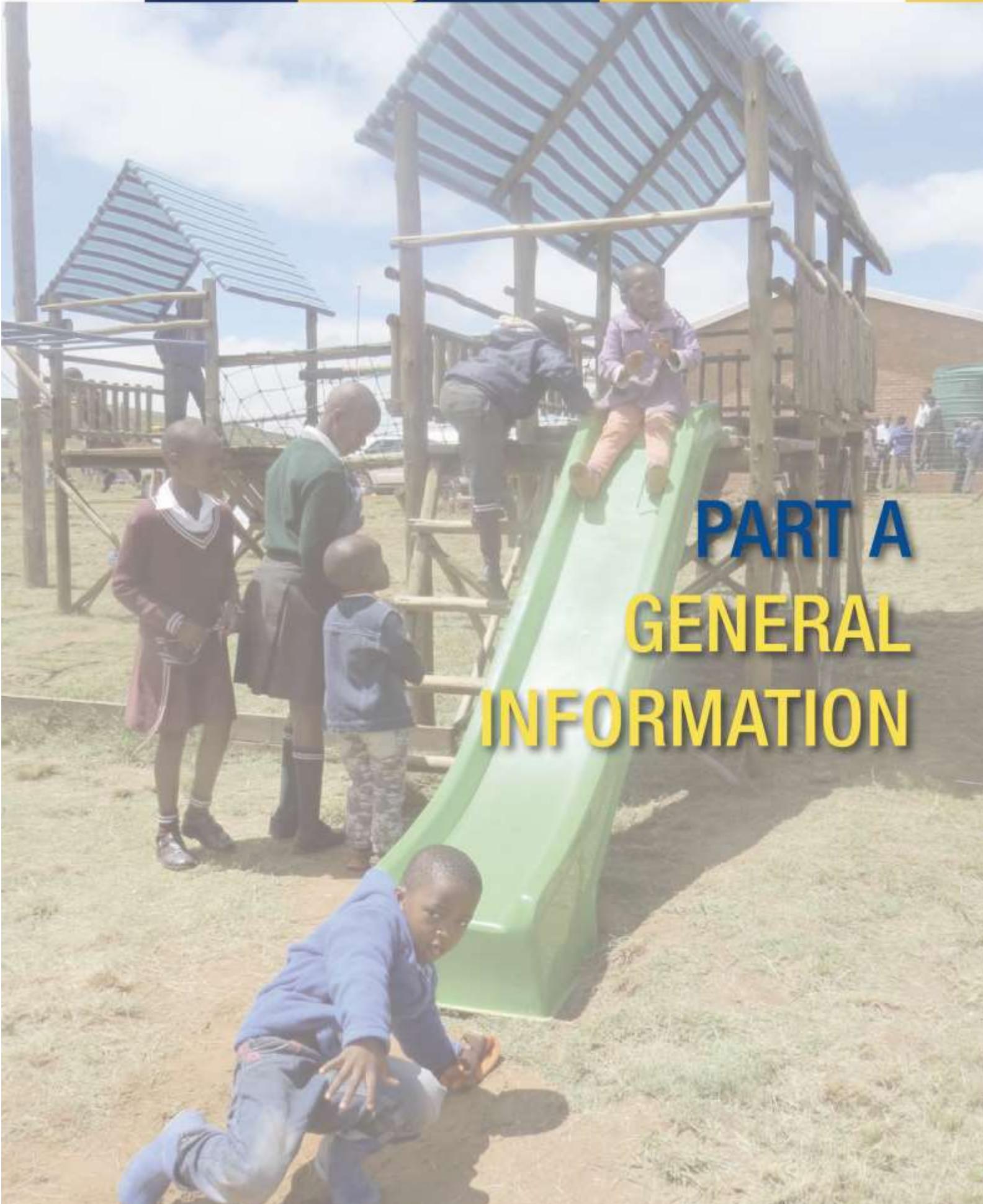
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PART A GENERAL INFORMATION

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1. List of Abbreviations and Acronyms

AAC	Augmentative Alternative Communication
ABT	Alternate Building Technology
AC	Audit Committee
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
ASIDI	Accelerated School Infrastructure Delivery Initiative
ATP	Annual Teaching Plan
BBBEE	Broad Based Black Economic Empowerment
CAE	Chief Audit Executive
CAPS	Curriculum and Assessment Policy Statement
CBO	Community Based Organisations
CDO	Community Development Officers
CEM	Council of Education Ministers
CES	Chief Educational Specialist
CFO	Chief Financial Officer
CISELT	Certificate in Secondary English Language Teaching
CoE	Compensation of Employees
CPC	Central Payment Centre
CPTD	Continued Professional Teacher Development
CSE	Comprehensive Sexuality Education
CSTL	Care and Support for Teaching and Learning
DBE	Department of Basic Education
DBST	District Based Support Team
DDG	Deputy Director General
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
DRDLR	Department Of Rural Development And Land Reform
DRPW	Department of Roads and Public Works
DST	Department Of Science And Technology
EAP	Environmental Assessment Practitioners
ECAC	Eastern Cape Aids Council
ECD	Early Childhood Development
ECDoE	Eastern Cape Department of Education
ECED	Eastern Cape Education Department
ECG	Eastern Cape Government
EDO	Education Development Officer
EFAL	English First Additional Language
EFMS	Electronic Facilities Management System
EIA	Environmental Impact Assessment
EIG	Education Infrastructure Grant
ELI	Education Leadership Institute
EMIS	Education Management Information System
EPWP	Expanded Public Works Programme
ESSS	Education Social Support Services
ETDP	Educational Training Development Practices
FAL	First Additional Language
FAT	Formal Assessment Tasks
FET	Further Education and Training
FETC	Further Education and Training Certificate (at Grade 12)
FINCOM	Financial Management Committee

GET	General Education and Training
GHS	General Household Survey
GIAMA	Government Immovable Asset Management Act
HCT	Haematocrit and HIV Counselling and Testing
HDI	Historically Disadvantaged Individuals
HEDCOM	Head of Education Department Committee
HEI	Higher Education Institution
HIV	Human Immunodeficiency Virus
HOA	Home Owner Allowance
HoD	Head of Department
HPV	Human Papilloma Virus
HR	Human Resource
IAs	Implementing Agents
ICASA	Independent Communications Authority of South Africa
ICES	Integrated Computer Examination System
ICT	Information Communication Technology
ICU	Internal Control Unit
IDMS	Infrastructure Delivery Management System
IEC	Independent Electoral Commission
IECS	Integrated Examination Computerised System
ILP	Inclusive Learning Programme
IQMS	Integrated Quality Management System
ISHP	Integrated School Health Policy
LAIS	Learner Attainment and Improvement Strategy
LCR	Learner Classroom Ratio
LitNum	Literacy and Numeracy
LOGIS	Logistics Information System
LoLT	Language of Learning and Teaching
LTSEN	Learners with Special Educational Needs
LSM	Living Standards Measure
LTSM	Learning and Teaching Support Material
LURITS	Learner Unit Record Information Tracking System
MDDT	Multi-Disciplinary District Based Team
MEC	Member of the Executive Council
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPAT	Management Performance Assessment
MST	Mathematics, Science and Technology
MTEF	Medium-Term Expenditure Framework
MUNSPI	Minimum Uniform Norms And Standard For Public Service Infrastructure
NACH	National Anti-Corruption Hotline
NCS	National Curriculum Statement
NCV	National Curriculum Vocation
NECT	National Education Collaborative Trust
NEEDU	National Education Evaluation And Development Unit
NEHAWU	National Education, Health and Allied Workers Union
NEPA	National Education Policy Act
NETC	National Education and Training Council
NETF	National Education and Training Framework
NGO	Non-Governmental Organization
NMMU	Nelson Mandela Metropolitan University
NNSSF	National Norms and Standards for School Funding
NQF	National Qualification Framework
NRF	National Revenue Fund
NSMSTE	National Strategy for Mathematics, Science and Technology Education
NSNP	National School Nutrition Programme
OD	Organisational Development
OSD	Occupation Specific Dispensation
OTP	Office of the Premier
OVC	Orphans and Vulnerable Children

PAT	Practical Assessment Test
PED'S	Provincial Education Departments
PELRC	Provincial Education Labour Relations Council
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
PGT	Peer Group Trainers
PIA	Programme Implementing Agent
PL1	Post Level One
PSP	Professional Service Providers
QIDS-UP	Quality Improvement Development Support and Upliftment
QLTC	Quality Learning and Teaching Campaign
RCL	Representative Council For Learners
RPL	Recognition Of Prior Learning
SACE	South African Council for Educators Act
SACMEQ	South and Eastern African Consortium for Monitoring Education Quality
SADC	Southern African Development Cooperation
SADTU	South Africa Democratic Teachers Union
SAMUN	South African Model United Nations
SASA	South African Schools Act
SASAMS	South African School Administration and Management System
SASL	South African Sign Language
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
SGB	School Governing Body
SIAS	Screening, Identification, Assessment and Support
SID	Severely Intellectually Disabled
SIP	School Improvement Plan
SITA	State Information Technology Agency
SLMC	Senior Leadership Management Committee
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Service
SMT	School Management Team
SONA	State Of Nation Address
SOPA	State Of The Province Address
SSS	Senior Secondary School
TADA	Teenagers Against Drug Abuse
TAP	Turnaround Plan
TECH4RED	Technology for Rural Education and Development
TIMMS	Trends international Mathematics and Sciences Study
TR	Treasury Regulations
TVET	Technical Vocational Education Training
U-AMP	User Asset Management Plan
UNFPA	United Nations Population Fund
UoT	University Of Technology
WPE	Women Protection and Empowerment programmes
WSE	Whole School Evaluation

2. Foreword by the Member of the Executive Council

The education system is enabling us to contribute to the full personal development of our learners, and to the moral, social, cultural, political and economic development of people of the Eastern Cape at large, including the advancement of democracy, human rights and the peaceful resolution of disputes. The annual report we are tabling to the citizens of the Eastern Cape and the country attempts to give detailed performance information in the above mentioned areas of focus of our mandate in the year 2015/16.

The year under review was the first planning year of the 2014 to 2019 electoral cycle. Therefore, our planning was geared towards realization of the 2030 Vision and targets set in the *National Development Plan (NDP)* and the *Basic Education Sector Plan, Action Plan to 2019: Towards the Realisation of Schooling 2030*, with a special focus on the provision of quality education and training from Grade R to Grade 12.



Our key policy outputs in the Basic Education sector, which form the basis for planning in the Department, are to:

- Improve the quality of teaching and learning;
- Undertake regular assessment to track progress;
- Universalise access to Grade R and ensure a credible outcomes-focused planning and accountability system.

The Department of Education delivered the above-mentioned education services in an environment fraught with challenges that are beyond our control. To mention but a few, the Eastern Cape is a predominantly rural province characterized by high levels of unemployment, poverty and illiteracy. There are glaring disparities with regards to infrastructure, services, and accessibility to the communities that live in the province. The challenge of the year-on-year reduction in learner numbers led to a budget reduction. Furthermore, our diagnosis points to a trilogy of (i) poor learning outcomes in the poorest quintiles of the public schooling system, (ii) lack of accountability in the value chain that supports teaching and learning, and (iii) systemic inefficiencies that have been left unattended for long periods of time, such as the scourge of small and unviable schools, unresolved ill-health cases, and the challenge of teachers additional to the establishment.

In the year under review, despite the challenges mentioned above, much progress has been made in a number of fundamental areas as well. Universal access to public education has improved considerably in the last three financial years in the Province of the Eastern Cape. The per capita expenditure on public education has improved quite considerably in the last three financial years to match the gazetted national norms and standards. With regards to teacher supply and demand, the Post Provisioning Norms declaration has been concluded on time over the last four years, with schools receiving their post allocations on schedule. In the period between January 2015 and June 2015, the system lost a total of 2 343 teachers, with 47% of these leaving the system through resignations.

The Department has set up a Central Processing Centre to improve on turnaround times for appointment and payment of new teachers. The Eastern Cape is the only Province in the country to comply with the National Language Policy Framework (2003) by investing in a Language in Education Policy Unit that manages the implementation of this policy.

To inform our strategic perspective going forward, the Department undertook an in-depth introspection and evaluation of its work, and came up with a Seven Point Plan focusing on the re-engineering of school functionality.

In conclusion, the Department will continue to ensure redress of past inequality in education provision, including the promotion of gender equality and the advancement of the status of women. It will also ensure the creation of opportunities for and encouraging life-long learning and that no person is denied the opportunity to receive an education for the optimisation of his or her ability despite physical disability. Education is a societal matter and therefore we will continue engaging our stakeholders and interested parties.

A handwritten signature in black ink, appearing to read 'M. Makupula'.

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

3. Report of the Accounting Officer

Overview

There were two interventions in place in the Department, namely the national intervention that was invoked by the Department of Basic Education in terms of Section 100(1) (b) of the Constitution in March 2011 to address certain challenges, and another by the Provincial Government approved in 2015 as a joint provincial initiative in accordance with Section 18 of the Public Finance Management Act, 1999.

The Department compiled the Education System Transformation Plan for 2016 to 2018, which was approved by the Executive Council of the province. The purpose of this plan was to create a learner-centred education system in the Eastern Cape, and to ensure that the Department became an employer of choice that produced international competitive learners in every sphere. It also aimed to transform the entire education system with specific focus on 560 quintile 1 to 3 viable secondary schools. While improving performance in the whole system, the "catch them at the end" strategy minimised opportunities for learners of the Eastern Cape Province to achieve good and quality pass in the National Senior Certificate. The plan had the following seven identified outcomes each with a number of high-level outputs:

- Increased number of functional schools;
- Rationalised and realigned small and unviable schools;
- Fully capacitated and functional schools;
- Social mobilisation;
- Appropriately trained educators; Adherence to national norms; and
- An unqualified audit.

Despite the Department having continued with the implementation of its interventions to leverage quality outputs at classroom level, the National Senior Certificate (NSC) pass rate dropped from 65.4% to 56.8%, an 8.6% decline from the previous academic year, after it steadily increased from 58% in 2011. However, the general performance of learners exhibited interesting trends, with increases in:

- Distinctions from 11 517 in 2014 to 14 974 in 2015;
- Bachelors passes from 13 435 in 2014 to 15 291 in 2015;
- Diploma passes from 18 339 in 2014 to 20 055 in 2015; and
- Higher Certificate passes from 11 958 in 2014 to 14 120 in 2015

Universal access to public education was to a large extent maintained over the last three financial years and 1 781 041 learners have attended public ordinary schools during the period under review and 1 599 046 learners No-Fee schools across the Province. In mitigating the impact of poverty in affected schools 68 237 learners accessed scholar transport services and 1 759 301 benefitted from a nutritious meal on every school day. Timeous post declaration for schools was a major achievement in 2015, with schools receiving their post allocations on schedule. However, the Department had to manage the absorption of teachers additional to the establishment by cutting the basket to the required levels. Vigorous management of compensation of employees' expenditure saw the placement of 2 576 additional educators in substantive vacant posts and further placement of 923 educators from the Funza Lushaka bursary holders, provincial bursary holders and temporary educators.

Teacher demand and supply was a huge impediment in the last financial year due to high attrition rates in the system and the short supply of qualified teachers in gateway subjects of Mathematics, Physical Science, Accounting and Languages. In the period between January 2015 and June 2015, the system lost a total of 2 343 teachers, with 1 105 (47%) of these leaving the system through resignations. The Department took extra-ordinary steps to close the gap and to that effect, 495 Principal posts, 2 337 Deputy Principals and Heads of Department posts were advertised and subsequently filled through open bulletins. Additional to this, the Department set up a technical support unit, the Central Payment Centre (CPC), to improve on turnaround times for appointment and payment of new teachers.



The delivery of stationery to schools was completed by the end of November 2015, with schools receiving and certifying the correctness of their orders. There were reported cases of schools receiving orders when they had opted out of central procurement, and this was subjected to investigation. The Department started building a growing portfolio of e-learning platforms made possible by various partnerships with NGOs and the private sector. Basic school infrastructure such as water, sanitation and electricity were supplied to schools that from a list of those in need. However, there are still schools without these services in the province.

As part of strengthening and resourcing special schools, the Department procured and delivered ten school buses, procured and delivered the minimum package of assistive devices and/or adapted equipment to four special schools catering for the deaf in preparation for the implementation of SASL in the intermediate phase and Grade 10 in 2016/17 and transferred funds to three special schools for the blind for the purchase of Braille machines. A total of 159 vacant support staff posts including 16 deaf teacher assistants were advertised in the departmental Bulletin and 90% of these posts have now been filled.

In order to increase access to quality ECD, the Department continued to provide a monthly stipend towards the payment of Grade R practitioners employed by SGBs, and the provision of resources and training to enhance the quality of programmes offered in public ordinary schools with Grade R and selected ECD centres. Access to ECD was expanded by ensuring that the number of learners in Grade 1, who received formal Grade R, was increased and indigenous languages in schools developed and promoted.

An overview of the financial results for the 2015/16 financial year is outlined below.

Departmental receipts

Departmental receipts	2014/2015			2015/2016		
	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
Sale of goods and services other than capital assets	46 699	49 870	(3 171)	48 582	50 326	(1 744)
Fines, penalties and forfeits	88	63	25	90	8	82
Interest, dividends and rent on land	182	13	169	220	52	168
Financial transactions in assets and liabilities	15 517	45 622	(30 105)	16 468	60 430	(43 962)
Total	62 486	95 568	(33 082)	65 360	110 816	(45 456)

The Department recorded a revenue collection of R110 816 million against the adjusted budget of R65 360 million and thus gave over collection by R45 456 million in the period under review.

The bulk of the revenue collected emanated from sale of goods and services other than capital assets by R50 326 million in respect of commission insurance and garnishee orders and boarding services. With regards to Financial Transaction in Assets and Liabilities item, an amount of R60 430 million was collected, and was mainly coming from debt recovery from the previous years.

Despite the latter statements, the Eastern Cape Department of Education also collected revenue from hostel boarding fees, examination fees, fees for remarking of examinations scripts, debts recoveries, and commission on implemented garnishees, insurance, sale of tender documents. All revenue collected was paid over on monthly basis to the Provincial Revenue Account as instructed by Treasury Regulations.

Programme Expenditure

Programme Name	2014/2015			2015/2016		
	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	2 192 120	2 192 120	-	2 662 598	2 244 623	417 975
2. Public Ordinary Schools	22 607 696	22 323 628	284 068	23 257 342	23 090 762	166 580
3. Independent School Subsidies	111 189	110 314	875	116 317	115 587	730
4. Public Special Schools	538 698	525 386	13 312	651 056	596 817	54 239
5. Early Childhood Development	548 513	389 660	158 853	556 541	460 485	96 056
6. Infrastructure Development	1 237 092	1 100 072	137 020	1 448 205	1 448 205	-
7. Examinations & Education related services	316 646	316 646	-	469 447	469 447	-
Total	27 551 954	26 957 826	594 128	29 161 506	28 425 926	735 580

With reference to the table above, the Eastern Cape Education Department consisted of 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.

For the 2015/16 financial year, the Department received an allocated adjusted appropriation of R29 161 billion (*approximately 45 per cent of total provincial allocation*), representing a R277 million net decrease from an original appropriation of R29 438 billion. The decline was largely due to a cut by NT of R530 million under the Education Infrastructure Grant (EIG) after the adjusted budget process. Compensation of employees (CoE) took the lion's share with 80 per cent of the total adjusted budget for the financial year, given the core business of the department being driven by personnel.

Administration Programme underspent its adjusted budget by R417 975 million, which was above the acceptable under-spending norm of the Programme's budget as at year end. The biggest under spending was identified under Corporate Services and Education Management personnel due to unfilled Public Service posts on the department's Annual Recruitment Plan (ARP) and late award of the Document Management Project.

The Department intends to fast track its personnel recruitment in 2016/17 as per approved Annual Recruitment Plans and intensify its Human Resource Management component with Office of the Premier, whilst a roll over application for document centre was sought from Provincial Treasury.

Public Ordinary Schools took the largest budget share of 81 per cent share of the departmental budget. This programme recorded an under spending due to high attrition rate together with non-filling of educator residual posts and outstanding commitments in respect of LTSM and School furniture. The department applied to Provincial Treasury for a rollover for unspent funds on committed projects. With regards to Independent Schools, continuous monitoring and evaluation of performance was a critical element during the academic year in ensuring that these schools meet quality education and performance standards as required for registration and safe funding.

The programme reported only 31 817 learners that were provided with subsidies out of 42 913 planned target of learners registered in Independent schools, suggesting 11 096 variance (under achievement). This corresponded with the reported under expenditure above, which could mainly be ascribed to the withholding of transfer funds to schools that failed to provide the necessary prescripts required as evidence of compliance in terms of Norms and Standards. Public Special School dealt with overall

management and resourcing Public Special schools. Resourcing included human resource development, goods and services utilised in schools, and provision of assistive and adapted equipment. The department was generally struggling to retain and fill vacant support and professionally qualified staff (particularly specialists) in both districts and Public Special schools. This made the process of screening and assessment of learners with barriers to learning extremely slow. Recorded under expenditure at year end was mainly attributed to unfilled vacancy.

In light of persistent personnel challenges, the department reviewed and explored better ways to attract, incentivise and retain these specialists. Be that as it may, the programme performed well as it achieved almost all performance targets set for the year.

For 2015/16 the Early Childhood Development received an allocated adjusted budget of R556 541 million and spent a total of R456.787 million, translating into a net under expenditure of 18 per cent or R99 754 million as at year end. The under expenditure can mainly be attributed to unspent funds for LTSM due to slow processes in the awarding of bids wherein Internal Control Unit of the Department discovered price irregularities in the catalogue for educational toys and outdoor equipment, as a result the catalogue had to be re-done and the tender could not be advertised on time whilst on Minor Assets challenges were experienced with the supplier appointed through the National tender process who indicated an inability to deliver. Roll over was requested for unspent funds from Provincial Treasury.

Infrastructure Development received an original allocation of R1 824 billion in 2015/16 financial year, which was reduced by R137 467 million in the adjustment estimate to R1 686 billion. The programme experienced a further cut of R530 million in the post adjustment due to inability to deliver on infrastructure projects, leaving a net available balance of R1 156 billion was however over spent by R 291.795 million resulting in a post year virement from unspent funds in the equitable share budget to curtail the over spending.

For 2015/16 financial year, Examination Services received an original allocation of R312 444 million, which was augmented by R138 371 million to R450.815 million adjusted budget. This budget was further augmented through virement of R18.632 million during post adjustments to curb realised over spending which led the programme to fully spend its R469.447 million final adjusted budget.

Roll over Applied for during 2015/16 Financial Year is as follows:

Details	Amount R'000
Conditional Grants	
1. Administration	10 966
2. Public Ordinary Schools	98 577
3. Independent School Subsidies	-
4. Public Special Schools	-
5. Early Childhood Development	
6. Infrastructure Development	71 938
7. Examinations and Educated Related Services	3 378
Total	184 859

Roll-overs – R184.859 million

Programme 1: Administration

R10.966 million was rolled over for the purchasing of government vehicles in Supply Chain Management.

Programme 2: Public Ordinary Schools

R98.577 million was rolled over as a conditional grant, of which R79.754 million was set aside for the payment of accruals for School Furniture while R18.823 million will be utilised for the provision of Learner Teacher Support Material

Programme 6: Infrastructure Development

R71.938 million was rolled over to Programme 6.2 for the payment of accruals in respect of projects implemented 2014/15 financial year.

Programme 7: Examinations and Education Related Services

R3.378 million was been rolled over to External Examinations sub-programme for the payment of accruals in respect of furniture and equipment bought for the newly built Examination Centre situated in Zwelitsha in 2014/15 financial year.

Virements

Virements for the 2015/16 financial year was as follows:

Details	Amount R'000			
	Adjusted Appropriation	Virements	Shifts	Final Appropriation
1. Administration	2 685 626	(23 028)	-	2 662 598
2. Public Ordinary Schools Education	23 544 741	(287 399)	-	23 257 342
3. Independent School Subsidies	116 317	-	-	116 317
4. Public Special Schools Education	651 056	-	-	651 056
5. Early Childhood Development	556 541	-	-	536 541
6. Infrastructure Development	1 156 410	291 795	-	1 448 205
7. Examinations and Educated Related Services	450 815	18 632	-	469 447
Total	29 161 506	-	-	29 161 506

The post adjustment virements were effected from Programme 1 and Programme 2 due to underutilisation of funds in Compensation of Employees as a result of non-filling of posts as per annual recruitment plans, high attrition and non-replacement of educator posts. Funding was used to augment over expenditure in Programme 6: Infrastructure Development and Programme 7: Examination and Education Related Services which arose from the mitigating factors by the department to bring forward infrastructure projects set to be implemented in 2016/17 so as curtail looming under-spending, while National also find it suitable to effect Section 22 of DoRA and devote R530 million from the province as well as over expenditure as a result of additional learners who wrote matric exams in 2015 which needed the department to employ more markers and assistants, hire additional photocopiers, print more exam papers and add 2 exam centers respectively to avoid incurring unauthorized expenditure by the province these two programmes.

Public Private Partnerships

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

Supply Chain Management (SCM)

Unsolicited bids

The ECDoe did not engage in any unsolicited bidding process in the financial year 2015/16.

Challenges Experienced in SCM

The major challenges in the SCM unit included the high vacancy rate, particularly in strategic areas, i.e. Asset Management and Tenders and Contracts Management. The fact that SCM in the Department was not structured according to the new SCM reforms determined by the National Treasury and approved by Cabinet in 2015 continued to hinder SCM in effectively achieving its objectives at desired levels. The new SCM reforms required a significant change in how SCM had to operate, including modernisation, automation of SCM systems and processes as well as standardization of professional qualifications in SCM. This then required

a whole new range of skills, a change of mind-set and proper ethical conduct. The persistent capacity constraints and lack of skills and expertise worsened the situation. Given this significant transformation of SCM, the need for intensive training of SCM staff was vital.

Short- to medium-term plans to address these challenges

- A support team from the Office of the Premier and Provincial Planning and Treasury was deployed into the Department to assist in resolving these challenges.
- An SCM Technical Support Team was also appointed to strengthen SCM and provide training and hand-holding 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.

Achievements

The unit also 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 out of 54 bids advertised, 38 bids have been successfully awarded.

SCM also solicited the services of consultants to strengthen its capacity and provide expertise in the area of strategic sourcing and demand management and through this intervention the Directorate realised a saving of R38 million and was targeting to save a total of R100 million in the 2016/17 financial year.

Internal Controls and Management Oversight

The establishment of an Internal Control Unit (ICU)

The purpose of an internal control unit is 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 by offering the following specific services:

- Pre-order audit services in respect of goods and services for compliance with all procurement regulations - this was mainly a preventative exercise;
- Pre-payment audit services in respect of goods and services, transfers and compensation of employees aimed at compliance with all procurement regulations, and human resource parameters - this was mainly a preventative exercise;
- Post-payment review for both goods and services, and compensation of employees - this was 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; and
- Loss control and consequence management in respect of financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure.

Management Oversight

Tighter controls pertaining to management oversight were introduced during the period under review and were further outlined in the Departmental action plan.

Discontinued activities/ activities to be discontinued

None.

The Provincial Department continuously strived towards the realisation of the 2030 vision and targets set in the *National Development Plan (NDP)* and the Basic Education Sector Plan, *Action Plan to 2019: Towards the Realisation of Schooling 2030*, with a special focus on the provision of quality education and training from Grade R to Grade 12, providing universal access to education and ultimately contributing towards the development of an educated nation.

I, therefore, present to you the Annual Report of the Eastern Cape Department of Education for the Financial Year 2015/16. The Annual Report has been prepared in accordance with Section 40(1)(d) of the *Public Finance Management Act (Act No.1 of 1999)*, and Part IIIJ3 of the *Public Service Regulations, 2001*.



S.N. NETSHILAPHALA
Accounting Officer
Department of Education, Eastern Cape
Date

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 2016.

Yours faithfully



S.N. NETSHILAPHALA
Accounting Officer
Department of Education, Eastern Cape
Date

6. Strategic Overview

6.1. Vision

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

6.2. 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.

6.3. Values

The Vision and Mission are supported by values, based on the *Constitution of the Republic of South Africa* (Act No.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 all other stakeholders with **Dignity** and courtesy; and
- Ensure in the spirit of teamwork, to continuously strive for **Unity** as we demonstrate focus and passion for all.

We also undertake:

- To inspire **Confidence** in government service;
- To fulfil the fundamental principles of **Access** and equity as enshrined in the Constitution of the Republic;
- With **Trust** and honesty to display a high level of **Integrity** and accountability in our daily operations; and
- To instil in all around us a culture of **Ownership** and humility as we make our contribution in 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**.

7. Legislative and other mandates

Legislative and other mandates

Since 1994, a number of policies have been implemented for access to quality education without discrimination, make schooling compulsory and for transformation in education and training. The strategic objectives are based on the following constitutional and other legislative mandates and a brief description is given for ease of reference:

7.1 Constitutional Mandate

The *Constitution of South Africa* (Act No.108 of 1996), as amended, requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism. It guarantees access to basic education for all with the provision that everyone has the right to basic education, including adult basic education. The fundamental policy framework of the Ministry of Basic Education is stated in the *White Paper: Education and Training in a Democratic South Africa: First Steps to Develop a New System* (February 1995).

7.2 Legislative Mandates

7.2.1 National Legislation

South African Schools Act (SASA) (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.

National Education Policy Act (NEPA) (No.27 of 1996)

It is the determinant 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 National Education and Training Framework (NETF) required that a National Education and Training Council (NETC) be established. This Council was established through Regulations dated 9 October 2009.

General and Further Education and Training Quality Assurance Act (No.58 of 2001)

This makes provision for the establishment, composition and functioning of the General and Further Education and Training Quality Assurance Council, to provide for quality assurance in general and in further education and training, to provide for control over norms and standards of curriculum and assessment, to provide for the issue of certificates at the exit points, to provide for the conduct of assessment and to repeal the *South African Certification Council Act, 1986*.

Employment of Educators Act (No.76 of 1998)

This provides for the employment of educators by the State and for the regulation of the conditions of service, discipline, retirement and discharge of educators. It regulates the professional, moral and ethical responsibilities of educators, as well as competency requirements for teachers. One act of Parliament and one professional council, the South African Council of Educators (SACE), now govern the historically divided teaching force.

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

This Act regulates financial management in the national government and provincial governments, to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively and to provide for the responsibilities of persons entrusted with financial management in those governments.

Annual Division of Revenue Acts (DoRA)

These provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the respective financial years, to provide for reporting requirements for allocations pursuant to such division, to provide for the withholding and delaying of payments and to provide for the liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations.

Public Service Act (Proclamation No.103 of 1994)

This 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.

South African Qualifications Authority Act (No.58 of 1995)

This Act provides for the development and implementation of a National Qualifications Framework (NQF) and for this purpose to establish the South African Qualifications Authority. The NQF is an essential expression, as well as a guarantor, of a national learning system where education and training are of equal importance as complementary facets of human competence. The joint launch of the Human Resources Development Strategy by the Minister of Labour and the Minister of Education on 23 April 2001 reinforces the resolve to establish an integrated education, training and development strategy that will harness the potential of our young and adult learners.

Adult Basic Education and Training Act (No.52 of 2000)

This Act regulates adult basic education and training, provides for the establishment, governance and funding of public adult learning centres, provides for the registration of private adult learning centres, and provides for quality assurance and quality promotion in adult basic education and training.

Further Education and Training Colleges Act (No.16 of 2006)

This Act provides for the regulation of further education and training, the establishment of governance and funding of public further education and training colleges, the establishment of governance and funding of public further education and training colleges, the registration of private further education and training colleges, and the promotion of quality in further education and training.

Skills Development Act (No.97 of 1998)

This Act provides the Department with an institutional framework to devise and implement national, sectoral and workplace strategies to develop and improve the skills of employees. These strategies must be integrated into the National Qualifications Framework (NQF). The Department has formulated a skills development plan and continuously upgrades employee skills.

The Promotion of Access to Information Act (No.2 of 2000)

This Act compels the Department to provide access to information that it possesses when required by anyone to exercise or protect any of his/her rights. The Act is in line with the provision of Section 32 (1) of the Constitution, which states that everyone has the right of access to any information held by the State, and Section 32 (1) (b), which provides for the horizontal application of the right of access to information held by another person when required for the exercise or protection of any rights. The

Shared Legal Services unit and the Legal Directorate deals with queries related to requests for information.

Promotion of Administrative Justice Act (No.3 of 2000)

The Department recognises that everyone has the right to administrative action that is lawful, reasonable and procedurally fair, as is provided for in this Act.

7.2.2 Provincial Legislative Mandates

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

This provincial Act 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.

Eastern Cape Schools Education Amendment Act (No.5 of 2004)

Through this Act the 1999 *Eastern Cape Schools Education Act* was amended to rename the Eastern Cape Education and Training Council, to reflect the Provincial demarcation into Districts and to provide for matters incidental thereto.

Education Law Amendment Act (No.4 of 1995)

Matriculation Examination Regulations. Eastern Cape Government (ECG) Gazette 350 of 1998.

Regulations on Misconduct. ECG Gazette 415 of 1999.

Regulations relating to the Governing Bodies of ELSEN Schools. ECG Gazette 416 of 1999.

Regulations relating to independent schools. ECG Gazette 766 of 2001.

Regulations Relating to Behaviour of Learners in Public Schools. ECG Gazette 766 of 2001.

Determination in respect of Councils, Academic Boards and Student Representative Councils at Public Further Education and Training Institutions. ECG Gazette 875 of 2002.

Adult Basic Education and Training Regulations. ECG Gazette 917 of 2002.

Regulations on Misconduct. ECG Gazette 978 of 2003.

Regulations relating to the Governing Bodies of Public Schools (Excluding Schools for learners with Special Education Needs). ECG Gazette 1072 of 2003.

Determination of policy relating to scholar transport. ECG Gazette 1010 of 2003.

Determination of Policy relating to the Framework for Provincial, District and School-based Educators (professional development INSET) policy. ECG Gazette 1015 of 2003.

Regulations on the Eastern Cape Education Advisory Council. ECG Gazette 2096 of 2009.

Strategy for Provincial Legislation in Education. The Member of the Executive Council is envisaging a review of all Provincial legislation.

7.3. Policy Mandates

White Paper 6 on Inclusive Education, 2001

The White Paper on Inclusive Education explains the intention of the Department of Education to implement inclusive education at all levels in the system by 2020. Such a system will allow for the inclusion of vulnerable learners and reduce the barriers to learning by means of targeted support structures and mechanisms. This, in turn, will improve the participation and retention levels of learners in the education system, particularly with regard to those learners who are prone to dropping out.

National Curriculum Statement (NCS) (Grades R-12)

This document embodies the vision for general education to move away from a racist, apartheid, rote model of learning and teaching, to a liberating, nation-building and learner-centred outcomes-based initiative. In line with training strategies, the reformulation is intended to allow greater mobility between different levels and between institutional sites as well as to promote the integration of knowledge and skills through learning pathways. Its assessment, qualifications, competency and skills-based framework encourage the development of curriculum models that are aligned to the NQF in theory and practice.

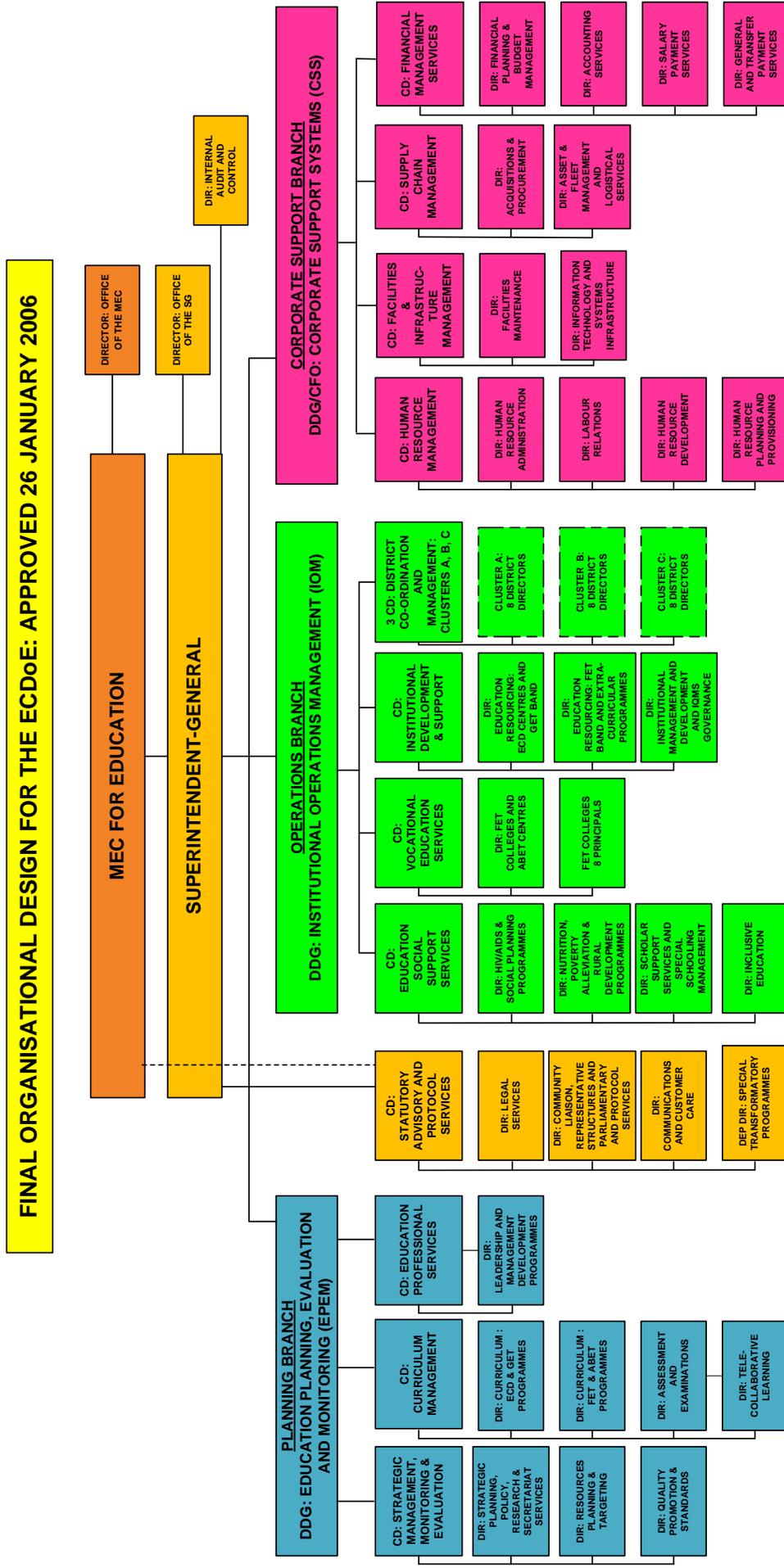
White Paper on Early Childhood Development, 2000

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

Transforming Public Service Delivery (Batho Pele) White Paper

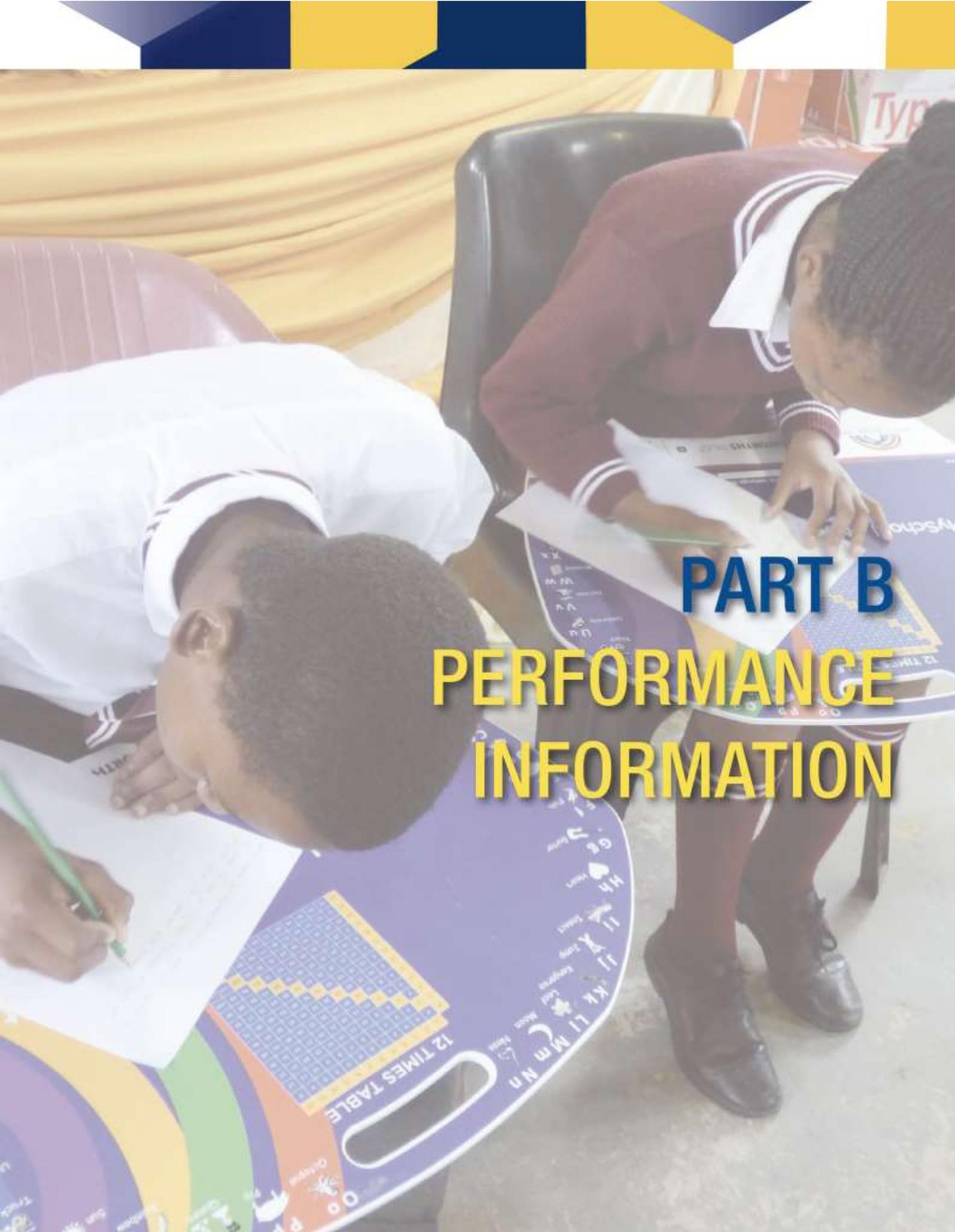
This paper is based on eight transformation principles. The Department has recognized that transforming its service delivery is key to guaranteeing that the basic needs of citizens in the Eastern Cape Province are met, and, as such, the Department has set out to be more effective in improving its service delivery by doing a public opinion survey. Programmes in the Department are aligned to the principle of redirecting resources to previously under-resourced groups, defining service standards by using outputs, targets and performance indicators, human resource development and organisational capacity to support service delivery needs, seeking partnerships with the private sector, Non-Governmental Organisations (NGOs) and Community Based Organisations (CBOs), and the development of customer care that is sensitive to issues of race, gender and disability.

8. Organisational Structure



9. Entities reporting to the MEC

There are no entities reporting to the MEC.



PART B **PERFORMANCE** **INFORMATION**

1. Auditor General's report: Predetermined Objectives

Report on other legal and regulatory requirements

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016.
- Programme 2: Public Ordinary School on pages x to x
 - Programme 5: Early Childhood Development on pages x to x
 - Programme 6: Infrastructure Development on pages x to x
 - Programme 7: Examinations and Education Related Services on pages x to x
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 6: Infrastructure Development on pages x to x
 - Programme 7: Examinations and Education Related Services on pages x to x
21. I also did not identify material findings on the usefulness of the reported information for Programme 2: Public ordinary schools and Programme 5: Early childhood development.
22. The material findings in respect of the reliability of the reported information of Programme 2: Public ordinary schools and Programme 5: Early childhood development are as follows:

Auditor General's report: Predetermined Objectives

Programme 2: Public Ordinary School

Reliability of reported performance information

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not reliable when compared to the portfolio of evidence provided.

Programme 5: Early Childhood Development

Reliability of reported performance information

24. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets for significantly important indicators.

2. Overview of Departmental Performance

2.1 Service Delivery Environment

The biggest service delivery challenge that confronted the Basic Education Sector in the country in general and the Province in particular remained the relatively poor quality of education in seventy to eighty percent of public schools as was the case for the previous years. The poor quality of teaching and learning was validated by numerous studies and evaluations such as the Annual National Assessments (ANA), National Senior Certificate (NSC) results and research conducted on behalf of the Department of Basic Education as well as international studies like South and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ) and Trends in International Mathematics and Science Study (TIMSS). The Department will, therefore, continue with the focused orientation of the last two financial years towards achieving Government's apex or number one national policy outcome of *Quality Basic Education* by 2030.

Despite the gradual improvement in National Senior Certificate (NSC) and ANA results recently until 2014, the drop by 9% to 57% in the NSC pass rate in the Province in 2015 once again reinforced this trend of poor performance. Umalusi, the quality assurance and certification body for schools, also observed that learner performance in 2015 had departed quite significantly from the average historical learner performance profile. As a result adjustments to learner marks were quite unprecedented. Although there were percentage drops in distinctions, Bachelor, Diploma and Higher Certificate passes, the general performance of learners resulted in numerical increases.

With this in mind, the Department is determined to accelerate the implementation of the National Strategy on Learner Attainment (NSLA) in schools and districts with an increased focus on teacher development for those teachers in schools and districts that performed below 50% in the 2014 ANA and 60% in the 2014 NSC examinations. The commitment in the Annual Performance Plan to place greater emphasis on Continuing Professional Teacher Development (CPTD) was implemented, since it is key to the improvement of the quality of Basic Education in the Province. The focus was on training teachers in Language/Literacy and Mathematics/Numeracy content and methodology owing to the inclusion of two new programme performance measures in the period under review. In terms of following a holistic approach, training principals, School Management Teams (SMTs) and teachers specialising in subjects like Physical Science, as well as ECD Practitioners continued.

ANA was not written as planned in 2015 in this Province mainly on account of the Department of Basic Education (DBE) and Teacher Unions not having reached agreement. However, schools were requested to register for the tests on their own and report outcomes to the Department. All preparations were done to support teachers preparing learners in undertaking the ANA tests. This included the full implementation of the 1 + 4 intervention model aimed at equipping GET teachers with mathematical skills.

The provisioning of qualified educators for schools remained a major challenge in the last financial year owing to a twin challenge of high attrition rates and a poor supply of teachers in strategic gateway subjects. In the first half of 2015, a total of 2 343 teachers left the Department, with 1 105 (47%) of these leaving the system through resignations. The 2015/16 MTEF projection estimated this to increase to 3 523, and escalating to 3 608 by the close of 2016/17. A number of principals', deputy principals', heads of departments' and post level one teachers' posts were filled, details of which have been reported under Programme 2. Equally important was an improved rate of payment for newly appointed teachers with the establishment of a Central Payment Centre (CPC).

With reference to the integration of Information Communications Technology (ICT) into teaching and learning in our schools, the Department developed a growing portfolio of e-learning platforms that were made possible by various partnerships with non-governmental organisations (NGOs) and the private sector. One such partnership was the Cofimvaba Technology for Rural Education and Development (Tech4RED) initiative spearheaded by the Department of Science and Technology (DST) in partnership with the Department of Basic Education (DBE), the Eastern Cape Department of Education (ECDoE) and the national Department of Rural Development and Land Reform (DRDLR). The Tech4RED initiative was implemented in the Nciba Circuit of the Cofimvaba Education District. The biggest partnership intervention on scale was the ICASA project, a partnership with ICASA through licensing

obligations for Vodacom, MTN and Neotel. By 2019 more than 800 schools in the Eastern Cape will benefit from this project.

The mainstreaming of Inclusive Education in the Province was stepped up with the 30 Full Service Schools being established, resourced with Assistive Technology for learners and teachers at these schools having enrolled for specialised training during this period. A Web Based Learner Profiler Tool was installed in all 30 Full Service Schools to standardize the screening of learners, focusing on screening for academic ability, identification of literacy levels and support needed, screening for learner abilities and hidden disabilities and collection of learner social context and support information.

The MEC and the Acting Head of Department continued to meet with the various stakeholders (Principals, School Governing Bodies (SGBs), and Traditional Leaders). This resulted in the realignment, merger and closure of unviable schools, and at the same time ensured that learners receive basic education as intended and maximising the available resources up to school level to enhance quality education. With a view to improving school functionality, all Districts developed District Improvement Plans for the 2015 academic year based on their School and Circuit Improvement Plans.

Other concomitant and/or related challenges were being addressed such as: the over-expenditure in the compensation of employees (in particular teachers) due to excess teachers in the system; the rationalisation and realignment of about 50% of unviable schools in the Province that are as they were very small to small, mindful that existing inappropriate and unsafe structures would only be replaced where such schools could not be closed; the functionality of most schools is being enhanced through better management and governance; and the school infrastructure backlog. However the Department had to surrender R530 million of the infrastructure budget back to Treasury since it was determined that this amount could not be spent. The funds would be allocated back to the Department on the assurance that it would be spent during the 2016/17 financial year.

The environment in which the Department had to deliver services during the planning period in question, based on the Education Management Information System Annual Survey of 2015, involves a total of 5 669 institutions. This was made up of 878 Secondary Schools, 1 920 Combined or Junior Secondary Schools, 2 871 Primary Schools, 42 schools for Learners with Special Educational Needs, 47 Early Childhood Development (ECD) Centres and 190 Independent Schools. There were 1 875 645 learners in public ordinary schools, with 147 987 of these being Grade R learners in public schools.

2.1.1 Public Ordinary Schools Learner Enrolment by District*

District	Grade R	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Other	Total Gr R - 12	Total Gr 1 - 12
Butterworth	7 957	8 241	7 310	6 724	6 559	5 913	5 474	5 060	5 128	6 850	5 486	4 732	0	80 970	73 013
Cofimvaba	4 019	4 928	4 513	4 244	4 200	3 688	3 392	3 322	3 060	3 533	3 165	1 948	0	47 424	43 405
Craddock	2 280	2 938	2 435	2 175	2 277	2 027	1 798	1 851	1 762	1 801	1 316	1 027	0	25 413	23 133
Dutywa	7 652	10 107	9 117	8 573	8 334	7 473	7 068	6 770	6 295	6 884	6 527	5 362	0	97 244	89 592
East London	10 212	14 014	12 399	12 370	11 851	10 804	9 844	8 565	9 331	11 173	9 911	7 865	0	136 947	126 735
Fort Beaufort	3 802	3 825	3 668	3 542	3 457	3 078	2 616	2 549	2 655	2 768	2 494	2 155	0	39 025	35 223
Graaff-Reinet	1 885	2 756	2 523	2 528	2 356	2 287	2 022	2 028	1 900	1 902	1 288	990	0	26 374	24 489
Grahamstown	2 254	3 078	2 737	2 714	2 615	2 353	2 218	2 624	2 528	2 469	2 086	1 672	14	31 564	29 310
King Williams Town	8 857	10 397	9 373	9 022	8 510	7 329	6 340	7 081	6 755	7 090	7 232	6 123	22	100 445	91 588
Lady Frere	3 702	4 536	4 056	3 657	3 412	2 935	2 756	2 487	2 450	3 218	2 959	2 078	0	40 818	37 116
Libode	13 006	17 130	17 026	16 154	15 192	14 035	13 102	11 869	11 447	14 157	11 942	7 337	0	175 451	162 445
Lusikisiki	8 872	11 521	11 208	10 853	10 721	9 383	8 976	8 437	7 513	8 878	5 864	4 268	0	115 449	106 577
Maluti	5 600	6 694	6 175	5 998	6 049	5 588	5 028	4 846	4 636	5 418	4 140	2 685	0	67 979	62 379
Mbizana	7 948	10 210	10 136	10 258	9 709	9 195	8 509	8 080	7 235	8 780	6 786	4 235	0	109 592	101 644
Mt Fletcher	2 996	4 369	3 883	3 551	3 585	3 301	2 991	3 321	3 172	3 568	3 360	2 329	0	43 620	40 624
Mt Frere	8 472	11 847	10 958	10 373	10 062	8 960	8 305	8 197	7 341	8 991	7 022	5 087	0	113 921	105 449
Mthatha	12 281	15 109	13 372	13 181	12 656	11 167	10 582	10 814	10 131	14 267	11 668	7 209	0	153 146	140 865
Ngcobo	6 109	8 023	7 039	6 746	6 390	5 793	5 383	4 704	4 474	4 571	4 171	2 783	0	71 500	65 391
Port Elizabeth	13 051	19 906	17 832	16 831	16 250	14 302	13 170	12 440	12 391	14 065	11 893	9 721	68	184 087	171 036
Queenstown	5 043	5 843	5 544	5 285	5 024	4 561	4 099	4 202	4 229	4 669	3 931	3 347	0	59 788	54 745
Qumbu	5 847	6 560	5 832	5 601	5 545	4 777	4 493	4 280	3 911	5 846	3 431	2 953	0	63 265	57 418
Sterkspruit	3 992	6 084	5 490	5 313	5 336	4 649	4 206	4 201	4 396	4 954	3 575	3 056	0	59 508	55 516
Uitenhage	7 015	10 122	9 040	8 100	8 485	7 247	6 404	6 590	6 266	6 378	5 056	3 676	0	90 363	83 348
Grand total	152 852	198 238	181 666	173 793	168 575	150 845	138 776	134 318	129 006	152 230	125 303	92 638	104	1 933 893	1 781 041

* All figures extracted from the Annual Survey for Ordinary schools as at 3 March 2015, unless other source(s) indicated.

Figure 1 - Learner Enrolment per Grade per District for 2015

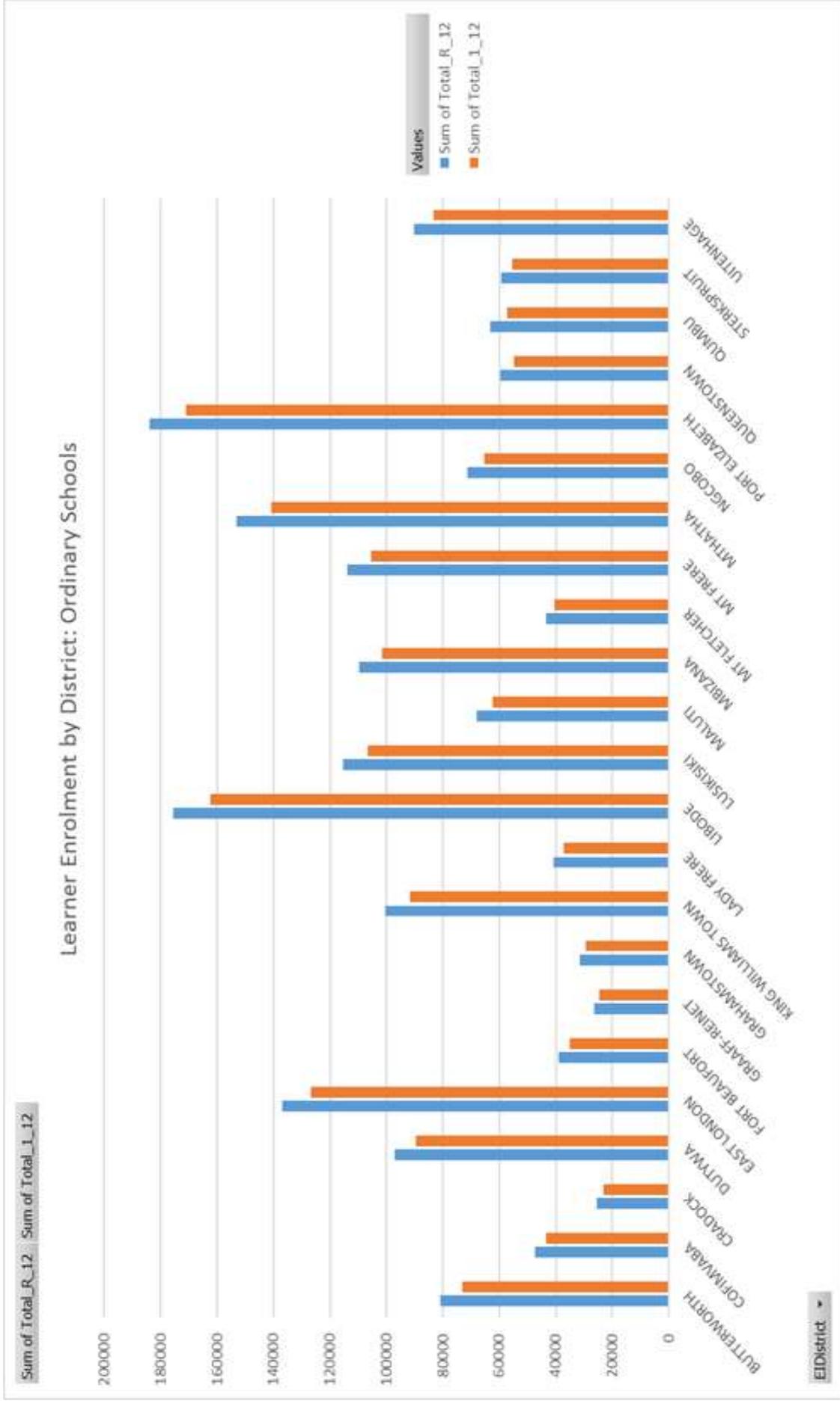


Figure 2: Learner Enrolment per District based on the 2015 Annual School Survey.

Learner Enrolment by Sector and Grade

Sector	Schools	Grade R	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Other	Total Grade R-12	Total Grade 1-12
Independent/Private	190	4 865	6 234	5 740	5 710	5 448	4 588	4 108	3 731	3 570	3 432	3 082	3 551	4 107	82	58 248	53 383
Combined	93	2 826	3 882	3 554	3 538	3 495	3 029	2 792	2 694	2 686	2 466	1 746	1 906	2 089	45	36 748	33 922
Primary	68	2 007	2 282	2 114	2 121	1 912	1 527	1 292	1 017	15	1	-	-	-	-	14 288	12 281
Secondary	29	32	70	72	51	41	32	24	20	869	965	1 336	1 645	2 018	37	7 212	7 180
Public	5 479	147 987	192 004	175 926	168 083	163 127	146 257	134 668	131 818	130 748	125 574	149 148	121 752	88 531	22	1 875 645	1 727 658
Combined	1 541	52 149	67 901	63 596	61 932	61 077	56 039	64 720	57 093	64 720	59 337	5 341	4 433	3 235	-	609 938	557 789
Primary	3 080	95 603	123 808	112 020	105 829	101 737	89 949	81 305	74 483	8 684	7 674	97	79	-	22	801 290	705 687
Secondary	858	235	295	310	322	313	269	278	242	57 344	58 563	143 710	117 240	85 296	-	464 417	464 182
Grand Total	5 669	152 852	198 238	181 666	173 793	168 575	150 845	138 776	135 549	134 318	129 006	152 230	125 303	92 638	104	1 933 893	1 781 041

Figure 3: Learner Enrolment by Sector and Grade.

Sector	Independent/Private			Public		
	Schools	Total Gr R-12	Total Gr 1-12	Schools	Total Gr R-12	Total Gr 1-12
Combined	93	36 748	33 922	1 541	609 938	557 789
Primary	68	14 288	12 281	3 080	801 290	705 687
Secondary	29	7 212	7 180	858	464 417	464 182
Total	190	58 248	53 383	5 479	1 875 645	1 727 658

Figure 4: Learner Enrolment by Sector and Grade.

Phase	Grade R	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Other	Total R_12	Total 1_12
Combined	62 438	81 767	76 307	74 218	73 263	66 921	63 261	67 879	76 397	69 649	7 644	6 715	5 626	45	732 130	669 692
Female	30 287	37 960	35 866	35 140	34 556	32 379	30 785	32 778	37 254	34 816	4 148	3 720	3 184	7	352 880	322 593
Male	32 151	43 807	40 441	39 078	38 707	34 542	32 476	35 101	39 143	34 833	3 496	2 995	2 442	38	379 250	347 099
Primary	90 414	116 471	105 359	99 575	95 312	83 924	75 515	67 670	-	-	-	-	-	22	734 262	643 848
Female	43 979	54 699	50 250	47 554	45 424	40 952	37 166	33 192	-	-	-	-	-	7	353 223	309 244
Male	46 435	61 772	55 109	52 021	49 888	42 972	38 349	34 478	-	-	-	-	-	15	381 039	334 604
Secondary	-	-	-	-	-	-	-	-	57 921	59 357	144 586	118 588	87 012	37	467 501	467 501
Female	-	-	-	-	-	-	-	-	27 727	29 329	73 720	64 943	47 564	20	243 303	243 303
Male	-	-	-	-	-	-	-	-	30 194	30 028	70 866	53 645	39 448	17	224 198	224 198
Grand Total	152 852	198 238	181 666	173 793	168 575	150 845	138 776	135 549	134 318	129 006	152 230	125 303	92 638	104	1 933 893	1 781 041

Figure 5: Learner Enrolment by Gender and Grade

Grade	Year Promoted		Total	Passed	% Promoted
	2015	2014			
1	183 473	145 624	183 473	145 624	79%
2	168 499	143 053	168 499	143 053	85%
3	161 878	141 999	161 878	141 999	88%
4	156 472	134 907	156 472	134 907	86%
5	140 334	125 998	140 334	125 998	90%
6	128 598	117 675	128 598	117 675	92%
7	124 271	112 053	124 271	112 053	90%
8	119 262	100 448	119 262	100 448	84%
9	113 228	97 184	113 228	97 184	86%
10	128 717	80 316	128 717	80 316	62%
11	107 511	74 308	107 511	74 308	69%
12*	86 985	49 459	86 985	49 459	57%

Figure 6: 2015 Promotions.
Data sources: Gr 1-11, SASAMS. Gr 12, NSC 2015

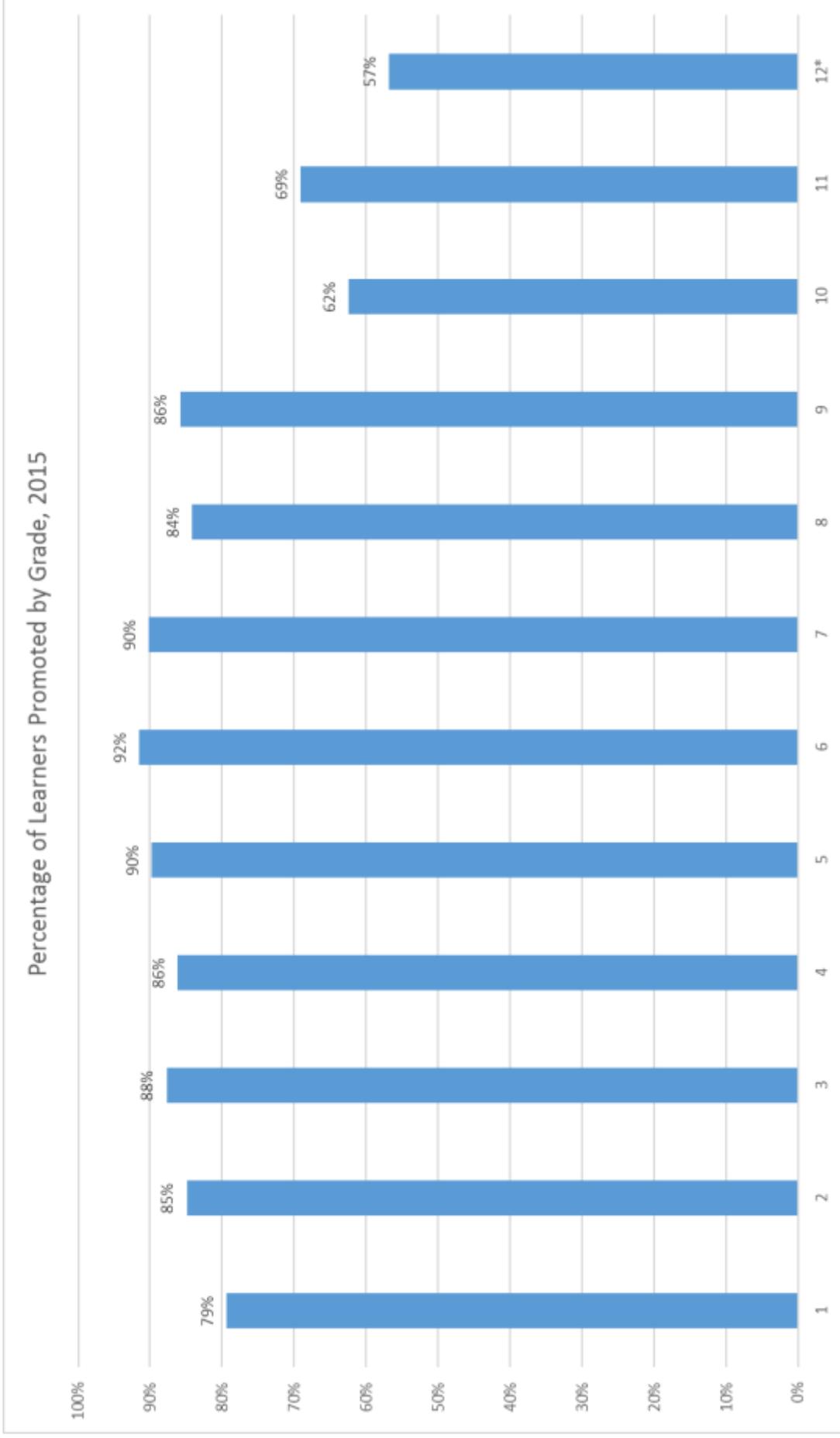


Figure 7: 2015 Promotions.
Data sources: Gr 1-11, SASAMS. Gr 12, NSC 2015

Eastern Cape Department of Education: Grade 1 cohort of 2004 progress path to Grade 12, 2015

Year	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Grade 1-12
2004	281 073	213 022	199 110	190 119	182 071	175 731	169 283	154 729	131 410	150 808	104 991	66 642	2 018 989
2005	278 067	217 661	207 586	196 200	183 735	174 818	173 275	162 263	136 609	155 632	113 325	74 872	2 074 043
2006	260 223	213 714	207 434	198 740	184 669	173 355	166 871	165 742	144 481	156 846	121 657	76 306	2 070 038
2007	240 764	199 975	200 921	196 101	182 796	172 206	161 495	156 068	141 534	150 873	103 617	105 051	2 011 401
2008	221 445	189 657	187 468	190 550	181 165	172 099	160 729	152 163	139 933	151 839	117 385	66 347	1 930 780
2009	211 203	182 789	180 459	182 793	177 560	171 938	162 607	153 036	138 702	149 770	118 442	74 942	1 904 241
2010	210 507	177 672	172 095	177 216	171 164	166 206	163 242	155 492	141 495	151 432	121 158	71 406	1 879 085
2011	206 093	170 426	159 634	162 865	156 724	153 869	152 369	148 610	144 308	149 134	122 883	71 796	1 798 711
2012	207 968	177 025	159 982	157 546	151 574	147 961	146 816	144 262	147 165	150 555	125 721	71 727	1 788 302
2013	202 330	180 710	163 928	156 823	145 074	141 811	142 544	138 852	145 887	154 717	122 346	77 816	1 772 838
2014	203 719	184 580	171 924	162 528	147 043	138 427	139 453	136 930	143 260	162 010	128 223	73 210	1 791 307
2015	198 238	181 666	173 793	168 575	150 845	138 776	135 549	134 318	129 006	152 230	125 303	92 638	1 780 937

Figure 8: Grade One cohort of learners who enrolled in 2004 and who reached Grade 12 in 2015.

Phase Analysis of 2004 Grade 1 cohort					
Phase Analysis	Start	End	Loss	Loss %	Loss % of 2004 cohort
Foundation Phase	281 073	207 434	-73 639	-26%	-32%
Intermediate Phase	196 101	171 938	-24 163	-12%	-12%
Senior Phase	163 242	147 165	-16 077	-10%	-12%
FET Phase	154 717	92 638	-62 079	-40%	-48%
Total of cohort	281 073	92 638	-188 435	-67%	-73%

Figure 9 (a): Phase Analysis of the 2004 Grade 1 Cohort of Learners

Learner Loss from previous grade in previous academic year												
Period	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total Grade 1-12
2013 to 2014	-17 750	-8 786	-1 400	-9 780	-6 647	-2 358	-5 614	4 408	16 123	-26 494	-49 136	-107 434
2014 to 2015	-22 053	-10 787	-3 349	-11 683	-8 267	-2 878	-5 135	-7 924	8 970	-36 707	-35 585	-135 398

Figure 9 (b): Learner Loss from previous Grade in previous year
Source 2003 to 2012 Annual Survey and 2015 Snap Survey

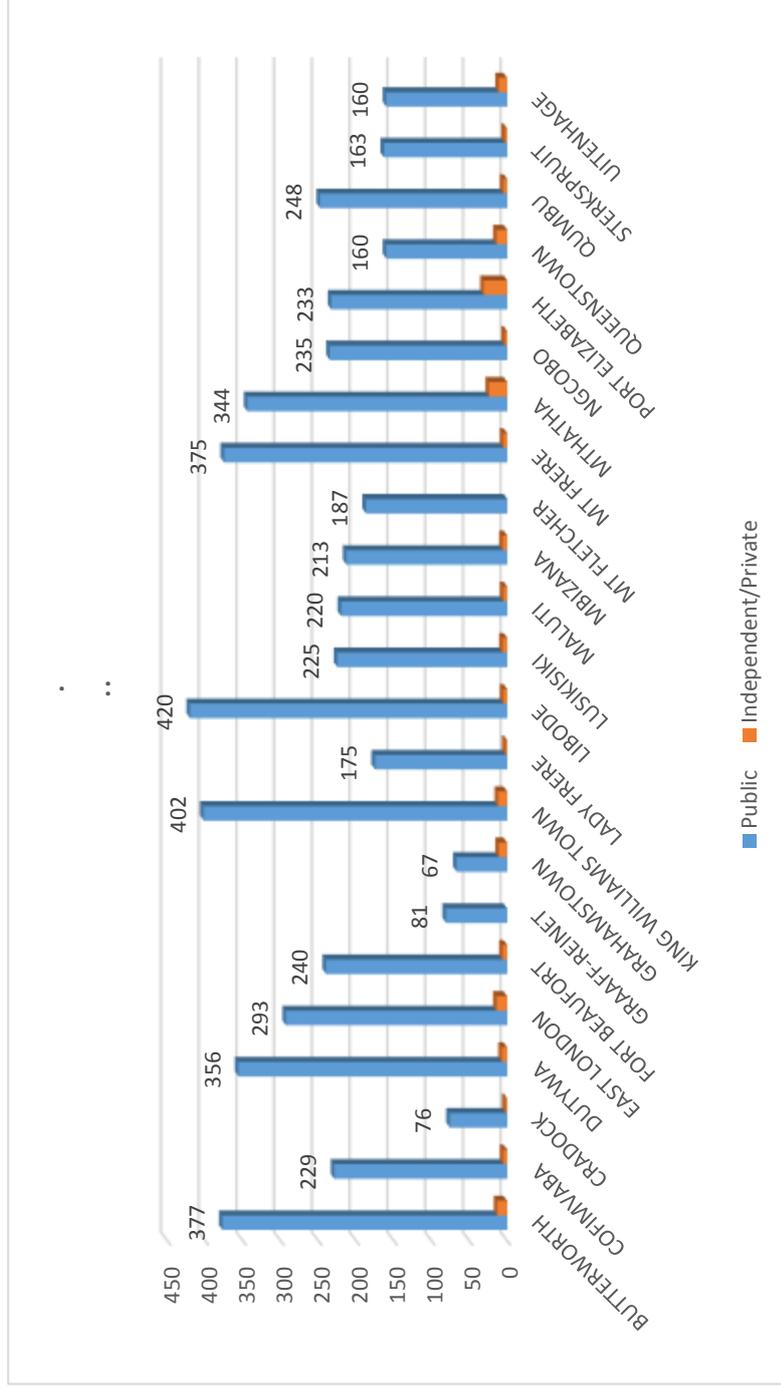


Figure 10.1: Number of Schools per District as at 1 December 2015

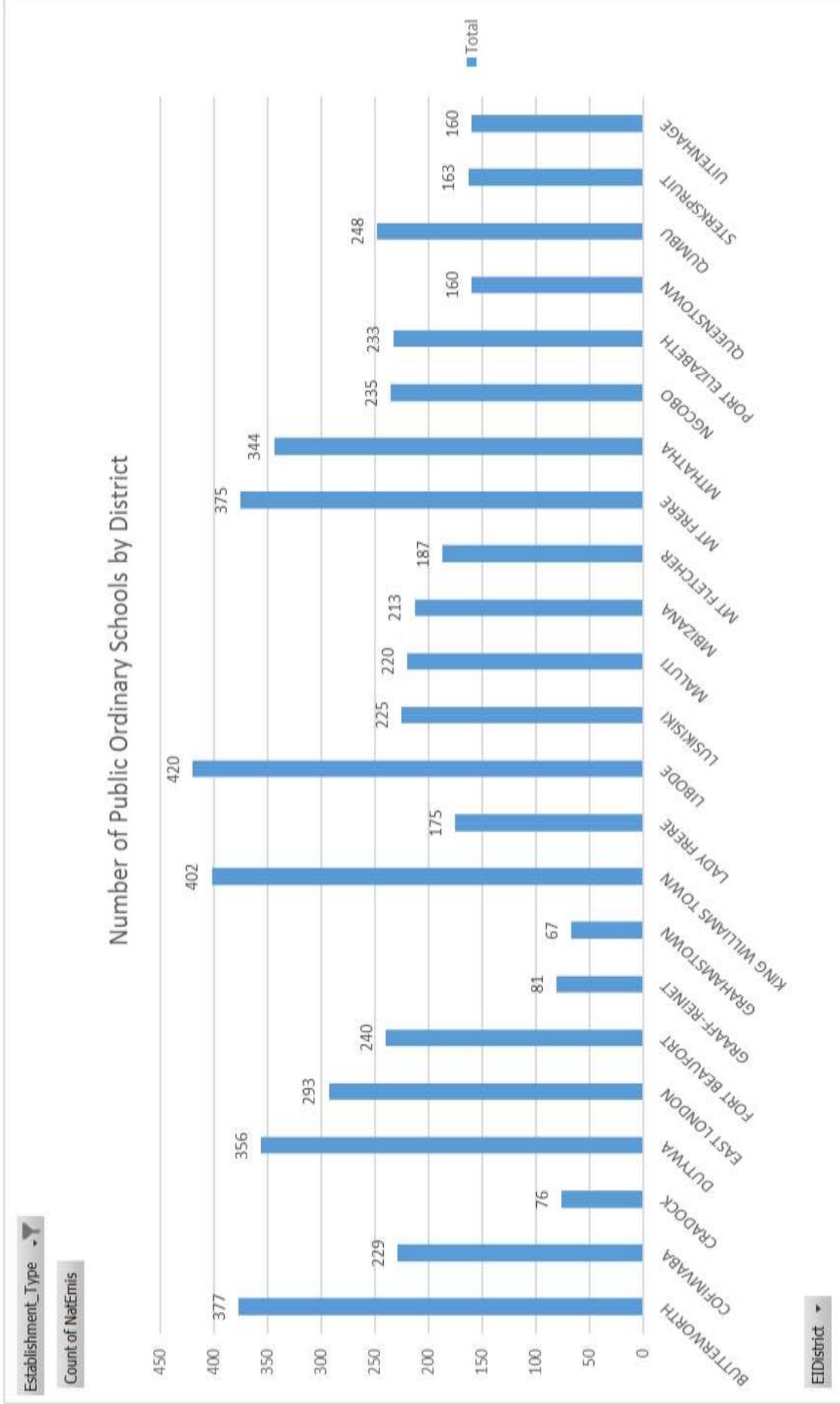


Figure 10.2: Number of Schools per District as at 1 December 2015

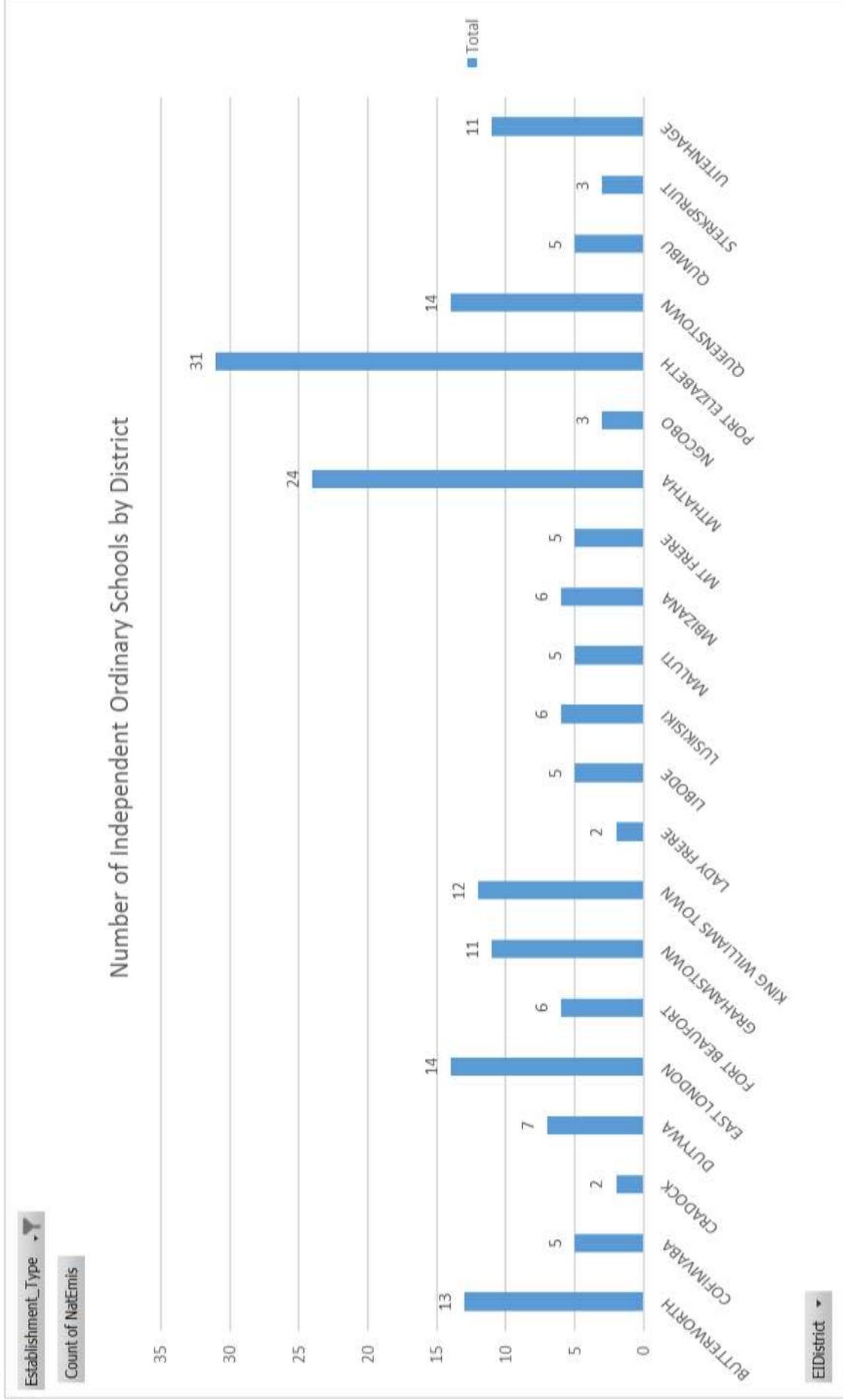


Figure 11: Percentage of Public Ordinary Schools and Learners in the Province, which includes Primary, Combined and Secondary Schools as at 1 December 2015

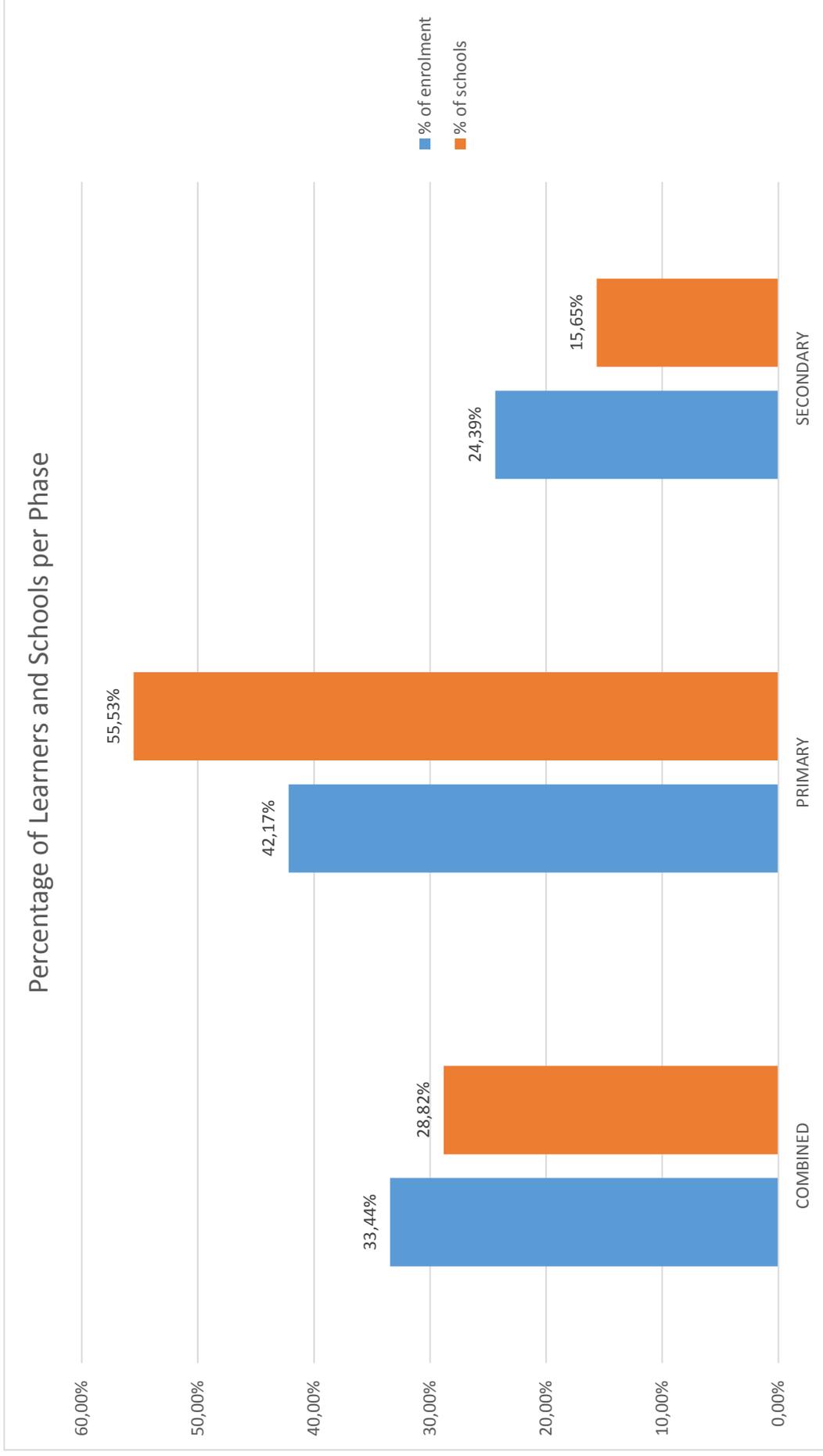
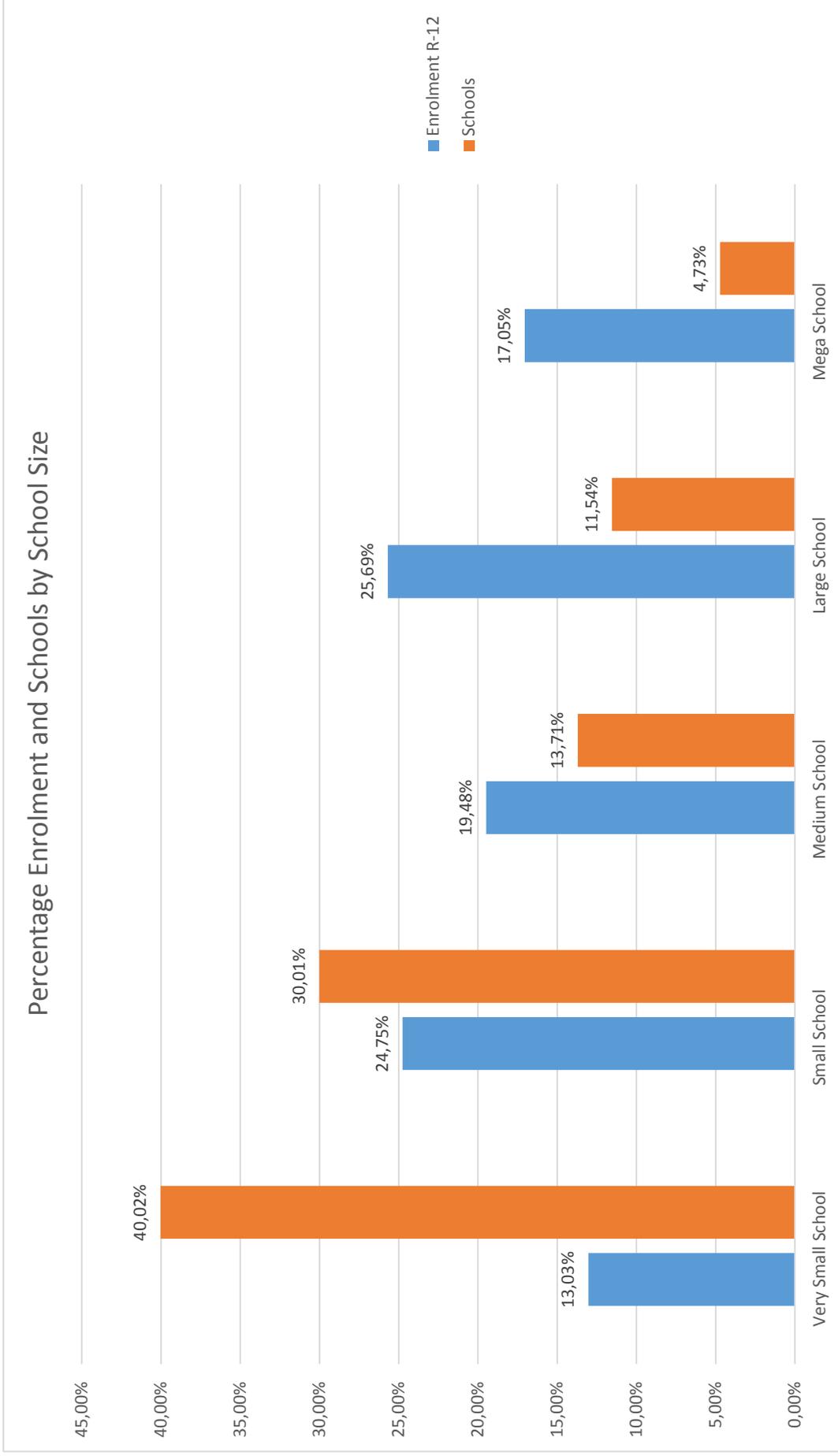


Figure 12: Percentage Enrolment by School Size based on the 2015 Annual School Survey of Public Ordinary Schools



School size:

- < 200 - Very Small School
- 201-400 Small School
- 401-600 Medium School
- 601-1000 Large School
- >1001 Mega School

(13 a) Enrolment by school size						
Cluster	Very Small School (<200)	Small School (201-400)	Medium School (401-600)	Large School (601-1000)	Mega School (>1000)	
A	74 712	185 323	162 253	178 314	88 675	
B	113 620	199 726	108 121	114 377	74 554	
C	63 637	93 662	106 370	204 073	166 476	
Total Enrolment	251 969	478 711	376 744	496 764	329 705	
% of Enrolment	13.03%	24.75%	19.48%	25.69%	17.05%	
(13 b) Number of Schools						
Cluster	Very Small School	Small School	Medium School	Large School	Mega School	
A	619	655	335	240	71	
B	962	712	225	152	59	
C	688	334	217	262	138	
Total Schools	2 269	1 701	777	654	268	
% of Schools	40.02%	30.01%	13.71%	11.54%	4.73%	

Figure 13: Enrolment by School size and Number of Schools

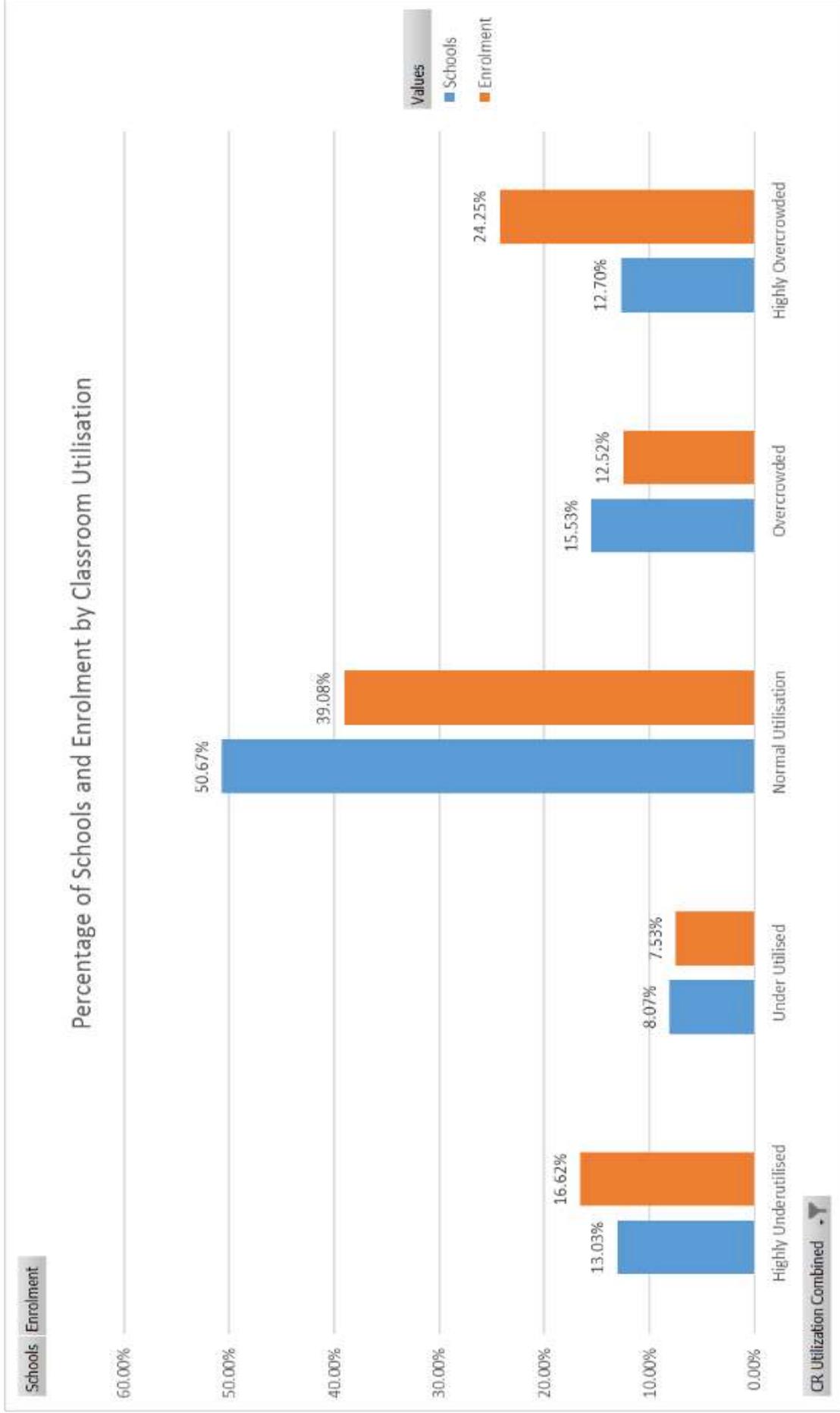


Figure 14: Classroom Utilisation by Phase
 * Figures extracted from the Annual Survey for Ordinary schools as on 3 March 2015

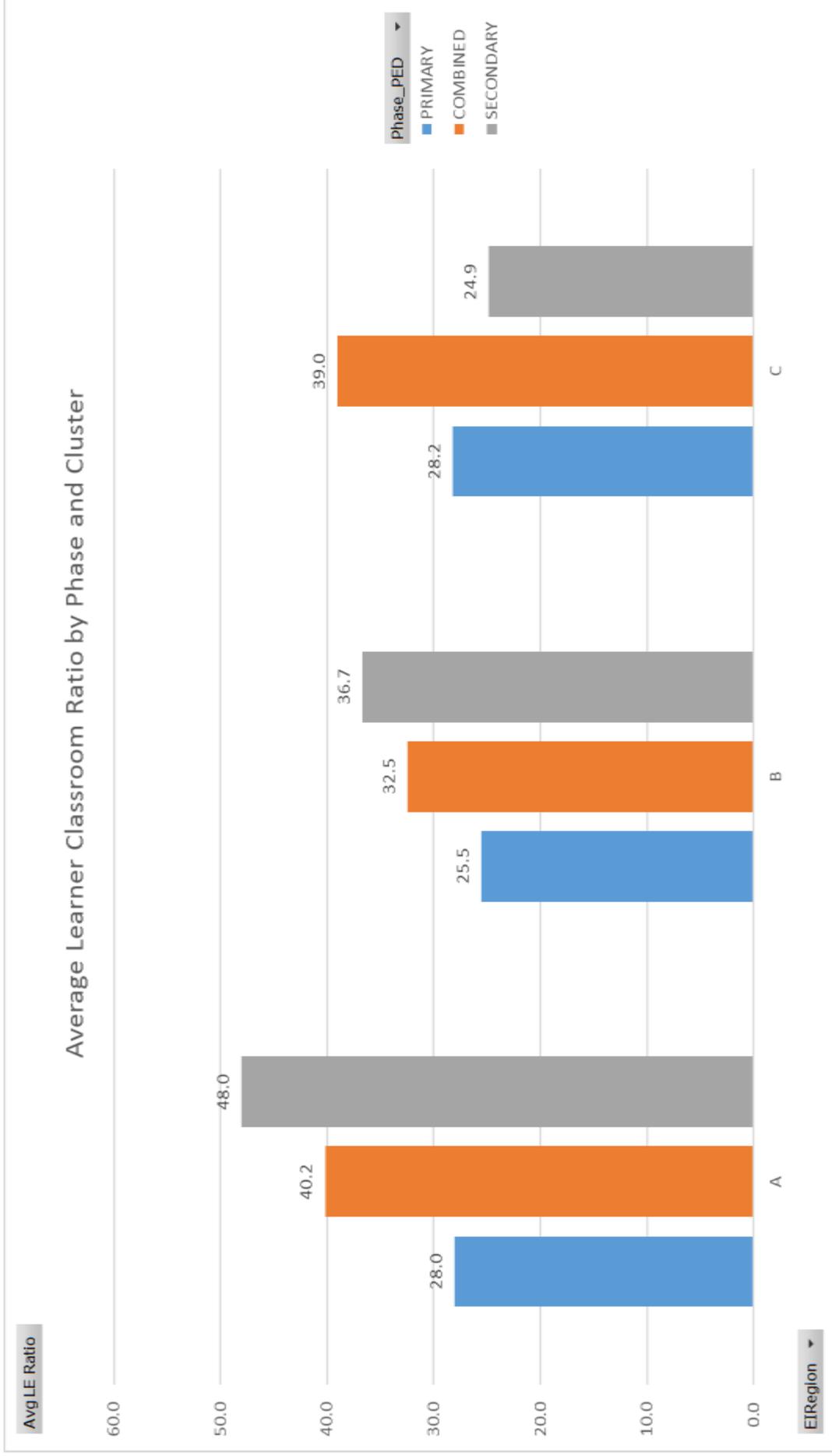
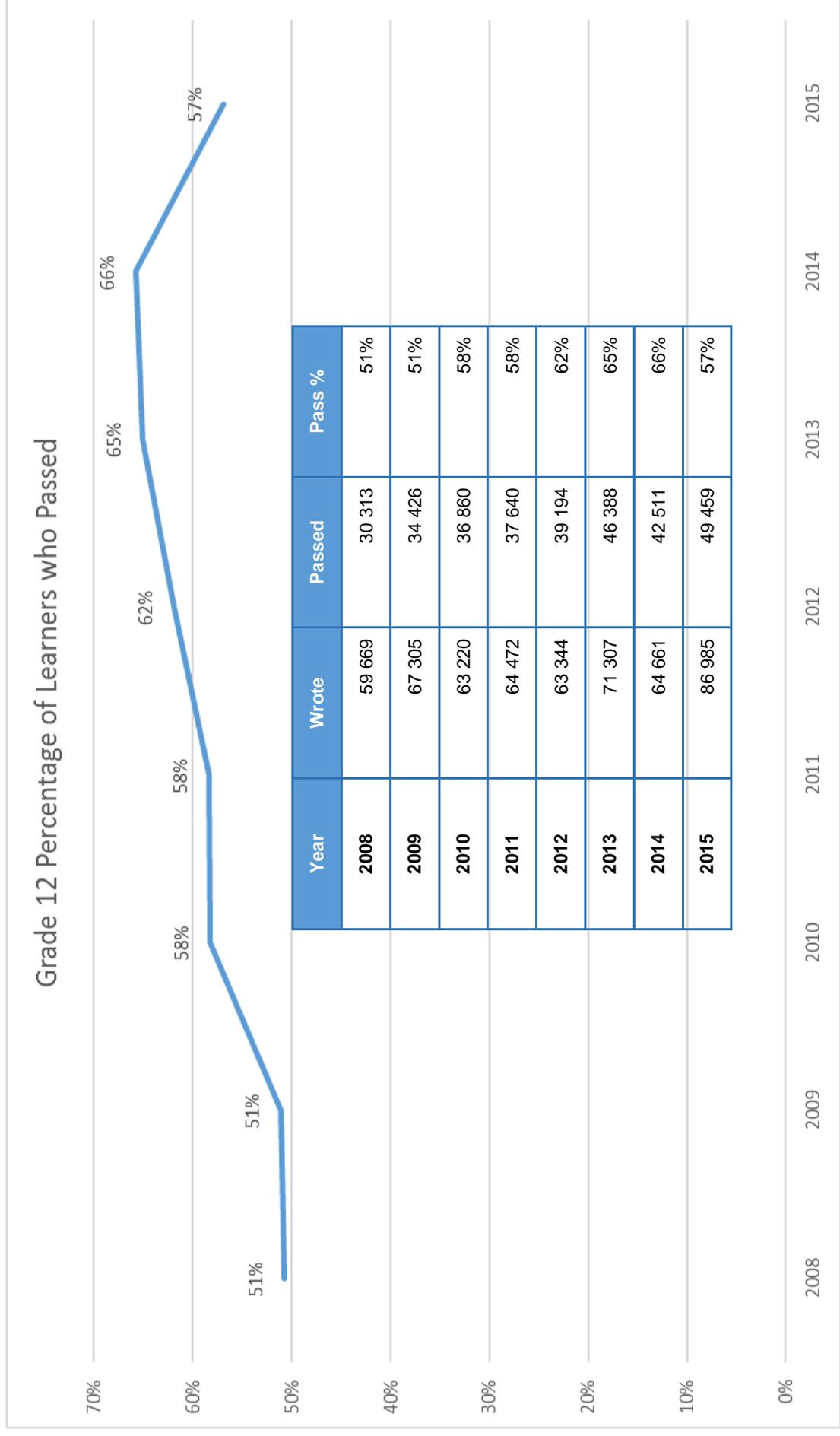


Figure 15: Grade 12 Performance from 2008 to 2015
* Figures extracted from NSC data as at 31 January 2016
The graph and table show that Grade 12 (Matric) pass rate was 57% in 2015 and 43,1% in 2007.



2.2. Service Delivery Improvement Plan 2015 - 2017

Performance Delivery Environment

Although there were some improvements in the quality of teaching and learning in the Province since the introduction of the Annual National Assessments (ANA), the biggest service delivery challenge that confronted the Basic Education Sector in the country in general and the Province in particular still remained relatively poor quality of education in seventy to eighty percent of public schools as was the case for the previous five years. The poor quality of teaching and learning was validated by numerous studies and evaluation such as ANA, the 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 the focused orientation of the last two financial years towards achieving Government's apex or number one national policy outcome of Quality of Basic Education by 2030, focussing on schools and districts that performed below 50% in the 2014 ANA and 60% in the 2014 NSC examinations.

To accelerate the implementation of the National Strategy of Learner Attainment (NSLA) in these schools and districts there was an increased focus on Teacher Development for those teachers in:

- Curriculum Management and Delivery;
- Resourcing Schooling;
- Financing Education;
- Human Resource Demand, Supply and Utilization;
- Infrastructure Management and Delivery; and
- Leadership, Management and Administration of Education.

ANA was 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* for the nine Provincial Education Departments (PEDs), the Department decided on the following pass rate targets to be achieved in ANA and NSC by 2019/20, in addition to improving the NSC pass rate from 75% to 85%:

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	between 40% and 74%
Grade 9	Home Language	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%

Key to the improvement of the quality of Basic Education in the Province was greater emphasis on Continuing Professional Teacher Development (CPTD). Other concomitant and/or related challenges were: inefficiencies in the system such as the over-expenditure in the compensation of employees (in particular teachers) due to excess teachers in the system; about 50% were unviable schools as they were very small to small and needed to be rationalised; the functionality of most schools needed to be enhanced through better management and governance; the Department was confronted with 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. Most teachers were not complying with the prescribed tuition time; and there was 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 schools needed to be taken into consideration when existing inappropriate and unsafe structures had to be replaced. A related aspect was the availability of hostel accommodation and learner transport where schools had to be closed down. With the majority of schools having migrated to Section 21 status and thus receiving their school allocation directly, more was done to enhance school management and governance, especially in underperforming schools.

Service Delivery Improvement Plan	
For The Period: 2015-17	
Department: Education	
Reporter: Service Standards Sub-Directorate and all Directorates which 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 Schools <ul style="list-style-type: none"> • 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, Premiers 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 Educations' 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 (2015)	Desired Standards (2016)
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.	<ul style="list-style-type: none"> • 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%) 	<ul style="list-style-type: none"> • 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%)
		<p>Quantity</p> <p>The percentage of learners to achieve the minimum percentages or levels of achievement for 2015 are stated in the service standards above</p>	<p>Quantity</p> <p>The percentage of learners to achieve the minimum percentages or levels of achievement for 2016 are stated in the service standards above</p>

Key Service	Service Beneficiaries	Current Standards (2015)		Desired Standards (2016)	
		Quality	Consultation	Quality	Consultation
		The minimum level of achievement to proceed to the next Grade is stated in the standards above.	Involvement of a wide range of stakeholders, Unions, Higher Education Institutions (HEIs), Provincial office officials, District Officials and school staff in the various processes leading up to the implementation and roll out of ANA.	The minimum quality level or percentage for learners to progress to the next grade is given for all three Grades and Learning Areas in the service standards set out above.	Involvement of a wide range stakeholders, Unions, HEIs, Provincial office officials, District officials and school staff in the various processes leading up to the implementation and roll out of ANA.
		Access	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	Access	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.
		Courtesy	All schools are timeously informed about the nature and times of the assessments. A cross-section of relevant stakeholders is part of this process	Courtesy	Monitoring and support of numeracy and literacy strategy involving all relevant stakeholders
		Openness and Transparency	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, Education MEC's budget and policy speech, the ECDoE Master Plan which was made public through various media releases	Openness and Transparency	Reports on learner performance to all stakeholders including analyses of results through various media releases
		Information	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	Information	Advocacy of the numeracy and literacy strategy through various media to all relevant stakeholders

Key Service	Service Beneficiaries	Current Standards (2015)	Desired Standards (2016)
		<p>focus of attention in the SONA, SOPA address, Education MEC's budget and policy speech, the ECDoE Master Plan which was made public through various media releases</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>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>Redress</p>	<p>Redress</p>
		<p>Value for Money</p>	<p>Value for Money</p>
		<p>Time</p>	<p>Time</p>
		<p>Cost</p>	<p>Cost</p>

Key Service	Service Beneficiaries	Current Standards (2015)	Desired Standards (2016)
		<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 Mathematics – 1 + 4 programme.

Key Service	Service Beneficiary	Current Standard	Desired Standard
Providing content and pedagogical support to all Grade 8 and 9 mathematics educators	(Who will benefit from the service) Educators and learners in grades 8 and 9, National and Provincial Education Departments	<p>Quantity</p> <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>All Grade 8 and 9 teachers and all Grade 8 and 9 learners in the Eastern Cape.</p>	<p>(Desired Standard – 2016)</p> <p>40% of Grade 9 learners and 45% of Grade 6 learners to pass Mathematics in the ANA in 2016</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 1 + 4 to a one plus framework.</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 1 + 4 to a one plus framework.</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 ANA in 2016</p>
		<p>being a 1 + 4 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>An effective and efficient communication system to be implemented at all levels of the District system – District, School Management, Teachers and SGBs</p>
		<p>The programme was adapted to give equal access to all teachers from both rural schools and inner-city ones hence re-arrangement from 1 + 4 to 1 + 9 framework. Furthermore the training on the programme will take place at circuit level rather than district level.</p>	<p>The programme was adapted to give equal access to all teachers from both rural schools and inner-city ones, hence re-arrangement from 1 + 4 to 1 + 9 framework. Furthermore the training on the programme will take place at circuit level rather than district level.</p>
		<p>Access</p>	<p>Access</p>
		<p>Courtesy</p>	<p>Courtesy</p>
		<p>Through the consultative process, access, redress, openness and transparency and information sharing sessions and processes the principle of courtesy was maximised.</p>	<p>Through the consultative process, access, redress, openness and transparency and information sharing sessions and processes the principle of courtesy was maximised.</p>
		<p>Circular 2 dated 21 January 2015 from the Acting Superintendent-General of the Eastern Cape DoE clearly outlines the processes involved in the project, the intended outcomes 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>Circular 2 of 2015 dated 21 January 2015 from the Acting Superintendent-General of the Eastern Cape DoE clearly outlines the processes involved in the project, the intended outcomes 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>Openness and Transparency</p>	<p>Openness and Transparency</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>Circular 20 dated 21 January 2015 from the Acting Superintendent-General of the Eastern Cape DoE clearly outlines the processes involved in the project, the intended outcomes 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>Information</p>	<p>(Desired Standard – 2016 40% of Grade 9 learners and 45% of Grade 6 learners to pass Mathematics in the ANA in 2016</p> <p>Circular 20 of 2015 dated 21 January 2015 from the Acting Superintendent-General of the Eastern Cape DoE clearly outlines the processes involved in the project, the intended outcomes 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>Information</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.</p> <p>This project was adapted from the National model of 1 + 4 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.</p> <p>This project was adapted from the National model of 1 + 4 to 9 + 1 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>

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>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>(Desired Standard – 2016 40% of Grade 9 learners and 45% of Grade 6 learners to pass Mathematics in the ANA in 2016</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>Time</p> <p>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</p> <p>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</p> <p>Proposed budget R16 million</p>	<p>Cost</p> <p>Proposed budget R16 million</p>
		<p>Human Resources</p> <p>The implementation plan involves human resources Provincial Office, District Offices and Schools. All have clearly stated roles and responsibilities</p>	<p>Human Resources</p> <p>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 (MDDTs) for Whole School Evaluation (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, Education Social Support Services (ESSS) personnel).</p> <p>Establishment of teams to monitor and support school improvement interventions.</p>	<p>Schools: Principals, SMTs, SGBs, teachers, Representative Council for Learners (RCLs) and Learners</p>	<p>13 schools per district to be supported by one team of 3 evaluators. Evaluators working over 3days at a school, yielding a total of 280 schools provincially evaluated in a year.</p> <p>Quantity</p> <p>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>Implementation is to be aligned with the quality indicators in Schooling 2030 and the NDP.</p> <p>Quality</p> <p>The following stakeholders in Education will have to be consulted: Members of the QLTC, Social partners, NGOs, Other Departments viz: Social Development, Transport, Safety and Security.</p> <p>Consultation</p> <p>Strong relationships with NEEDU and</p>	<p>13 schools per district to be supported by one team of 3 evaluators. Evaluators working over 3days at a school, yielding a total of 280 schools provincially evaluated in a year.</p> <p>At Provincial level a Chief Education Specialist (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>Implementation is to be aligned with the quality indicators in Schooling 2030 and the NDP.</p> <p>Quality</p> <p>The following stakeholders in Education will have to be consulted: Members of the QLTC, Social partners, NGOs, Other Departments viz: Social Development, Transport, Safety and Security.</p> <p>Strong relationships with National Education Evaluation and Development Unit (NEEDU) and Umalusi to be established.</p> <p>Further consultation with district based Support Services personnel needs to be undertaken.</p> <p>Consultation</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
		<p>Umalusi to be established.</p> <p>Further consultation with district based Support Services personnel needs to be undertaken.</p> <p>Trained MDDTs will give districts and schools access to enhanced monitoring and evaluation processes and feedback to enhance school effectiveness.</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>Access</p>
		<p>The approach more collaborative than individualistic.</p> <p>Communication will be done upfront to include frontline implementers like District Coordination Chief Directors etc.</p> <p>Courtesy</p>	<p>The approach more collaborative than individualistic.</p> <p>Communication will be done upfront to include frontline implementers like District Coordination Chief Directors etc.</p> <p>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>Courtesy</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 built into the concept document approved by the Superintendent -General of Education on 24 March 2014</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 built into the concept document approved by the Superintendent -General of Education on 24 March 2014</p> <p>Openness and Transparency</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
		<p>implementation are built into the concept document approved by the Superintendent -General of Education on 24 March 2014</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>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>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>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</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>Redress</p>	<p>Redress</p>	<p>Once effectiveness is improved, a more efficient schooling system can evolve thereby maximising value for money. 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>Value for Money</p>	<p>Value for Money</p>

Key Service	Service Beneficiary	Current Standard	Desired Standard
		information to craft future interventions in pursuit of continuous improvements. The plan is to have fully functional teams by the end of 2015.	
		Time	Time
		Cost	Cost
		Overall monitoring cost = R777 400 Twenty three district based teams of three members each and a provincial team of 1+ 8.	Overall monitoring cost = R777 400 Twenty three district based teams of three members each and a provincial team of 1+ 8.

Complaints mechanism

Complaints Mechanism	Actual achievements/Challenges
Direct telephone complaints	An upgrade of the telephone system is overdue to be able keep up with the latest technological advances
Email complaints through the website page	This is increasingly gaining traction especially among higher LSM grouping
Automated software response mechanisms through manual of complainant correspondence	This high level software is hampered by the low quality of the departmental internet connection
Walk-in complainants	Customer Care has since been ejected from its offices and currently exists in name only as they do not have office space at head office to field walk in clients

2.3 Organisational environment

A number of inefficiencies continue to plague the Department of Education despite strides taken to rid the Department of these. The management of vacancies has been improved although not significantly according to some stakeholders. This has had a knock-on effect on the ability of the Department to fill a number of otherwise critical posts both in Districts and at Head Office. Shortage or absence of educators with requisite skills in the market has haunted the Department. Inefficient management of vacancies revealed a trend that may pose a threat to organisational stability, inter alia:

- Overall vacancy rate of 33%.
- Senior management vacancy rate of 38%.
- 60% of schools with vacant posts in excess of 12 months.
- Internal Audit, Finance and HR positions that are vacant for more than 12 months.

Budget credibility and stability has been a problem for more than 5 years, with significant challenges that include:

- The ratio between personnel and non-personnel expenditure has deteriorated from 87:13 in 2014 to 90:10 from 2015 onwards and this crowds out providing appropriate budgets and expenditure for essential non-personnel, service delivery expenditure, and personnel over-expenditure,
- A longstanding problem of accruals in both personnel and non-personnel expenditure was tamed in 2015, with all programmes reducing it to its lowest since 2011.
- Poor annual audit outcomes improved to a qualified opinion which still poses a challenge to the compliance issues if the Department is to get an unqualified opinion.

The pervasive issues that affect the Department include the following (with an indication of how they are being addressed):

- Lack of continuity of administrative leadership: since December 2010 five persons acted as Head: Education and there was one permanent appointment. This situation necessarily promotes a short term focus although some of the solutions required are long term. This has been addressed at the top level. The current MEC has been in place since November 2010, a permanent Head of Department has been on special leave since leaving the Department with another Head of Department and an Accounting Officer, thus creating complexity in the administrative leadership. This situation has since been corrected and the Department was left with one Head of Department. The Chief Financial Officer was placed on special leave in this period leaving the position held in an acting capacity. Other SMS posts and various DDGs are in place for each of the various branches of the Department. The highlight was the appointment of a Chief Director to lead the Infrastructure Unit, which has been without senior managers for a long time.
- High levels of vacancies: the vacancy rate is currently approximately 33%. The consequence of this is that activities deemed as 'temporarily not important' cease entirely to be performed and the systems become based on 'short cuts'. There is an increased incidence of acting appointments.

This issue is dealt with through the implementation of the 2012/13 and 2013/14 Annual Recruitment Plans of the Department.

- Highly distributed structure: there are 24 offices (23 districts and head office) responsible for corporate services and teaching and learning activities, each with varying levels of skills, facilities and infrastructure. There are also multiple reporting lines for the district offices. Some of the offices are geographically remote. Under such circumstances it is difficult to build and retain critical mass. This issue is dealt with through the development and implementation of the Service Delivery Model, which was finalised in the 2015/16 financial year, and new Organogram, still under discussion.
- The Department has, understandably, focused on funding for CoE, norms and standards, Learning and Teaching Support Materials (LTSM), etc., for a long period of time and has devoted its available resources almost entirely to these. The consequence is that basic computer systems, amongst other things, are outdated and unreliable which adversely affects work performance. There are current initiatives to collect a status quo of IT needs and then to develop a plan to resource offices in 2016/17 and beyond. This is also dependent on freeing up resources through increased efficiencies in various areas (learner number accuracy, rationalisation of schools, etc.).

A lack of understanding of basic issues and a preference for focussing on 'glamorous issues' and/or too many deliverables, which results in outputs that appear to be reasonable or good but do not have substance and/or are not (fully) achieved/finalised. The revised Turnaround Plan developed at the end of the 2012/13 financial year prioritises two key outcomes: an improvement in learner and audit outcomes.

- In 2015/16 a revised Turnaround Plan was developed which has a primary mandate of generating and mobilising resources around a basket of key, prioritised turnaround goals/objectives/outcomes and targets to address decisively the administrative, management and systemic challenges of the Department in the next five years and enforcing accountability and performance management. This plan has reinforced and driven the Departmental philosophy and posture that ensures that the Department moves from "Policy to Practice", "Theory to Action", that there is a "Sense of Urgency" on key tasks/deliverables to be achieved and that there is "Impatience with Non-Compliance/Poor Performance" and "Consequence management". The position of the Provincial Department in the reporting period has been that it had to face two main challenges, which were poor learning outcomes, and negative audit outcomes from the Auditor General (AG). These main challenges were responded to in various ways, including: 1) Learner Attainment Improvement Strategy (LAIS) (specifically 2012 LAIS Summit resolutions) and 2015/16 Audit Intervention Plan. This Plan's outcomes, objectives and deliverables/targets were therefore within two key areas, Improving Learning Outcomes and Improving Audit Outcomes. More specifically, this Plan highlighted various targets linked to the following goals/objectives:
 - Improved compliance with relevant policy and instructions,
 - Improved accountability and consequence management,
 - Improved leadership, management and administration of the Department,
 - Transformed classrooms and adherence to the minimum required teaching time for educators,
 - Improved learner performance,
 - Increased provision of information and reporting, and
 - Improved mobilisation and community involvement at school level.

This plan builds on lessons learnt from the implementation of previous turnaround plans. It reinforces gains made and existing Departmental plans such as the yearly resolutions/ updates to the Learner Attainment Improvement Strategy (LAIS), the 2014/15 Audit Improvement Plan, the Back to Basics Campaign, and various turnaround initiatives for Human Resources, Supply Chain Management, Internal Audit and Risk Management. Rather than list a plethora of key interventions (which are necessary, given the nature and extent of all the challenges facing the Department), this Plan highlights a limited number of key outputs and targets that are as a minimum, to be focused on in next five years by various key role-players within the Department from the MEC to school principals, who were held accountable for its effective implementation. Expertise was brought in to assist in handling/ managing, if necessary, key turnaround tasks, including clearing backlogs. The primary responsibility to drive progress and implementation on this revised Turnaround Plan rested mainly with the HoD and Deputy Director Generals (DDGs). Regular progress reports and quarterly monitoring meetings were held with various internal and external stakeholders such as the Audit Committee, relevant clusters/ Cabinet

Committees, section 100 (1)(b) structures, Provincial Executive Council as well quarterly to SCOPA and the Education Portfolio Committee.

There was a much improved delivery in the various areas that initially gave rise to the need for the Section 100 (1)(b) national intervention. There was a drastic improvement in the governance structures of the Department including the full restoration of decision-making and decision management in the Department as well as improved communication and participation in the management of the workload with all levels of staff, including with organized labour. Other head office and district governance structures relating to the work of each branch and for key internal administrative oversight structures for service delivery areas such as LTSM, HR, Labour Relations, and Infrastructure were also being put in place and met weekly. While much more attention is still needed to improve work relations, productivity, communications, and customer care and work culture, a new hope was slowly arising in the Department towards the beginning of 2016, despite being damped by the drop in learner performance in Grade 12 from 66% in 2014 to 57% in 2015. This hope for improvement in the coming year brought significant change of attitude and approach.

2.4 Key policy developments and legislative changes

No key policy developments and legislative changes were effected during the period under review.

3. Strategic Outcome Orientated Goals

- Strategic Goal 1:** Equitable access to education and resources
- Strategic Goal 2:** Quality of teaching and learning improved at all educational institutions
- Strategic Goal 3:** School functionality improved for learner achievement at all levels
- Strategic Goal 4:** Organisational capacity enhanced through human resource development and talent management
- Strategic Goal 5:** Social cohesion promoted through cooperation with all stakeholders in education
- Strategic Goal 6:** Efficient administration through good corporate governance and management

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 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
	SO 2.2 To increase the percentage of Grade 3, 6 and 9 learners performing at required levels in Language and Mathematics
Strategic Goal 2 Quality of teaching and learning improved at all educational institutions	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

Strategic Goal(SG)	Strategic Objectives (SOs)
	To improve systems for monitoring of learner performance, administration of assessments and utilisation of examination question banks across the system
Strategic Goal 3 School functionality improved for learner achievement at all levels	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
	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 functional schools
Strategic Goal 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
	SO 4.2
	To develop the skills of the Department workforce at all levels
	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
Strategic Goal 5 Social cohesion promoted through cooperation with all stakeholders in education	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
	SO 5.3
Strategic Goal 6 Efficient administration through good corporate governance and management	SO 6.1
	To stabilise financial management across the organization 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

4. Performance Information by Programme

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.
- Turning around Human Resource and Supply Chain Management.
- Implementation of leave management project.
- Strengthening of Communications and Customer Care.
- Review and formulate appropriate responses to internal and external requests for information and also Management Performance Assessment Tool (MPAT) findings.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

- The strategic objective of this programme is to provide governance, financial management and assurance services. The management of the programme includes public funded goods, services and resources, in particular non-educators and office items, utilised for governance, management, research and administration in the provincial head office, districts and circuit offices.
- The Department was confronted with abnormally high levels of accruals at the beginning of the 2015/16 financial year which was reduced by 86% as at 31 March 2016. The long outstanding leave gratuity payments were reduced. Vigorous management of compensation of employees' expenditure has seen the placement of 2 576 additional educators in substantive vacant posts and further placement of 923 educators from the Funza Lushaka bursary holders, provincial bursary holders and temporary educators.
- The Internal Control Unit (ICU) within the CFO Branch has been strengthened to act as gatekeepers for compliance with policies and procedures. The Department permanently appointed a group of employees who had previously been working in the unit as interns. Middle managers had been appointed on a three year contract basis pending the finalisation and implementation of the new organogram.
- Multi-disciplinary teams continued to provide monitoring and support services to circuits and schools and are starting to yield positive results on improved communication and quality of data from school level. This function has not been left to Circuit Managers/Education Development Officers (EDOs) alone but the teams also include officials who are specialists in various areas that include corporate services, curriculum and governance. The acquisition of an additional 40 GG vehicles to act as pool cars assisted in strengthening support to circuits and schools.
- Consistency continues to be maintained in holding monthly and quarterly accountability meetings per Cluster for Districts and per Branch at Head Office and is done to set the tone on accountability, compliance with policies, procedures and identification of potential risk areas that need intervention to work towards enhancing service delivery and improving the audit outcome.
- The Department has also managed to ensure that Bid Committees are operational and effective to facilitate expenditure and cash flow management by ensuring that tenders are finalised and awarded, thus improving service delivery.
- The Department was able to ensure that 5 534 public schools implemented the South African Schools Administration and Management System (SASAMS) and this then facilitated improvement in electronic reporting by schools, which resulted in an improvement in data collection from schools. 5 534 schools were able to consistently submit electronic reports throughout the year.
- The MEC and the Acting HoD continued to meet with the various stakeholders (Principals, SGBs, and Traditional Leaders) to strengthen the policy of education being a societal matter. This has resulted in the realignment, merger and closure of unviable schools, and at the same time ensures that learners receive basic education as intended and maximising the available resources up to school level to enhance quality education.
- There was a completion of a number of internal partnership projects within ICT across various programmes which included UNICEF, Vodacom, and schools connectivity and email addresses.

Strategic Objectives and Programme Performance Measures

Programme 1 : Administration						
Strategic Objective	Programme Performance Measure (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation
SO 3.5 To improve systems for effective management and administration of schools	PPM 101: Number of public schools that use the school administration and management systems to electronically provide data to the national learner tracking system.	5 422	5 534	5 207	-327	The outstanding schools did not adhere to the required submission schedule as stipulated in the submission circular. Operational issues that were encountered were databases being infected with viruses and being rendered corrupt and databases becoming very large and not being able to be uploaded in time to the Provincial warehouse due to a manual upload process that had to take place. Some of the schools were also registered in 2015 but will only become operational after April 2016 and will therefore not have a submission.
	PPM 102: Number of public schools that can be contacted electronically (e-mail).	5 422	5 534	5 534	-	The target was met.
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.	15%	16%	20%	4%	The over-achievement in relation to this milestone is due to the level of personnel exiting the system through natural attrition and delays in the implementation of the Annual Recruitment Plan
	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.	10 434	11 298	9 219	-2 079

Strategy to overcome areas of under-performance

The areas where underperformance was realised are outlined in the table above. Below is a description of the strategies to overcome underperformance in these said areas.

PPM	Strategy to overcome under-performance
PM 101: Number of public schools that use the school administration and management systems to electronically provide data to the national learner tracking system.	A Circular will be issued to schools to reinforce compliance with regular submission and in cases where the database has grown to an unmanageable size tools will be adapted to minimise the size and to report the data timeously. The antivirus programme at schools will be updated regularly.
PPM 104: Number of schools visited by district officials for monitoring and support purposes.	The target will henceforth be set based on the final budget allocation for the procurement of vehicles and filling of vacant posts. Visits will also be based on a categorisation of high to low risk schools in terms of performance.

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 2015/16 (R'000)
1.1. Office of the MEC	(721)
1.2. Corporate Services	269 446
1.3. Education Management	143 194
1.4. Human Resource Development	3 228
1.5. Education Management Information Systems	2 828
Total expenditure	417 975

The budget increase under this programme was mainly in sub-programme 1.2 (Corporate Services) to provide for long outstanding legal costs, claims from the Department of Justice and Microsoft license claims and to strengthen multi-disciplinary team support by acquisition of GG vehicles. A budget increase was also recorded under sub-programme 1.5 (EMIS) to ensure that support to schools reached a target of 5 544 for the number of schools that must use SASAMS to provide data to the national learner tracking system.

Sub-Programme Expenditure

Sub-Programme Name	2014/2015			2015/2016		
	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	7 445	8 721	(1 276)	5 788	6 509	(721)
Corporate Services	1 030 099	919 516	110 583	1 346 121	1 076 675	269 446
Education Management	1 103 544	1 224 319	(120 775)	1 257 791	1 114 597	143 194
Human Resource Development	9 762	6 149	3 613	8 213	4 985	3 228
Education Management Information Systems	39 448	31 593	7 855	42 783	39 955	2 828
Total	2 190 298	2 190 298	-	2 660 696	2 242 721	417 975

Reasons for under or over-expenditure

The amount appropriated for the programme in the 2015/16 financial year is R2 660 billion. The programme spent R2 243 billion (84% of the budget).

The under spending is R417 975 million at year end and can largely be found in most sub programmes with the exception of the Office of the MEC. The bulk of the under-expenditure is in Corporate Services (R269 446 million), followed by Education Management (R143 194 million), HRD (R3 228 million) and EMIS (R2 828 million). In terms of economic classification, under spending is recorded in CoE, Goods and Services and Machinery and Equipment.

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)* (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 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: Organizational 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:

Public Ordinary School Education (Primary and Secondary):

- Ensure that eligible learners continue to benefit from the “No Fee Policy” despite inability of the Department to live up to the required norm of per capita funding.
- Monitor and control the utilisation of funds transferred to schools in terms of the Norms & Standards for School Funding.
- Provide quality Learner and Teacher Support Material (LTSM) to all Public Ordinary schools in the Eastern Cape.
- Increase access to high quality teaching-learning materials, by increasing the number of schools supplied with media resources.
- Provide hostels to a cluster of schools to mediate and supplement access to education.

-
- Strengthen leadership, management and governance of schools to enhance school functionality for Effective Teaching and Learning.
 - Ensure holistic development of learners through School Enrichment Programmes by:
 - Promoting positive values and attitudes amongst learners through properly coordinated school portals.
 - Mobilising school communities for effective and functional schools by eliminating crime and violence.
 - Consolidating partnerships to eliminate drugs and substance abuse in order to make schools places of safety.
 - Enhanced teaching and learning by:
 - Improving the competency and capacity of school principals.
 - Providing Inclusive Education and incremental placement of Teacher/Therapeutic Assistants to support learners experiencing barriers to learning.
 - Improving the capacity of Full Service Schools as resource centres to public ordinary schools to maximise chances of learner screening and assessment in public ordinary schools through the Screening, Identification, Assessment and Support (SIAS) Policy.
 - Integrating ICT into teaching and learning by increasing learner access to multimedia resources and ICT infrastructure.
 - Improved Learner Attainment through implementation of a provincial learner attainment strategy.

Human Resource Development:

- Create a dedicated, responsive and productive public service through focused interventions.
- Create optimal conditions for the supply and retention of critical and scarce priority skills.
- Maintain a dynamic education sector workforce with extensive capacity to continuously adapt to change.
- Improve the quality of teachers' work in key subject areas in order to improve learner performance and achievement, with special focus on:
 - Enhanced professional and technical capacity of educators to improve learning outcomes.
 - Increased number of educators trained and developed in Literacy/Language content and methodology.
 - Increased number of educators trained and developed in Numeracy/Mathematics content and methodology.
 - Enhanced teaching of Mathematics and Sciences in senior secondary schools.

School sport, culture and media services:

- Establish schools as centres of community life through mass participation of learners in school enrichment programmes.
- Promote positive values and attitudes amongst learners through properly coordinated school sports.
- Community mobilisation for the effective functioning of schools through elimination of crime and violence.
- Consolidate the efforts to eliminate drugs and substance abuse to make schools places of safety.

Conditional Grants:

To provide for projects under programme 2 specified by the Department of Basic Education and funded by conditional grants:

- To provide a nutritious meal to all targeted learners on every school day through the National School Nutrition Programme (NSNP).
- Manage and monitor the NSNP so that it continues to benefit learners in Quintiles 1-3 ("No Fee") Public Ordinary Schools, including attached Grade R and targeted Special Schools through daily serving of quality nutritious meals that cover even pre-arranged extra formal structured classes.
- To improve the participation and performance of learners in Mathematics and Physical Sciences in line with the National Strategy for Mathematics, Science and Technology Education (NSMSTE).

- To improve the capacity to contribute to the skills development training in the country by building new workshops, refurbish existing workshops, provide equipment, machinery and tools and to train and up-skill teachers.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Overview

Programme 2 is responsible for the provisioning of access to quality public Basic Education in Grades 1 to 12. Key to achieving the ideal of quality public basic education for all is adequate resourcing of teaching and learning through:

- Funding and resourcing of public ordinary schools at required norms and standards.
- Declaration of No Fee schools to mitigate the impact of poverty on schools in economically depressed zones.
- Universal access to textbooks by ensuring that every learner has a book for every learning area.
- Provisioning of School furniture and other teaching and learning requisites.
- Monitoring and evaluation to assess impact of programmes and interventions in schools.
- Enhance learning capacity of children through provision of nutritious meals on all schools days through NSNP.

Key Achievements

Major progress was made to overcome the historic challenge of redress, equity and transformation in the Department. Universal access to public education improved quite considerably in the last three financial years, with;

- 1 781 041 children accessing public education.
- 1 599 046 children attending No Fee school across the Province.
- 68 237 learners accessing a scholar transport services.
- 1 745 991 children accessing a nutritious meal on every schooling day.

Per Capita funding improved commendably in the last financial year, with per capita expenditure matching the gazetted national norms and standards. Funding per learner remained within the national funding thresholds at R 1 177.

Timeous declaration of posts for schools was a major achievement in 2015, with schools receiving their post allocations on schedule. However, the Department had to manage the absorption of teachers additional to the establishment by cutting the basket to the required levels. This has caused a lot of uproar with teacher unions claiming that the standard of teaching and learning is being compromised. However, teacher- pupil ratios in the Province are within the national norms.

Teacher demand and supply was a huge impediment in the last financial year due to high attrition rates in the system and the short supply of qualified teachers in gateway subjects of Mathematics, Physical Science, Accounting and Languages. In the period between January 2015 and June 2015, the system lost a total of 2 343 teachers, with 1 105 (47%) of these leaving the system through resignations.

The Department took extra-ordinary steps to close the gap, and to that effect 495 Principal posts, 2 337 Deputy Principals and HoD posts were advertised and subsequently filled through open bulletins. Moreover, the Department had set up a technical support unit, the Central Payment Centre, to improve on turnaround times for appointment and payment of new teachers. Salary pay-outs have subsequently been increased, with a significant drop in error rate from 0,7% to 0,4%.

Professional development of teachers

Teacher development programmes are continuously taking the centre stage. The Certificate in Senior English Language Teaching (CiSELT) Programme has been assisting 4 555 teachers and Subject Advisors with content and methodology in the teaching of English First Additional Language (EFAL). This is in line with efforts to improve the National Senior Certificate (NSC) results to recapture the confidence of the parents and learners in the public schooling system.

Other than continuing students at various institutions of higher learning, the Department awarded 327 new intake bursaries to new student holders including unqualified teachers. With regarding to the implementation of the Continued Professional Teacher Development (CPTD) management system, 712 Post Level 1 lead teachers have been orientated and signed up, and in turn expected to orientate and register teachers in their schools; 332 HoD's deposited points with SACE for endorsement; and 32 SMT members from Cradock District were put through an induction programme.

SGB elections

With 2015 being an election year for school governing councils (SGBs), the Department recorded a discrepancy of only 4 (four) schools that were wrongly elected after embarking on training of all Districts. In collaboration with the Department of Basic Education (DBE), 356 principals were put through a programme on curriculum management.

Provisioning of teaching and learning support material

The delivery of stationery to schools was completed by the end of November 2015, with schools receiving and certifying the correctness of their orders. There were reported cases of schools receiving orders when they had opted out of central procurement, and this is under investigation. Textbooks orders for 2016 were limited to Grade 11 Literature, Grade 11 LSEN and Grade R readers, and orders were issued to Publishers to deliver to schools. The original scope of the project was for only Grade R materials and Grade 11 set works and these were delivered fully within the allotted timeframes. In February and March 2016 new official orders for supply and delivery of CAPS Top Up to schools were placed with Publishers.

National Senior Certificate

The performance of the Class of 2015 performance declined significantly from 65.4% to 56.8%, an 8.6% decline from the previous academic year. Umalusi, the quality assurance and certification body for schools, also observed that learner performance in 2015 had departed quite significantly from the average historical learner performance profile. As a result adjustment to learner marks were quite unprecedented. However, the general performance of learners exhibits interesting trends, with increases in:

- Distinctions from 11 517 in 2014 to 14 974 in 2015,
- Bachelors passes from 13 435 in 2014 to 15 291 in 2015,
- Diploma passes from 18 339 in 2014 to 20 055 in 2015, and
- Higher Certificate passes from 11 958 in 2014 to 14 120 in 2015.

Integration of ICT into teaching and learning

The Department is building a growing portfolio of e-learning platforms made possible by various partnerships with NGOs and the private sector. One such partnership is the Cofimvaba Technology for Rural Education and Development (Tech4RED) initiative spearheaded by the Department of Science and Technology (DST) in partnership with the Department of Basic Education (DBE), the Eastern Cape Department of Education (ECDoE) and the Department of Rural Development and Land Reform (DRDLR). The Tech4RED is being implemented in the Nciba Circuit of the Cofimvaba Education District to examine whether and how the introduction of new technologies, as well as technologies that have been tested in other contexts, will contribute to improvements to in the quality of teaching and learning in a rural context.

The biggest partnership intervention on scale was the ICASA project, a partnership with ICASA through licensing obligations for Vodacom, MTN and Neotel. 350 schools have already received ICT equipment from Vodacom and MTN for 2015. The solution provides for connectivity accessories and mobile trolleys with 26 tablets,; a laptop and a printer,; a data projector and an interactive whiteboard. By 2019 more than 800 schools in the Eastern Cape will benefit from this project.

Strategic Objectives and Programme Performance Measures

Programme 2: Public Ordinary Schools							
Strategic Objective	Programme Performance Measure (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation	
SO 1.3: To increase access to inclusive and specialised education and access centres which offer specialist services.	PPM 201: Number of full service schools servicing learners with learning barriers.	26	26	30	4	The target was exceeded.	
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 for ANA of 50% and above (3 & 6) PPM 203: Number of secondary schools with an overall pass rate in ANA of 40% and above (9)	New	786	-	-786	There is no actual achievement because ANA was not written in 2015.	
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 a matric pass rate of 60% and above.	New	594	-	-594	There is no actual achievement because ANA was not written in 2015.	
		518	608	372	-236	The target was not achieved. This decline/deviation can be attributed to the negative impact of progressed learners, small and unviable schools, the slow pace of closing the gap between the high cognitive demands in question papers and the pitching levels of teaching and learning in the classroom. In addition, there was a shortage of teachers.	
SO 1.2: To increase access to education in public ordinary schools	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).	New	54%	21%	-33%	The reason for the underachievement is that the admission and promotion requirements were not adhered to.	

Programme 2: Public Ordinary Schools							
Strategic Objective	Programme Performance Measure (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation	
	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).	New	37%	16%	-21%	The reason for the underachievement is that the admission and promotion requirements were not adhered to.	
SO1.4: To provide infrastructure, financial, material, human resources and ICT to schools	PPM 207: Number of schools provided with media resources.	New	1 112	0	-1 112	The target was not met. At the end of the financial year the delivery of media resources has been done only in Districts	
SO 1.2: To increase access to education in public ordinary schools	PPM 208: Learner absenteeism rate.	New	3%	3%	-	The target was achieved.	
	PPM 209: Teacher absenteeism rate.	New	4%	4%	-	The target was achieved.	
SO1.4: To provide infrastructure, financial, material, human resources and ICT to schools	PPM 210: Number of learners in public ordinary schools benefiting from the "no fee schools" policy.	New	1 599 046	1 599 046	-	The target was achieved.	
	PPM 211: Number of educators trained in literacy/Language content and methodology.	New	3 672	4 080	408	The target was exceeded. The variance is due to SACE signing up of post level 1 teachers, including the training of principals in curriculum management	
SO 4.1: To develop and enhance the professional and technical capacity and performance of educators	PPM 212: Number of educators trained in Numeracy/Mathematics content and methodology.	New	3 672	4 560	888	The target was exceeded. The variance of 888 is due to both pre and in-service teachers enrolled, registered with various Higher Education Institutions (HEIs) for skills training.	

Strategy to overcome areas of under-performance

Diagnosis of learner performance reports points to poor management of the value chain that supports teaching and learning. Key indicators of this problem include poor cognition capabilities of learners, lack of mathematical skills, and failure to deal with higher order questions, poor exposure to content, and poor reading capabilities across the system. This was more pronounced in 2015.

This is complicated by systemic inefficiencies of small and unviable schools that are difficult to resource, as well as failure to place a teacher in front of learners.

The strategy going forward is a three pillar frame of:

- immediate resolution of system constraints that impact on performance,
- launching a basket of interventions that will drive change at classroom level, and
- a flagship of game changers that can mobilise education stakeholders around a common change agenda.

Key binding constraints that require immediate attention are:

- tighter controls over progression of learners,
- rationalisation of small and unviable schools, and
- filling of funded vacancies to address teacher supply and utilisation.

Key interventions to drive change at classroom level are:

- school functionality,
- management of curriculum delivery,
- learner support,
- reading and numeracy in primary schools,
- teacher development and professional support, and
- Mathematics, Science and Technology support program.

A flagship of game changers that will mobilise stakeholder include:

- e-learning and the classroom of the future,
- 560 Schools of the Future, drawn from Quintillee1-3 as beacons of change, and
- school beautification, focussing on basic minimum infrastructure, and safety.

PPM	Strategy to overcome under-performance
PPM 202: Number of primary schools with an overall pass rate for ANA of 50% and above.	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 203: Number of secondary schools with an overall pass rate in ANA of 40% and above.	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 204: Number of secondary schools with a matric pass rate of 60% and above.	A turnaround plan was developed targeting 560 schools that must provide a 60 percent plus pass rate.
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).	To launch an advocacy and awareness campaign for parents to enrol their children at the appropriate age in Grade R. To monitor and manage the transition of learners from the Foundation to Intermediate Phase through intensive implementation of English across the curriculum. Strengthening the implementation of the Screening, Identification, Assessment and Support (SIAS) Policy
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).	To launch an advocacy and awareness campaign for parents to enrol their children at the appropriate age in Grade R. To monitor and manage of the transition of learners from the Intermediate to Senior GET Phase through intensive implementation of English across the curriculum. Strengthening the implementation of the SIAS Policy
PPM 207: Number of schools provided with media resources.	Delivery of the media resources should be done straight to the schools rather than the District Offices. Procurement will be facilitated at the beginning of the financial year to avoid any delays.

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 2015/16 (R'000)
Public Primary Schools	(66 500)
Public Secondary Schools	215 599
Human Resource Development	1 602
School Sport, Culture and Media Services	2 440
Conditional Grants	13 439
Total expenditure	166 580

The programme spent a total of R23.090 billion of the allocated budget (R23.544 billion). The Programme expenditure across the economic classifications is as follows:

- underspent by R166 580 million in the following economic classifications - CoE (R98 068 million) and Goods and Services by R126 236 million, and
- overspent by R9 909 million for Households.

Sub-Programme Expenditure

Sub-Programme Name	2014/2015			2015/2016		
	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	6 274 045	6 415 186	(141 141)	7 490 863	7 557 363	(66 500)
Public Secondary Schools	15 239 053	14 826 535	412 518	14 586 285	14 370 686	215 599
Human Resource Development	62 994	53 986	9 008	87 665	86 063	1 602
School sport, culture and media services	24 431	27 859	(3 428)	30 091	27 651	2 440
Conditional Grant: School	1 007 173	1 000 062	7 111	1 062 438	1 048 999	13 439
Total	22 607 696	22 323 628	284 068	23 257 342	23 090 762	166 580

Reasons for under or over-expenditure

In terms of CoE, the over-expenditure is attributed to 758 educators appointed and authorised in the system between January and March 2016 while Goods and Services over-spending is due to payment of bursaries, training costs and hostel catering which were due in January as well as contractual obligations in the form of photocopier machines and courier services.

At year end the under spending in Compensation of Employees by R98 068 million is due to 5 509 terminations of educators effected in the systems between April 2015 and March 2016. Secondly, it is also related to payments for Rural Incentives Policy which have not been processed due to complicated processes within the Provincial Education Labour Relations Council (PELRC) in identifying qualifying schools hence the budget of R18 million is still not utilised in the 2015/16 financial year. Lastly, the Department has provided R84 240 million for the implementation of the Laptop Initiative Policy, however the policy has not kicked in due to requirements that most educators cannot meet.

With regards to Goods and Services, the under spending of R106 865 million is mainly due to School Furniture, LTSM and Hostel Catering by R100 492 million, R15 246 and R6 316 respectively.

- School Furniture – The school furniture tender was decided at national level however supplier performance was made the responsibility of the end-user, i.e. ECDoE. One of the suppliers failed to perform as expected and ECDoE (Furniture Unit) informed National Treasury at a meeting in August 2015 where a decision was taken to terminate the contract. The ECDoE was given permission to re-distribute the Regency furniture portion of the tender to other performing suppliers in December 2015 at the time when production is lowest as factories are closing for holidays which contributed to the delay in production. Furthermore, the programme received a roll-over of R78 million in December 2015 which was then given to the same performing suppliers. However, the period was too limiting since they had to supply furniture within the same financial year.
- LTSM - Invoices to be paid for services wherein orders were made after the R355 million reprioritised to this item and orders were issued to different suppliers who delivered early this year.
- Hostel Catering – under spending has been caused by slow procurement processes in the districts and funds were centralised whereby head office has to procure for those district experienced challenges. The amount that has been committed has become an accrual and will be paid in the first month of the new financial year.
- The spending of R3.283 million on Machinery and Equipment relates to funding decentralised to districts for schools offering Agricultural Studies to procure agricultural equipment. These funds were not utilised by some districts and have since been centralised. Funds remained unspent will be requested to be rolled over.
- The reason for under-spending is due to the clash between the academic and the financial year resulting in the accruals being paid in the next financial year.
- EPWP contracts were all terminated in January 2016 instead of February and March 2016 due to HR errors and all contracts were recaptured by HR and payments done in April.

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 ICT to schools.

Primary Phase

- Full implementation of Umalusi registration, accreditation and monitoring processes for improved education outcomes in independent schools.
- Complete investigation / verification of the status of registered independent schools for targeted funding in line with policy.

Secondary Phase

- Full implementation of Umalusi registration, accreditation and monitoring processes for improved education outcomes in independent schools.
- Complete investigation / verification of the status of registered independent schools for targeted funding in line with policy.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

The programme entails monitoring compliance of these schools with relevant legislation and policies as well as payment of subsidies to registered primary and secondary schools.

During the year under review, of the total budget R116.317 million allocated, an amount of R115.586 million (99%) was transferred, with 100% of allocated budget in Secondary phase spent and 99% at Primary phase. This shows great improvement in compliance by schools. 106 schools received subsidies with 31 817 learners (22 083 and 9 734 in primary and secondary phase respectively). 93 schools were targeted for monitoring and support. 114 schools were visited. Analysis indicates vigorous / strengthened monitoring and support to schools in Clusters A and B. Continuous monitoring and evaluation of performance throughout the course of the academic year is critical to ensure that these schools meet education quality outcomes and performance standards. There is a continuous increase in educational outcomes as demonstrated by the Matric results as 84.4% in 2015 compared to 76.7% in 2014 was obtained in Grade 12 inclusive of results under IEB.

Strategic Objectives and Programme Performance Measures

Programme 3: Independent School Subsidies						
Strategic Objective	Programme Performance Measure (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation
SO 1.4: To provide infrastructure, financial, material, human resources and ICT to schools	PPM 301: Number of subsidised learners in independent schools.	38 740	42 913	31 817	-11 096	Target was not met. Funds which were allocated could not be transferred to some schools because they did not meet the requirements. There are seven schools that could not be subsidised because they did not meet the subsidy requirements.
	PPM 302: Percentage of registered independent schools receiving subsidies.	New	58%	57%	-1%	Target was not met. Funds which were allocated could not be transferred to some schools because they did not meet the requirement. There are seven schools that could not be subsidised because they did not meet the subsidy requirements.
	PPM 303: Percentage of registered independent schools visited for monitoring and support.	New	50%	100%	50%	Target was exceeded. Vigorous monitoring at district level resulted in more schools visited.

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 301: Number of subsidised learners in independent schools.	Strict and focused monitoring and support through visits and monthly reports validated at district level.
PPM 302: Percentage of registered independent schools receiving subsidies.	Enforce criteria that schools pass rate be equivalent to 70%.

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 2015/16 (R'000)
3.1 Primary Phase	730
3.2 Secondary Phase	-
Total expenditure	730

Sub-Programme Expenditure

Sub-Programme Name	2014/2015			2015/2016		
	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
3.1 Primary Phase	69 447	61 794	7 653	67 448	66 718	730
3.2 Secondary Phase	41 742	48 520	(6 778)	48 869	48 869	-
Total	111 189	110 314	875	116 317	115 587	730

Reasons for under- or over-expenditure

The adjusted budget is R116.317 million and R115.587 million was spent at year end leaving a balance of R730 000. The under-expenditure is due to two (2) schools, Morning Star and Executive Academy that did not comply with the requirements of Norms and Standards.

4.4. Programme 4: Public Special Schools

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	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 ICT to schools.

Key Policy Priorities

The following are the 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, adjusted computers and LTSM.
- Funding transferred to special schools as subsidy.
- School buses to transport disabled learners to and from schools, hospitals and sporting events.

4.2 Human Resource Development

This sub-programme is meant to provide departmental services for the professional and other development of educators and non-educators in Public Special Schools.

Educators and support staff in special schools will be trained in the following programmes:

- The South African Sign Language (SASL) policy has been approved as the first language of deaf learners. The policy is implemented in Foundation Phase, Intermediate Phase, Grade 9 and grade 10.
- Educators and deaf assistants will be trained by Wits University contracted by Seta.
- Educators from schools for the blind will be trained in Level 1 & 2 Braille Literacy and Maths. Those who graduate in Level 2 will be trained in Braille production.

- Educators from schools for intellectually impaired will be trained in autism and those from schools for physically impaired will be trained in Augmentative Alternative Communication (AAC).
- Training for support staff on child care, disability and health issues will continue.

4.3 School sport, culture and media services

This sub-programme provides additional and departmentally managed sporting, cultural and reading activities in Public Special Schools. The following programmes of sport are provided for special schools:

- Sporting programmes for intellectually impaired learners.
- Programmes for deaf and blind learners and physically disabled and blind learners.
- Programmes for deaf learners.
- Music and arts and culture for all disabilities.

Strategic objectives, performance indicators, planned targets and actual achievements

The main purpose of this programme is to strengthen special schools to take up their rightful place as resource centres in line with inclusive education policy. All 42 special schools in the Province must therefore be improved and strengthened so that they can provide quality education for the learners that they serve and their phased conversion to special schools resource centres. These schools, Full Service Schools, are expected to provide special support to neighbouring schools and are also expected to be integrated into District Based Support Teams. In addition to four special schools already serving as Resource Centres, ten additional special schools have been converted into resource centres in the 2015/16 financial year.

As part of strengthening and resourcing special schools, the Department has procured and delivered ten school buses, procured and delivered the minimum package of assistive devices/adapted equipment to four special schools catering for the deaf in preparation for the implementation of SASL in the intermediate phase and grade 10 in 2016/17 and transferred funds to three special schools for the blind to purchase Braille machines. A total of 159 vacant support staff posts including 16 deaf teacher assistants were advertised in the departmental Bulletin and 90% of these posts have now been filled.

To improve quality of teaching and learning in the classroom, 60 educators including teacher assistants from schools for the blind were trained in grade one Braille Literacy (contracted and uncontracted Braille) and Braille Maths and 60 educators and teacher assistants from schools of Severely Intellectually Disabled (SID) learners were trained in Autism.

The Department continued with the programme of supporting schools for the deaf in order to implement SASL curriculum policy as the medium of instruction in Foundation Phase and grade 9. Two workshops on "How I teach SASL in the classroom" were held in two different venues for 80 educators and deaf teacher assistants.

In preparation for the implementation of SASL in Intermediate Phase and grade 10 in 2016, 26 educators including deaf teacher assistants attended an orientation workshop conducted by DBE in Pretoria in November 2015. 180 support staff in special schools were trained in different disability categories and how to handle disabled learners as well as on health issues and first aid.

Strategic Objectives and Performance Measures

Programme 4: Public Special Schools						
Strategic Objective	Programme Performance Measure (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation
SO 1.3: To increase access to inclusive centres which offer specialised services	PPM 401 Percentage of learners with special needs in special schools retained in school until age 16.	100% (9 548)	100%	100%*	-	The target was achieved. The admission is continuous based on screening and identification and the subsequent referral therefore the 100% remains constant.
SO 1.4: To provide infrastructure, financial, material, human resources and ICT to schools.	PPM 402 Percentage of special schools serving as resource centres.	10% (4)	26%	24%	-2%	Twelve special schools were targeted for 2015/16, of the 12, two special schools (Sive and Sunshine) could not be converted into Resource Centres due to incomplete infrastructure upgrades. Learners in these schools were accommodated in inappropriate structures.

*There is currently a shortage of special schools, resulting in some learners not being able to attend school at all. The Department has approved the establishment of six new special schools in 2016/17 in order to address the shortage.

Strategy to Overcome Areas of Under Performance

The target for PPM 401 was met. The underperformance in PPM 402 can be attributed to the deviation in the planned target.

PPM	Strategy to overcome under-performance
PPM 402: Percentage of special schools serving as resource centres.	Five additional special schools, including Sive and Sunshine, will be identified to serve as resource centres in 2016/17

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 2015/16 (R'000)
4.1. Special schools	53 628
4.2. Human Resource Development	329
4.3. School sport, culture and media services	282
4.4. Conditional Grants for OSD Therapists	-
Total expenditure	54 239

Sub-Programme Expenditure

Sub- Programme Name	2014/2015			2015/2016		
	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
4.1. Special schools	526 084	514 077	12 085	644 575	590 947	53 628
4.2. Human Resource Development	2 374	1 789	585	2 442	2 113	329
4.3. School sport, culture and media services	3 669	2 958	711	1 972	1 690	282
4.4. Conditional Grants for OSD Therapists	6 571	6 562	8	2 067	2 067	-
Total	538 698	525 386	13 389	651 056	596 817	54 239

Reasons for under or over expenditure

Special Schools

- Under-spending in this sub-programme is due to the fact that of 159 support staff posts advertised in July 2015, 90% have assumed duties, while 10% are still awaiting approval. While 90% support staff have received appointment letters and assumed duties, 3% of those have not yet received their salaries.
- The second reason for under-spending in this sub programme is caused by the delay in the submission of LTSM invoices by the suppliers.

Human Resource Development

Reasons for underpayment in this sub-programme can be attributed to the delay in the submission of invoices by the University of Pretoria.

School sport, culture and media services

The reason for under-spending can be attributed to the national sporting events which took place towards the end of March 2016.

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 White Paper 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 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 the 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 integrated ECD strategy.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 5 strives to increase access to a quality ECD whereby the Department provides a monthly stipend towards the salary of Grade R practitioners employed by SGBs, and the provision of resources and training to enhance the quality of programmes offered in public ordinary schools with Grade R and selected ECD centres.

In realizing the above, the programme has achieved the following in 2015/16:

- The Department supported SGBs with a monthly stipend of R5 615 towards the employment of Grade R practitioners.
- Stationery packs and Grade R readers were delivered to 4 431 schools.
- Provision of training for the following cohorts of practitioners:

Grade R

- 541 Practitioners graduated with a NQF Level 5 ECD qualification.
- 1 047 Practitioners registered as second years students: Diploma in Grade R Teaching.
- 34 Practitioners registered as third year students: Bachelor in Education (Foundation Phase).
- 1 000 Practitioners registered as first year students: Diploma in Grade R Teaching.
- 515 Practitioners received skills development training on Classroom Management.

Pre Grade R

- The following beneficiaries received training on the National Curriculum Framework (0 to 4 years):
 - 734 Pre-Grade R practitioners,
 - 81 Inter-departmental officials (Provincial Departments of Education, Social Development & Health), and
 - 36 Education stakeholders.
- Four service providers were contracted to train 125 practitioners towards an accredited NQF Level 4 qualification in Early Childhood Development.

Strategic Objectives and Performance Measures

Programme 5: Early Childhood Development						
Strategic Objective	Programme Performance Measures (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2014/2015	Comment on Deviation
SO 1.1: To improve access of children to quality ECD	PPM 501: Number of public schools that offer Grade R	4 463	4 472	4 347	-125	The target was not met. A decline in the number of schools that offer Grade R is attributed to: <ul style="list-style-type: none"> The rationalization process whereby small unviable schools have either closed or merged. Schools, previously recorded with a Grade R enrolment are in the 2016 academic year reporting zero Grade R learners.
SO 2.1: To provide integrated quality ECD provisioning	PPM 502: Percentage of Grade 1 learners who have received formal Grade R education	New	75%	84%	9%	The target was exceeded. A percentage calculation of Grade R learners in 2015 (152 852) against Grade 1 enrolment in 2016 (181 239) resulted in the assumption that 84% of Grade 1 learners received formal Grade R education; the programme exceeded its projected target of 75% by 9%.
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.	New	1.3%	0	-1.3%	The target was not achieved: <ul style="list-style-type: none"> The annual target of 1.3% was based on the number of professionally qualified educators in the system and not those with an NQF Level 4 qualification and above. Currently Grade R practitioners are employed by SGBs. The target will be reviewed once practitioners, who meet entry level employment requirements are employed by the Provincial Education Department.

Strategy to overcome areas of under-performance

PPM	Strategy to overcome under-performance
PPM 501: Number of public schools that offer Grade R	<ul style="list-style-type: none"> Fast tracking the closure of small unviable schools. Intensify campaign to improve Grade R admission to adhere to the NDP of compulsory Grade R in 2019. Ensure schools without suitable infrastructure to accommodate Grade R are prioritized as infrastructure beneficiaries in 2016/17.
PPM 503: Percentage of employed ECD practitioners with NQF level 4 and above.	<ul style="list-style-type: none"> Applicable once practitioners who meet the entry level requirements for permanent employment are employed by the Provincial Education Department. Currently practitioners are employed by SGBs.

Changes to planned targets

None

Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2015/16 (R'000)
5.1. Grade R in Public Schools	74 595
5.2. Grade R in Early Childhood Development Centres	-
5.3. Pre Grade R training	21 049
5.4. Human Resource Development	412
5.5. Conditional Grants	-
Total expenditure	96 056

Sub-Programme Expenditure

Sub- Programme Name	2014/2015			2015/2016		
	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	538 702	388 940	149 762	530 969	456 374	74 595
5.2. Grade R in Early Childhood Development Centres	-	-	-	-	-	-
5.3. Pre Grade R training	7 826	150	7 676	23 478	2 429	21 049
5.4. Human Resource Development	1 985	570	1 415	2 094	1 682	412
5.5. Conditional Grants	-	-	-	-	-	-
Total	548 513	389 660	158 853	556 541	460 485	96 056

Reasons for under- or over-expenditure

5.1. Grade R in Public Schools

Under-spending in public schools with Grade R is largely attributed to challenges experienced with the procurement of resources. Targeted service providers were not contracted to the Department hence a Grade R tender was advertised to be awarded in 2016/17.

5.3. Pre-Grade R

The Pre-Grade R sub-programme under-spending was due to delays in contracting suitable service providers to offer accredited NQF Level 4 training in Early Childhood Development. Subsequently this resulted in the non-payment of a stipend which is offered to attending Pre-Grade R trainees.

5.4. Human Resource Development

Under-spending in Human Resource Development is attributed to lower training costs. The section exceeded the target of 432 trainees by a further 83 practitioners receiving training. The section was unable to utilize the budget available due to the closure of the 2015/16 financial year.

4.6. Programme 6: Infrastructure Development

Purpose

To provide and maintain infrastructure facilities for schools.

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 ICT to schools

Key Policy Priorities

Based on these strategic goals, the Department has developed a number of strategic objectives to give effect to them. Some embody a direct infrastructure commitment, and these strategic objectives are listed below:

- Progressively eradicate inappropriate and mud structures and other infrastructure at Public Ordinary Schools in line with Minimum Uniform Norms and Standards for Public Service Infrastructure (MUNSPI).
- Ensure that all schools have basic services and meet basic safety requirements in line with the MUNSPI.
- Progressively provide appropriate Grade R facilities at schools in line with the MUNSPI.
- Provide intervention in cases of disasters or emergencies.
- Monitor the 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.

Strategic objectives, performance indicators, planned targets and actual achievements

- The MUNSPI for public school infrastructure came into effect in November 2013, effectively giving a definite framework, timelines and guidelines for infrastructure planning and delivery. Using 2013/14 as a baseline year, progress will be determined during the 2016/17 year to accommodate assessments done by ECDoE.
- The Department submitted the 2016/17 User Asset Management Plan (U-AMP) on time and has scored 62% in the assessment by the Department of Basic Education (DBE) and National Treasury.
- The Department has managed to allocate further funds to a number of rural hostels, which featured in the *Daily Dispatch* some time back and electricity upgrading and equipment has been provided.
- There has been an improvement in the alignment of our backlog with the Accelerated School Infrastructure Delivery Initiative (ASIDI) intervention through interactions with DBE. However the challenge of infrastructure for small schools needs to be addressed as a matter of urgency.
- The assessment for all schools is based on data which is uploaded on to the Education Facilities Management Systems (EFMS). The database is 95% accurate and continued updates are done as departmental officials visit the sites.

Strategic Objectives and Performance Measures

Programme 6: Infrastructure Development						
Strategic Objective	Programme Performance Measures (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2014/2015	Comment on Deviation
SO 1.4. To provide infrastructure, financial, material, human resources and ICT to schools	PPM 601: Number of public ordinary schools to be provided with water supply	242	165	123	-42	The reason for the variation is that the bulk of new projects were affected by delays in implementation. Progress of only 75% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17.
	PPM 602: Number of public ordinary schools to be provided with electricity supply	85	95	42	-53	The target was not met. Delayed implementation had its toll on this performance measure and delayed electrical connections by the Service Provider affected practical delivery of projects on time.
	PPM 603: Number of public ordinary schools to be supplied with sanitation facilities	154	246	107	-139	The target was not achieved due to the fact that the bulk of new projects was affected by delays in implementation. Progress of 40% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17.
	PPM 604: Number of classrooms to be built in public ordinary schools	361	509	249	-260	A progress of 52% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17. The bulk of new projects were affected by delays in implementation.
	PPM 605: Number of specialist rooms to be built in public ordinary schools	78	83	63	-20	A progress of 76% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17. The bulk of new projects were affected by delays in implementation.

Programme 6: Infrastructure Development						
Strategic Objective	Programme Performance Measures (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2014/2015	Comment on Deviation
	PPM 606: Number of new schools completed and ready for occupation (includes replacement schools)	New	24	18	-6	A progress of 75% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17. The bulk of new projects were affected by delays in implementation.
	PPM 607: Number of new schools under construction (includes replacement schools)	New	18	5	-13	A progress of 28% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17. The bulk of new projects were affected by delays in implementation.
	PPM 608: Number of Grade R classrooms to be built	New	84	61	-23	A progress of 76% consisting of a bulk of projects implemented in the 2014/15 was achieved, leaving the rest to be realised in 2016/17. The bulk of new projects were affected by delays in implementation.
	PPM 609: Number of hostels built	New	0	3	3	The projects were mainly refurbishment and upgrading.
	PPM 610: Number of schools undergoing scheduled maintenance	New	21	26	5	The criteria for choosing schools necessitated a school in each of the 23 districts.

Strategy to overcome areas of under-performance

Gains that were made in the year 2014/15 on over-performance were offset by challenges that surfaced in the year under review. Delayed contracting of work in the programme was compounded by changes related to the procurement of professional service providers. Planned targets were therefore affected and the following table deals with how the challenges will be averted going forward.

PPM	Strategy to overcome under-performance
PPM 601: Number of public ordinary schools to be provided with water supply	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 602: Number of public ordinary schools to be provided with electricity supply	A forum that involves the main role-players i.e. DoE; Eskom & implementing agents to facilitate timeous connections.
PPM 603: Number of public ordinary schools to be supplied with sanitation facilities	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 604: Number of classrooms to be built in public ordinary schools	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 605: Number of specialist rooms to be built in public ordinary schools	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 606: Number of new schools completed and ready for occupation (includes replacement schools)	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 607: Number of new schools under construction (includes replacement schools)	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 608: Number of Grade R classrooms to be built	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.
PPM 609: Number of hostels built	The procurement of Alternative Building Technology (ABT) system has necessitated additional technocrats to speed up the process. Time lost in planning will be gained in implementation.
PPM 610: Number of schools undergoing scheduled maintenance	The use of the infrastructure calendar and the adherence to scheduled activities will result in timeous completion of projects.

Changes to planned targets

None

Linking performance with budgets

The programme showed under-expenditure across all sub-programmes and this is evident in the overall under-expenditure.

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2015/16 (R'000)
6.1. Administration	6 091
6.2. Public Ordinary Schools	(78 354)
6.3. Special Schools	14 841
6.4. Early Childhood Development	57 422
Total expenditure	-

Sub-Programme Expenditure

Sub-Programme Name	2014/2015			2015/2016		
	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	26 407	66 095	(39 688)	30 800	24 709	6 091
6.2. Public Ordinary Schools	849 861	855 116	(5 255)	1 202 527	1 280 881	(78 354)
6.3. Special Schools	200 308	128 496	71 812	70 864	56 023	14 841
6.4. Early Childhood Development	160 516	50 365	110 151	144 014	86 592	57 422
Total	1 237 092	1 100 072	137 020	1 448 205	1 448 205	-

Reasons for under- or over-expenditure

Under-expenditure across all sub-programmes was triggered by delays in contracting of Implementation Agents (IAs) and professional service providers (PSPs). Due to this delay, projects stayed longer in the planning stage at the period when they were supposed to be generating expenditure.

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 <i>Skills Development Act</i> .
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>Conditional Grant Projects: 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 & 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:

Payments to SETA

To provide training or learnerships on the following:

- ICT for both employed and unemployed personnel,
- Leadership and Management for Managers,
- Education, Training and Development Practices (ETDP) for office based staff,
- Mentoring and coaching for all personnel,
- SASAMS for school admin clerks, and
- Financial management for all levels.

Professional Services

- Implementation of Literacy and Numeracy Strategy - ANA Diagnostic Report and EC Improvement Plan Framework (after which develop customized Subject Improvement Plans) - Must be Mediated; How I Teach (Reading Writing and Text based approach). Improve ANA results, especially in Mathematics and Languages in grades 1-9.
- CAPS Implementation - Improved Curriculum Coverage (100%), Address Content Gap (from analysis), Intensify workbooks utilization, Strengthen SBA implementation (Formal Assessment Tasks).
- Subject Committees - Sustain the functionality of Committees to be with special focus on Subject Improvement plans, and Teacher Development - 'How I Teach', Lesson Plans, Common Tests, Formal Assessment Tasks (FATs) & Co-curricular events.
- Under-Performing Schools - use 2011-2014 ANA and Common Tests and conduct roadshows on the utilisation of ANA and how to use them as a leverage to improve results. Focus to be on Mathematics in the Senior Phase. The monitoring and support of 1+4 Senior Phase Mathematics Model.
- Monitor CAPS implementation (including CAPS for Technical Schools) through ensuring curriculum coverage in line with the Annual Teaching plan (ATP)
- Ensure the implementation and credibility of School-Based Assessment (SBA) in Grades 10 -12 through support, moderation and monitoring.
- Improve the frequency and quality of the monitoring and support services provided to schools by district offices and to district by Head office.
- Co-ordinate the implementation of Grades 10 – 12 NSLA / LAIS and Subject Improvement Plans
- Develop learner and teacher support programmes through the functional and vibrant subject committees / professional learning communities and co-curricular activities.
- Improvement of NSC Grade 12 results from current 56, 8 % to 75%.
- Improvement of Bachelor passes from 17, 2% to 25%.
- Improve percentage of learners passing Mathematics and Physical Sciences by achieving 50% and above to 35%

Special Projects

Ensuring care and support, training and development, advocacy of programmes, co-curriculum support, LTSM, monitoring and evaluation, and administrative support as per grant framework.

Co-Curriculum (Peer Education)

- Ensure implementation of Peer Education in 425 schools,
- Enhancing implementation of Comprehensive Sexuality Education (CSE) in 425 schools, and
- Reducing the number of teenage pregnancies in our schools.

Educator Development

- Training of Educators in Sexual Reproductive Health (SRH) and Mainstreaming of HIV and AIDS.

LTSM

- Ensure that schools receive age appropriate and CAPS compliant Life Skills HIV and AIDS LTSM.

Care and Support

- Implementation of CSTL in 1001 selected schools, and
- Implementation of Integrated School Health Policy (ISHP) in 425 schools with special emphasis on deworming and measles alert.

External Examinations

- Conduct, manage and administer credible NSC Grade 12 public examinations, National Assessments (Grades 1-9 & 12) and Provincial Standardised Assessments (Grades 3, 6, 9, 11 & 12), with special focus on strengthening the upholding of examination ethics and eliminate related irregularities.

- 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 (Grades 1-12) in order to provide the schooling sector with timeous information to design appropriate feedback and interventions for improvement.

Conditional grant

- The implementation of the CSTL Framework (Care and Support for Teaching and Learning) has been identified as a key strategy to address barriers to education for children in our schools.
- To enhance the protection offered by schools to prevent and mitigate the impact of HIV.
- To increase knowledge, skills 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.
- Increase HIV, STIs and TB knowledge and skills among learners, educators and officials.
- Decrease in high risk sexual behaviour among learners, educators and officials.
- Decreased barriers to retention in schools in particular for vulnerable learners.
- Schools, districts and provinces have integrated all components of the HIV and AIDS Life Skills Education Programme in to their core work evaluation and reporting system.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Overview

Programme 7 deals with predominantly the planning, monitoring, implementation and support of the teaching, learning and assessment policies and programmes in schools.

Policy imperatives are the key priorities for the year listed under key policy priorities and which are in line with the Premier's State of the Province Address and the MEC's budget and Policy Speech.

The roll-out of these policy imperatives are mainly funded on the number of key constitutionally entrenched priorities as outlined in the MEC's Policy and Budget Speech, State of the Province Address, NDP, the ruling party's resolutions, the ruling parties priorities of 2014 manifesto, the Medium Strategic Framework 2015 – 2019 and the *Action Plan 2019: Towards the Realization Of Schooling 2030*.

The programme ensures that the access to ECD is expanded. This is achieved by ensuring that the number of learners in Grade 1 who have received formal Grade R is increased. Furthermore, this programme ensures the development and promotion of indigenous languages in schools. The investment is in the acquisition of priority skills such as the achievements of high levels of competence in writing, reading and counting by millions of Eastern Cape learners and also improving performance in Mathematics and Sciences from Grade R-12. The Annual National Assessment (ANA) is used as a means to assess the levels of competence of learners in Mathematics and Languages in Grades 1- 9.

The improvement of the number of Grade 12 and university entrance passes as well as improving the quality of NSC results continues to be a provincial goal. The infusion of ICT in improving teaching, learning and assessment will continue to be used as a strategic level to drive the improvement of learner outcomes. Continued rigorous monitoring and evaluation of the performance of the learners in the sector is vital for the on-going sustainability of the programme. Improvement of the quality and the frequency of the monitoring and support services provided to schools and districts continues to be a key priority. Providing qualitative feedback to learners and teachers is essential in this regard. Benchmarking overtime will continue to be sustained.

Payments to SETA

These are for training of teachers and unemployed graduates on ICT learnerships, training of office-based staff on ETD learnerships and funded internship programme.

Teacher Development

- 70 Grade R learners enrolled in Grade R Diploma
- 70 Educators trained on IT End User computing learnership
- 100 Teachers trained on South African Sign Language
- 140 Secondary Educators enrolled in Maths and Science in partnership with the National Education Collaboration Trust (NECT)

Student Access to Higher and Further Education

- 2 340 career guides distributed to grade 10-12 learners mainly among rural schools
- 144 students awarded bursaries for full qualifications
- 224 ECD practitioners received qualifications through RPL
- 220 Learners provide with second chance to improve their Maths results
- 60 Technical Vocational Education and Training (TVET) students placed in Women's Protection and Empowerment (WPE) programs
- 20 (UoT) students places in WPE programs
- 51 (CDO's) placed at TVET Colleges

Youth Development

- 513 unemployed youth placed as school administration assistants in Libode, Mount Frere and a few trained in Cradock
- Among 190 unemployed youth placed in learnerships, 50 are placed in schools in Butterworth.
- Unemployed disabled learners trained in part placed in special schools

Professional Services

The key achievements of Programme 7 was the provincial launch of the Learner Attainment Improvement Strategy (LAIS) which is underpinned by the National Strategy for Learner Attainment (NSLA), addressing the issues of underperforming schools and awarding and acknowledging the best performing schools in the NSC examinations.

The activities carried out by the Curriculum ECD & GET Programme ensured that there was effective delivery of teaching and learning from Grades R – 9. The ANA roadshows were conducted in 15 districts to address GET under-performance over the last three years, to mediate the 2014 ANA Diagnostic Report and to outline the 2015 ANA Improvement Framework. Workshops were conducted for Intermediate and Senior Phases Mathematics subject advisors and teachers to address misconceptions, omissions and errors by learners. The rollout of 1+4 Senior Phase Mathematics programme was successful in all 23 districts. 640 HoDs were trained in Cluster A and B in partnership with GM Foundation.

The provincial teaching awards were successfully conducted in December 2015. The following awards were received at National Teaching awards:

- **Position 1: Excellence in Secondary schools teaching award** was Ms Mzikwana Ntombozuko from Mandela School of Science. She won a brand new car and a cash award
- **Position 1: Excellence in Special Needs and Inclusive Education Teaching Award** went to Dr Townsend Sharon from Merryvale School for Specialised Education, Port Elizabeth district. She won a car and a cash award
- **Position 2: Excellence in Grade R Teaching** went to Ms Mfuywa Mandisa from Didi Senior Primary School, Bizana District. She won a cash award

- **Position 2: The Kader Asmal Excellence Award** went to Mr Preston Vuyisile Maneli, a 79-year-old retired teacher who won a cash award

There was a successful provincial launch of LAIS which is underpinned by NSLA, addressing the issues of underperforming schools and awarding and acknowledging the best performing schools in the NSC examinations.

Provincial Subject Improvement Plans were developed, mediated and implemented in all 23 districts to ensure that all areas of concern were uplifted from the reports and addressed.

The School Based Assessment (SBA) which comprises 25% of learner's final marks (Grades 10 – 12) was closely monitored in the underperforming districts.

Provincial Centralised School Based Assessment (SBA) Moderation was conducted at district level to ensure that the policy prescripts were adhered to at school and district level.

Support has been provided to Grade 10 – 12 learners through a Study Tips booklet entitled "Succeed in Grade 12" with an accompanying poster to monitor Curriculum Coverage. Radio lessons in collaboration with community radios were conducted. A "Topics & Task" booklet was developed and distributed to assist principals, HoDs and curriculum managers in assessing the progress of curriculum coverage in all subjects. The Certificate in English Language Teaching (CiSELT) and Language Across the Curriculum Workshops were conducted to promote proficiency in language.

The Department successfully conducted Freedom Day debates on indigenous languages, State of the Province (SOPA) debates in collaboration with the Office of the Premier, and ensured participation in the SADC essay writing competition. A career expo was held in collaboration with the Office of the Speaker in Kareedouw / Koukamma.

NSC National Top Learner Achiever Awards were announced by the Minister of Basic Education on 5 January 2016. Five Eastern Cape learners were placed in the top 3 positions:

- **Position 1: Quintile 1** schools went to Dobe Mangaliso from Toli SSS, Libode
- **Position 1: In Special School** went to Mdingi Noziphiwo from Efata Special School
- **Position 2: In Physical Sciences** went to Tsengwa Kukhokuhle from St. Johns College, Mthatha
- **Position 2: In combined Maths and Physical Sciences** was won by Tsengwa Kukhokuhle from St. Johns College, Mthatha
- **Position 3: Combined Maths and Physical Sciences** was won by Blackbeard Aviwe from St. Johns College, Mthatha

The quality passes of learners obtaining Bachelor passes is indicating improvements, and the following trends are worth noting:

- The number of learners obtaining Bachelor passes increased by 1 856 from 13 435 in 2014 to 15 291 in 2015
- The number of distinctions increased by 905 from 11 517 in 2014 to 12 422 in 2015

The implementation and monitoring of Senior Phase Mathematics 1+4 model in the province took place. The Department successfully conducted a workshop for 20 Senior Phase Mathematics Lead Teachers on 2D Euclidean geometry constructions. Astro and min Quiz competitions were held. A Careers Awareness Campaign took place at the University of Fort Hare. Mathematics, Science and Technology (MST) conditional grant meetings were held with principals and SMTs of identified schools.

Special Projects

- Advocacy was conducted successfully through Youth Conference / Road shows on Integrated School Health Policy (ISHP).
- Provided LTSM for First Aid to 425 schools and other relevant learner, teachers LTSM.
- Training of Educators on First Aid was conducted for Principals of 425 schools, Learner Support Agent and Learner Support Agent supervisors.
- Nzululwazi S.S.S. in Mt Frere School recorded high learner pregnancy cases and was underperforming. Through intervention and partnering with United Nations Population Fund (UNFPA) the school managed to reduce the rate of learner pregnancy and matric pass rate increased from 66.7% in 2014 to 73.4% in 2015.
- The Eastern Cape is the only province introducing CSE in the country. This is an online training intending to narrowing the gap between education and learning knowledge, HIV and Sexuality Education. Lusikisiki District has won the award for their Soul Buddy's programme.
- Keeping Girls in Schools project in three Districts: Ngcobo, Sterkspruit and King William's Town managed to reach 9 000 female learners in 59 schools. These learners received information on Health related issues, cover information and subject choice. Three Career Jamborees were held in these districts.

External Examinations

The NSC Grade 12 supplementary examination results were released for all candidates who wrote and qualified in the examination. The Province accurately registered 91 810 learners in 2015 compared to 69 294 in 2014, an increase of 22 516 who wrote the Grade 12 National Senior Certificate examinations.

NSC Grade 12, Grade 11, Final and Amended Senior Certificate examinations were administered successfully and results were released. Registration of Grades 1-9 ANA learners were done through SASAMS.

The NSC result release function was successfully conducted on 06 January 2016.

The number of examination irregularities were reduced through intensive monitoring from 72 in 2014 to 55 in 2015. Serious irregularities were reduced from 62 in 2014 to 34 in 2015.

Conditional grant

Successful implementation of CSTL Pillars in 425 schools, dealing with barriers to education regarding:

- 3 868 Orphans and vulnerable children (OVCs) were identified and 1 056 home visits were conducted.
- 559 OVCs with psycho-social needs were referred to social workers and 1 397 learners to the Inclusive Education Section.
- 928 Learners received Identity Documents and Birth Certificates from the Department of Home Affairs.
- 762 Learners received Social Grants
- 5 523 learners were vaccinated with Human Papilloma Virus (HPV), 7113 were screened in Integrated School Health Policy (ISHP) and – 4 803 learners were de-wormed.

Strategic Objectives

Programme 7: Examinations and Education Related Services						
Strategic Objective	Programme Performance Measures (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation
SO 1.2: To increase access to education in public ordinary schools	PPM 701: Percentage of learners who passed NSC	65.4%	75%	56.8%	-8.6%	The reason for the deviation was due to the shortage of teachers, subject advisors and subject planners. Furthermore, only 22% of the progressed learners passed, the language compensation was reduced from 4% to 3% and the standard of questions was higher.
SO 2.3: To increase the number of Grade 12 learners who become eligible for a Bachelors programme at a university	PPM 702: Percentage of Grade 12 learners who obtained Bachelor passes in NSC	20.1%	22%	17.4%	-4.6%	The reason for the deviation was due to the shortage of teachers, subject advisors and subject planners. Furthermore only 22% of the progressed learners passed, the language compensation was reduced from 4% to 3% and the standard of questions was higher.
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% and above in Mathematics	15.5%	27%	12.8%	-14.2%	The reason for the deviation was due to the shortage of qualified Mathematics teachers, subject advisors and subject planners led to the underperformance. Due to the attrition and mobility especially in the rural areas where the majority of Eastern Cape learners are located. This was further complicated by the presence of the progressed learners that were not fully prepared.
	PPM 704: Percentage of Grade 12 learners achieving 50% and above in Physical Sciences	15%	27%	13.8%	-13.2%	The reason for the deviation was due to the shortage of qualified Physical Science teachers, subject advisors and subject planners led to the underperformance. Due to the attrition and mobility especially in the rural areas where the majority of Eastern Cape learners are located. This was further complicated by the presence of the progressed learners that were not fully prepared.

Programme 7: Examinations and Education Related Services						
Strategic Objective	Programme Performance Measures (PPM)	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from Planned Target to Actual Achievement 2015/2016	Comment on Deviation
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 ANA	50.2%	58%	-	-58%	There is no actual achievement because ANA was not written in 2015.
	PPM 706: Percentage of Grade 3 learners achieving 50% and above Mathematics in ANA	54.9%	60%	-	-60%	There is no actual achievement because ANA was not written in 2015.
	PPM 707: Percentage of Grade 6 learners achieving 50% and above in Home Languages in ANA	40.9%	55%	-	-55%	There is no actual achievement because ANA was not written in 2015.
	PPM 708: Percentage of Grade 6 learners achieving 50% and above in Mathematics in ANA	16.2%	50%	-	-50%	There is no actual achievement because ANA was not written in 2015.
	PPM 709: Percentage of Grade 9 learners achieving 50% and above in Home Languages in ANA	20.7%	40%	-	-40%	There is no actual achievement because ANA was not written in 2015.
	PPM 710: Percentage of Grade 9 learners achieving 50% and above in Mathematics in ANA	3.3%	45%	-	-45%	There is no actual achievement because ANA was not written in 2015.

Strategy to overcome areas of under-performance

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

- Support rationalisation of small schools for effective teaching and learning in all subjects. Small schools are not eligible for adequate teachers and Heads of Departments (HoDs) due to smaller numbers of learners.
- Capacitation of subject teachers and HoD's through intensive teacher development initiatives on identified areas of weaknesses in ANA and NSC diagnostic reports and Chief Markers reports.
- Support the re-skilling/development of teachers with identified content knowledge gaps relating to Mathematics and Sciences through upgrading and in service training programmes.
- Track curriculum coverage on regular basis through the use of SASAMS and standardised templates and tools. This is in order to identify and target underperforming schools for support.
- Support/Influence the Fundza Lushaka bursary selection process in order to increase the number of qualified Mathematics and Science teachers.
- Integration of ICT and e-Learning into the teaching and learning processes to enhance content knowledge of teachers and learners in schools.
- Regulate the education sector and areas of operation e.g. set norms and standards for the appointment of Subject Advisors in the District Offices by implementing the Service Delivery Model.
- Intensify the implementation of existing and new strategies such as LitNum, "How I Teach", 1+4 Senior Phase Mathematics Model, LAIS/NSLA and Reading Strategy.
- Manage and strengthen inter-directorate collaborations with Institutional Development Support and Governance (IDS&G). Education Development Officers (EDOs) are well placed in circuits to monitor and support schools on curriculum management.
- Manage and strengthen the partnership programme with Eskom, Telkom, Vodacom, Engen, General Motors, Department of Technology, Stats SA, National Education Collaboration Trust etc. to promote Mathematics, Sciences and reading.
- Strengthen the functionality and resourcing of all schools in accordance with the prescripts of the Curriculum and Assessment Policy Statements (CAPS).
- Support Post Provisioning Norms (PPN) process to address identified systemic challenges such as the shortages of teachers. This shortage contributes to non- teaching of certain subjects and results in underperformance.
- Establishment of Telematic Centres and integration ICT into teaching and learning.

PPM	Strategy to overcome under-performance
PPM 701: Percentage of learners who passed NSC	Strengthening the monitoring and support to schools, intensive intervention programmes for progressed learners, strengthening the teaching and learning in schools and streamlining the curriculum
PPM 702: Percentage of Grade 12 learners who obtained Bachelor passes in the NSC	Strengthening the monitoring and support to schools, intensive intervention programmes for progressed learners, strengthening the teaching and learning in schools and streamlining the curriculum
PPM 703: Percentage of Grade 12 learners achieving 50% and above in Mathematics	Strengthening the monitoring and support to schools, intensive intervention programmes for progressed learners, strengthening the teaching and learning in schools and streamlining the curriculum. The intensification of ICT integration into teaching and learning through different platforms such as mind the gap, telematics centres, incubation weekend classes for Mathematics and Sciences as well as partnerships with the universities and business sector. The intensification of career exhibitions particularly at Senior Phase level.
PPM 704: Percentage of Grade 12 learners achieving 50% and above in Physical Sciences	Strengthening the monitoring and support to schools, intensive intervention programmes for progressed learners, strengthening the teaching and learning in schools and streamlining the curriculum. The intensification of ICT integration into teaching and learning through different platforms such as mind the gap, telematics centres, incubation

PPM	Strategy to overcome under-performance
	weekend classes for Mathematics and Sciences as well as partnerships with the universities and business sector. The intensification of career exhibitions particularly at Senior Phase level.
PPM 705: Percentage of Grade 3 learners achieving 50% and above in Home Languages in ANA	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 706: Percentage of Grade 3 learners achieving 50% and above Mathematics in ANA	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 707: Percentage of Grade 6 learners achieving 50% and above in Home Languages in ANA	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 708: Percentage of Grade 6 learners achieving 50% and above in Mathematics in ANA	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 709: Percentage of Grade 9 learners achieving 50% and above in Home Languages in ANA	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.
PPM 710: Percentage of Grade 9 learners achieving 50% and above in Mathematics in ANA	The Eastern Cape is preparing to set up a Provincial common exam for Grade 3, 6 and 9 which will be at the same standard as ANA.

Changes to planned targets

None

Linking performance with budgets

Sub-Programmes	Over/ Under Expenditure as per Adjusted Budget 2015/16 (R'000)
7.1. Payments to SETA	390
7.2. Professional Services	3 393
7.3. Special Projects	86
7.4. External Examinations	(4 269)
7.5. Conditional grant	400
Total expenditure	-

The programme has spent its entire allocated budget. In the previous year the programme overspent by R20 907 000. The Sub-programme 7.4 External Examination had overspent by R25 178 000 because of the unexpected increase in the number of Grade 12 learners due to the implementation of progression and promotion policy in 2015 which resulted in high marking expenses, increase in the marking tariff and unexpected higher volume of question papers. It must also be noted that all other sub-programmes underspent by between R390 000 and R3 million.

Sub-Programme Expenditure

Sub- Programme Name	2014/2015			2015/2016		
	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	14 166	13 416	750	92 705	92 315	390
7.2. Professional Services	32 185	24 233	7 952	33 425	30 032	3 393
7.3. Special Projects	1 409	381	1 028	1 302	1 216	86
7.4. External Examinations	231 863	242 821	10 958	306 284	310 553	(4 269)
7.5. Conditional grant	37 023	35 795	1 228	35 731	35 331	400
Total	316 646	316 646	-	469 447	469 447	-

Reasons for under- or over-expenditure

Payments to SETA

The amount as per the activity was R92 705 000 and the actual transfer according to the invoices that were submitted amounted to R92 315 000 and that resulted in under-expenditure of R390 000.

Professional Services

The under-expenditure of R3 393 000 was the result of the low spending by the districts.

Special Projects

Several attempts have been made for service providers to submit correct bank details to be captured on the system but without any positive response. Therefore, these were no longer commitments on the system and that resulted in under-expenditure of R86 000.

External Examinations

The overspending of R4 269 000 was the result of unexpected higher number of Grade 12 learners of 91 810 learners in 2015 compared to 69 294 in 2014, an increase of 22 516 learners. This resulted in an increased in the printing and transportation of question papers and other related printing, marking and marking related costs.

Conditional Grant

The under-expenditure of R400 000 is due to the delay in payment of two project officers and one data capturer. The delay of payments was caused by the delay in the creation of posts by HR. Further delays on payment of commitments by the district resulted in under-expenditure.

5. Transfer Payments

5.1. Transfer payments to public entities

The table below indicates transfers made to public entities for the period under review, together with the services rendered and achievements.

Programme	Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Programme 7	Payments to SETA	-	92 315	-	-
Programme 7	Strelitzia High School	Marking of 2014 Grade 12 NSC Supplementary Exams	R1 107 717.47	R1 107 717.47	Grade 12 NSC Supplementary examination scripts were marked and candidates were resorted
Programme 7	Strelitzia High School	Marking of 2014 Grade 12 Senior Certificate (Amended) Exams	R1 482 698.03	R1 482 698.03	Grade 12 Senior Certificate examination scripts were marked and candidates were resorted
Programme 7	Adelaide Gymnasium	Marking of 2015 Grade 12 NSC Exams	R1 474 817	R1 474 817	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Aliwal North High School	Marking of 2015 Grade 12 NSC Exams	R2 007 891	R2 007 891	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Burgersdorp High School	Marking of 2015 Grade 12 NSC Exams	R1 342 101	R1 342 101	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Collegiate High School	Marking of 2015 Grade 12 NSC Exams	R932 635	R932 635	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Craddock High School	Marking of 2015 Grade 12 NSC Exams	R1 723 427	R1 723 427	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Daniel Pienaar Technical High School	Marking of 2015 Grade 12 NSC Exams	R2 137 278	R2 137 278	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Gill College	Marking of 2015 Grade 12 NSC Exams	R1 590 549	R1 590 549	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Graeme College	Marking of 2015 Grade 12 NSC Exams	R1 122 248	R1 122 248	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Grens High School	Marking of 2015 Grade 12 NSC Exams	R1 790 721	R1 790 721	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Kirkwood High School	Marking of 2015 Grade 12 NSC Exams	R854 450	R854 450	Grade 12 NSC examination scripts were marked and candidates were resorted
Programme 7	Nico Malan High School	Marking of 2015 Grade 12 NSC Exams	R1 230 018	R1 230 018	Grade 12 NSC examination scripts were marked and candidates were resorted

Programme	Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Programme 7	Paul Sauer High School	Marking of 2015 Grade 12 NSC Exams	R1 248 612	R1 248 612	Grade 12 NSC examination scripts were marked and candidates were resulted
Programme 7	Phandulwazi Agricultural High School	Marking of 2015 Grade 12 NSC Exams	R1 287 791	R1 287 791	Grade 12 NSC examination scripts were marked and candidates were resulted
Programme 7	Queenstown Girls High School	Marking of 2015 Grade 12 NSC Exams	R1 617 357	R1 617 357	Grade 12 NSC examination scripts were marked and candidates were resulted
Programme 7	St Johns College	Marking of 2015 Grade 12 NSC Exams	R1 178 418	R1 178 418	Grade 12 NSC examination scripts were marked and candidates were resulted
Programme 7	Strelitzia High School	Marking of 2015 Grade 12 NSC Exams	R2 190 941	R2 190 941	Grade 12 NSC examination scripts were marked and candidates were resulted

6. Conditional grants

Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the Department.

6.1. Conditional Grant 1: Maths Science and Technology (MSC) Conditional Grant

Department/ Municipality to whom the grant has been	Eastern Cape Department of Education
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	<ul style="list-style-type: none"> • The grant seeks to achieve its purpose by providing the following outputs during the financial period under review: <ul style="list-style-type: none"> • ICT resources: • Number of schools supplied, with computer hardware in accordance with the minimum specifications. • Number of schools supplied with subject related software in accordance with the minimum specifications. • Number of supplied with broadcasting equipment in accordance with the minimum specifications. • Number of schools supplied with internet connectivity infrastructure (Local Area Network and or Wide Area Network) in accordance with the minimum specifications. • Workshop Equipment, Machinery and Tools: <ul style="list-style-type: none"> • Number of Technical Schools' workshops supplied with equipment for technology subjects in accordance with the minimum specifications. • Number of Technical Schools' workshops supplied with machinery for technology subjects in accordance with the minimum specifications. • Number of Technical Schools' workshops supplied with tools for technology subjects in accordance with the minimum specifications. • Number of schools and districts supplied with Mathematics and Science kits for each phase. • Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> • Number of laboratories supplied apparatus for Mathematics and Science subjects in accordance with the minimum specifications. • Number of laboratories supplied with CAT and IT computer hardware, software and supporting accessories. • Number of laboratories and workshops supplied with consumables for Mathematics, Sciences and Technology subjects in accordance with the minimum specifications. • Learner Support <ul style="list-style-type: none"> • Number of learners registered for participation in Mathematics, Science and Technology Olympiads/Fairs/Expos and other competitions. • Teacher Support <ul style="list-style-type: none"> • 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 Senior Phase Mathematics model intervention model.

<p>Actual outputs achieved</p>	<p>ICT Hardware and Software</p> <ul style="list-style-type: none"> 43 desktops and accessories were provided to two (2) schools. Waiting for invoice in order to effect payment. 38 laptops, data projectors, projector screens and AutoCAD software for Engineering Graphics and Design (EGD) are currently being delivered to 31 Technical High schools. Waiting for invoice in order to effect payment. 31 Photocopier-printer-fax machines (3-in-1) are currently being delivered to 31 Technical High schools. Waiting for invoice in order to effect payment. <p>Workshop Equipment, Machinery, Tools and Consumables</p> <ul style="list-style-type: none"> Mechanical Technology - Equipment, machinery, tools and consumables provided to 4 Technical High schools (Phumelele CTHS in Maluti; Alphantdale THS in East London; Kusile CHS in East London and Mqikela SSS in Lusikisiki). Civil Technology- Equipment, machinery, tools and consumables were provided to 7 Technical High schools (Nzululwazi SSS in Fort Beaufort; Elliotdale THS in Dutywa; Kusile CHS in East London; Sikhoba Nombewu in Cofimvaba; Vulu Valley in Butterworth; Richard Varha SSS in KWT and Cradock HS in Cradock.. Electrical Technology- Equipment, machinery, tools and consumables will be delivered to 1 Technical High school, Sikhoba Nombewu SSS in Cofimvaba. Partial payment of R911 361.60 was processed. <p>Laboratories and Workshop Equipment, Apparatus and Consumables</p> <ul style="list-style-type: none"> 33 FET science kits were provided. <ul style="list-style-type: none"> 39 science kits (grades 4-7) were provided. 39 grade 4-7 Mathematics kits were provided. <p>Learner Support</p> <ul style="list-style-type: none"> A total of 2756 learners were support in 2015/16 as follows: <ul style="list-style-type: none"> 2660 FET learners attended MST careers exhibition. 96 primary schools learners (grade 7) took part in Astro quiz competition finals. 9 000 Mathematics study guides (Grade 10-12) to 60 MST schools. Each school received 150 study guides, 50 per grade. <p>Teacher Support</p> <ul style="list-style-type: none"> 111 Senior Secondary and Primary schools principals, 68 deputy principals, 83 HoDs and 14 teachers' meeting in June 2015. 110 principals from Technical High schools attended the principals' meeting in August 2015. 1 412 teachers and subject advisors in all were trained on content and methodology in MST subjects, namely Mathematics (FET) Physical Sciences, Natural Science, GET Mathematics, Technology, Tech Maths, Tech Science, CAT and IT, Mechanical Technology, Civil Technology and Electrical Technology. 426 Technical subjects teachers and 48 subject advisors were trained. 112 teachers attended the Provincial Science, Technology, Engineering, Mathematics Innovation conference (STEMI) in February 2016. <p>Monitoring of Schools</p> <p>10 Primary schools and 29 Senior Secondary schools were visited for onsite monitoring and support in 2016/17.</p>
<p>Amount per amended DoRA (R'000)</p>	<p>R36 586</p>
<p>Amount transferred (R'000)</p>	<p>R36 586</p>
<p>Reasons if amount as per DoRA not transferred</p>	<p>N/A</p>
<p>Amount spent by the department/ municipality (R'000)</p>	<p>R26 349 (72%)</p>
<p>Reasons for the funds unspent by the entity</p>	<p>Delays in procurement processes of ICTs, Technical equipment, machinery , tools and consumables</p>

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 • Principal's meetings • Regular management meetings with the Chief Director: Curriculum Management to track spending of grant funds
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6.2. Conditional Grant 2: National School Nutrition Programme

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education
Purpose of the grant	To provide nutritious meals to targeted learners for enhancement of learning capacity.
Expected outputs of the grant	A nutritious meal served to 1 745 700 learners
Actual outputs achieved	1 759 301: Public Ordinary Schools = 1 751 931; Special Schools = 7 370
Amount per amended DoRA (R'000)	R1 020 116
Amount transferred (R'000)	R1 020 116
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 017 979 (100%)
Reasons for the funds unspent by the entity	Preparation budget in respect of schools whose quintile status had since been re-ranked could not be transferred as the outcome of that re-ranking process could not be finalised before the end of the financial year, the 2015/16 COE budget has been underutilized because of six (6) Monitors' and
Monitoring mechanism by the transferring department	The Department will strengthen monitoring of adherence to procurement plans as well as cash- flow projections on a monthly basis.

6.3. Conditional Grant 3: Infrastructure Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education
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 room 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"> A total of 123 schools were provided with water supply A total of 42 schools were provided with electricity A total of 107 schools were provided with sanitation A total of 310 classrooms were built in public ordinary schools of which 61 are ECD classrooms A total of 63 specialist rooms were built Refurbishment of 4 hostels
Amount per amended DoRA (R'000)	R1 136 410
Amount transferred (R'000)	R1 136 410
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 136 427 (100%)
Reasons for the funds unspent by the entity	The under-expenditure in this grant is due to the following reasons: <ul style="list-style-type: none"> A systemic problem due to the turnover in management lead to delayed contracting of Implementing Agents and consequently delaying the contracting of projects for construction. An optimal number of active project sites could not be maintained to generate desired expenditure. A number of projects delayed by procurement with IA's – the IA's involved have been addressed & measures are taken to address this
Monitoring mechanism by the transferring department	The Infrastructure Committee chaired by the HOD is where Implementing Agents report on the status of their projects. Dedicated professionals employed in the Infrastructure Directorate monitor the various Implementing Agents.

6.4. Conditional Grant 4: HIV/AIDS Grant

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education
Purpose of the grant	<ul style="list-style-type: none"> • The implementation of Care and Support for Teaching and Learning (CSTL) Framework has been identified as a key strategy to address barriers to education for children in our schools • To enhance the protection offered by schools to prevent and mitigate the impact of HIV. • To increase knowledge, skills confidence amongst learners and educators to take self-appropriate sexual and reproductive health decision. • To increase access to sexual and reproductive health services including HIV services for learners and educators
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 achieved	<ul style="list-style-type: none"> • Successful implementation of CSTL Pillars in 425 schools, dealing with barriers to education regarding: <ul style="list-style-type: none"> • 3 868 OVCs were identified and 1 056 home visits were conducted. • 559 OVCs with Psycho Social needs were referred to Social Workers and <ul style="list-style-type: none"> ▪ 1 397 learners to Inclusive Education Section ▪ 928 Reported learners received Identity Documents and Birth Certificate from Department of Home Affairs ▪ 762 Learners received Social Grants ▪ 5 523 Learners were vaccinated with HPV, 7113 were screened in ISHP and - 4803 learners were de-wormed. • Advocacy: Successful Youth Conference and Road shows on ISHP • Provided LTSM and First Aid to 425 schools and also other relevant learner, teachers support material • Training of Educators on First Aid kit: <ul style="list-style-type: none"> ▪ Principals of 425 schools ▪ Learner Support Agent ▪ Learner Support Agent supervisors ▪ 928 Reported learners received Identity Documents and Birth Certificate from Department of Home Affairs ▪ 762 Learners received Social Grants
Amount per amended DoRA (R'000)	R35 751
Amount transferred (R'000)	R35 751
Reasons if amount as per DoRA not transferred	
Amount spent by the Department/ municipality (R'000)	R35 331 (99%)
Reasons for the funds unspent by the entity	Due to internal delays in the advertisement of posts, the Directorate had a challenge in utilizing the COE Budget. Further delays on payment of commitments by the District resulted in under-expenditure.
Monitoring mechanism by the transferring department	Monthly reporting and Monitoring and Evaluation

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

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education
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	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	Creation of 102 job opportunities in existing sites
Amount per amended DoRA (R'000)	R2 736
Amount transferred (R'000)	R2 736
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R2 170 (79%)
Reasons for the funds unspent by the entity	Human error done by HRA- by terminating all NYS contracts in January 2016 instead of February 2016. All contracts recaptured by HRA and payments done in April.
Monitoring mechanism by the transferring department	The following mechanism was carried out by the Department: <ul style="list-style-type: none"> • Fincom reports • Narrative and Quarterly Evaluation reports

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

Department/ Municipality to whom the grant has been transferred	Eastern Cape Department of Education
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	244 work opportunities created.
Amount per amended DoRA (R'000)	R3 000
Amount transferred (R'000)	R3 000
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R3 379 (113%)
Reasons for the funds unspent by the entity	Human error done by HR by terminating all contracts in January 2016 instead of February and March 2016. All contracts recaptured by HR and payments done in April.
Monitoring mechanism by the transferring department	The following mechanism was carried out by the department: <ul style="list-style-type: none"> • Fincom reports • Narrative and Quarterly Evaluation reports

7. Donor Funds

7.1. 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.

8. Capital Investment, Maintenance and Asset Management

8.1 Capital Investment

The capital investment thrust during the year under review has been a difficult one, characterised by chronic under expenditure of the original R1.823 billion budget, further R530 million was devoted in terms of section 22 of the Division of Revenue Act (DORA) due to anticipated underspending by Treasury. The adjusted appropriation of R1.156 billion was however over spent by R 291.795 million which resulted in a post year virement from unspent funds in the equitable share budget.

The delivery methodology remains largely dependent on Implementing Agents (IAs) leveraging the Infrastructure Delivery Management System (IDMS) as well as service Delivery Agreements with the Department of Roads and Public Works (DRPW). The Department has been able to monitor their performance more closely due to the new professional appointments in the Chief Directorate. The arrival of the newly appointed Chief Director and two new Directors for planning and delivery added even more impetus in this regard and yielding better planning for the 2016/17 budget cycle as well as closer interaction at programme management level.

The year also saw the appointment of:

- Registered Chief Architect, Town Planner and Chief Quantity Surveyor,
- Deputy Director Finance and Property Management, and
- 4 control Works Inspectors and 1 Chief Works Inspector.

Approval for the appointment of 18 Works Inspectors was concluded together with offers being made for a registered Mechanical Engineer and a GIS Technician. Furthermore, the Department has been augmented with extra capacity from the Project Management Office (PMO) establishment agreement with the Eastern Cape Development Corporation (ECDC). This saw more capacity being grafted in in the form built environment and finance professionals, as well as Supply Chain specialists and data capturers to attend to the systems that support the unit.

Having realised the potential for under-expenditure, recovery plans were put into place and implemented, which saw inter alia R171m, R220m and R115m worth of church schools, fencing and school furniture respectively being procured.

Special mention is made for the portion of the fencing for 159 schools which was designed to secure the participation of SMME's at 35%. The Northern Areas of Port Elizabeth were targeted as the main benefactor with a further 79 fencing projects being targeted for delivery in partnership with Meslani (uncertified rural based Artisans). The appointment of service providers for the construction of 23 ECD center projects through the Meslani partnership was achieved while the tender for the cleaning of unusable VIP latrines was issued for service providers to participate in, in particular those that had been skilled through various sanitation pilot projects in the Province.

There was a special closeout programme comprising 528 projects identified for accelerated closeout to rid the project list of such items. Of these, 128 reports were received and processed with R88m expenditure being realised.

The achievements against provision of basic services and other facilities as per the indicators in the Annual Reports for the past three financial years are shown in the table below. It must, however, be noted that these indicators are not exhaustive, but do provide evidence that good progress is being made against the key issues of sufficiency of basic services and classroom accommodation.

Indicator of facilities provided in 2015/16	No
Number of public ordinary schools provided with water supply	123
Number of public ordinary schools provided with electricity supply	42
Number of public ordinary schools supplied with sanitation facilities	98
Number of classrooms built in public ordinary schools	266
Number of specialist rooms built in public ordinary schools	63
Number of new schools completed and ready for occupation (includes replacement schools)	18
Number of new schools under construction (includes replacement schools)	5
Number of Grade R classrooms built	65
Number of hostels built	4
Number of schools undergoing scheduled maintenance	23

In addition to the facilities provided by the DoE, the ASIDI programme has completed the following facilities.

Type of intervention	No of schools (baseline)	No of schools at final completion as at Dec 2015
Inappropriate structures	230	107
Water supply	526	247
Sanitation services	307	165
Electrification	317	180

The issue of schools without basic services is a major thrust of both the Department and the ASIDI programme. Progress with regard to interventions to eliminate schools without basic facilities is summarised in the table below.

Description of backlog (in terms of Norms & Standards)	No of schools without facilities as per NEIMS	Revised No of schools without facilities as per EC DoE assessment	No of schools on earlier programmes within the current MTEF	Balance of schools included within the current MTEF
Schools without water	261	261	147	114
Schools without any sanitation	94	94	26	68
Schools with pit latrines	2 885	2 044	805	
Schools without electricity	318	143	27	116
Entire mud structure schools	Being addressed by ASIDI			

Variances in delivery can be attributed to the following factors:

- Late allocation of projects to the IA's as well as delayed contracting of some of them.
- Extremely poor performance from IAs with regard to the procurement of professional service providers to undertake design and documentation for construction.
- Inadequate management of the IA's particularly the cash flow projection and general financial management of the programmes.
- Lack of specialized Built Environment HR capacity.
- Poor application of the infrastructure procurement within DoE and other IA's.
- A laborious and incoherent project list consisting of poor project packaging.
- The uncommunicated closure of small schools with projects registered already.
- The limited capacity of the infrastructure unit being burdened with unplanned call-ins from communities to secure favour for their infrastructure backlogs.

8.2. Maintenance

With regard to maintenance, the Department has made good progress despite funding restrictions. Out of 238 schools a large number have been maintained in the year under review, with the balance due for roll-out in 2016/17.

School based maintenance

Day to day maintenance undertaken by the schools (Section 21) or by the District offices on their behalf (Section 20) has been described earlier herein. The total maintenance portion of this funding was in the order of R343m for 2015/16, which is almost double the allocation for the previous year. Training has been provided to school and district personnel on school maintenance, but this had to be curtailed due to operational constraints.

Very little monitoring has been done to ensure that schools use this budget for the intended purpose due to a shortage of Works Inspectors. This is currently being addressed.

8.3. Asset Management

The assessment initiatives undertaken by DBE and the Department were described in the previous annual report. Although challenges have been experienced with some of the data, especially the DBE data, the DoE now has asset data which has significantly improved infrastructure planning into the future, starting with the 2016/17 U-AMP and ten year project list. The challenge is now to maintain the currency of the data, and a strategy is being developed in this regard. This will rely heavily on the new cadre of works inspectors currently being recruited.

The Department currently has 5 445 operational public schools comprising 53 848 ordinary classrooms which accommodate 1.898 million learners. This would indicate an average occupancy of 35 learners per classroom. However, the Eastern Cape is characterised by numerous small schools as well as the anomaly of combined schools, particularly in the rural areas of the former Transkei, as is evident from the table below. These and other factors skew the distribution such that there is extensive over-crowding and under-utilisation.

Phase	Category	2014			2015			2016		
		No. of schools	% of phase	% of total schools	No. of schools	% of phase	% of total schools	No. of schools	% of phase	% of total schools
Primary	0-134	926	41%	17%	1 050	39%	19%	1 017	38,4%	18,7%
	Total	2 233	100%	40%	2 680	100%	49%	2 650	100%	48,7%
Secondary	0-200	161	7%	3%	151	18%	3%	141	16,7%	2,6%
	Total	862	100%	16%	850	100%	15%	843	100%	15,5%
Combined	0-134	327	15%	6%	223	11%	4%	267	13,7%	4,9%
	Total	2 437	100%	44%	1 965	100%	36%	1 952	100%	35,8%
Small schools		1 414	-	25,5%	1 424	-	25,9%	1 425	-	26,1%
Total		5 532	-	-	5 495	-	-	5 445	-	-

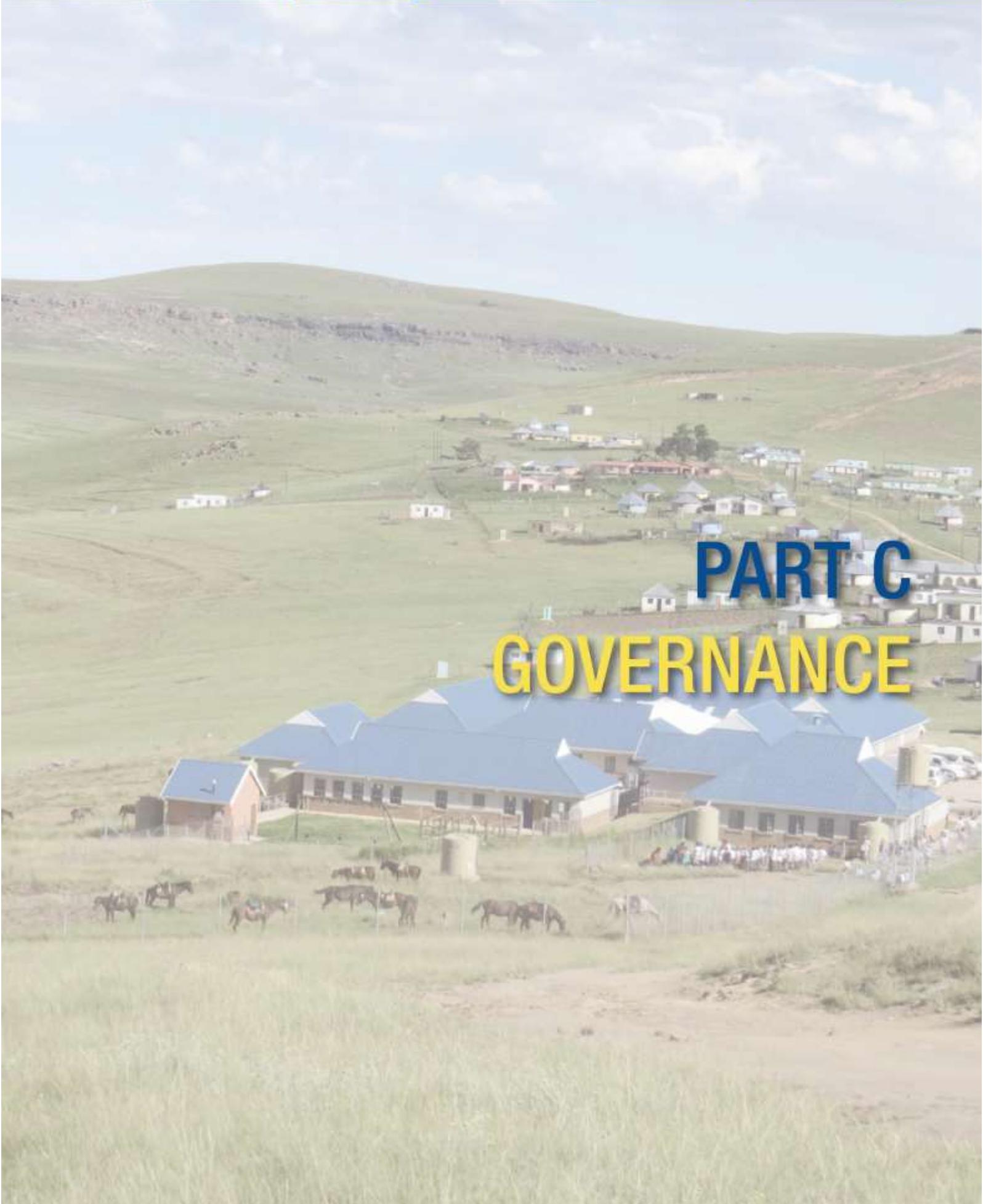
Of significance for planning and the rationalisation of schools is the fact that more than a quarter (25.9%) of the schools have enrolments below 135 learners, which is considered the minimum for effective utilisation of physical and human resources.

The number of combined JSS schools has declined since 2014, which is due to the rationalisation / re-alignment processes.

At the same time the rationalisation of small schools is continuing. In 2012 a total of 310 schools were gazetted for closure. Since then a further 214 schools have provisionally closed as they are no longer operational, their numbers had declined to the point of no longer being viable.

Performance for the year is entailed in the table below.

Infrastructure projects	2014/2015			2015/2016		
	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
New and replacement assets	818 205	744 693	73 512	716 120	615 372	100 748
Upgrades and additions	29 879	155 294	(125 415)	42 017	55 711	(13 694)
Rehabilitation, renovations and refurbishments	171 732	77 880	93 852	191 892	99 887	92 005
Maintenance and repairs	217 276	140 190	77 086	480 929	677 236	(196 307)
Infrastructure Transfers	-	-	-	17 248	-	17 248
Total	1 237 092	1 118 057	119 035	1 448 206	1 155 867	-



PART C GOVERNANCE

1. Introduction

The Department is committed to and fully uphold the principles of good governance in pursuing its mandate of providing quality education to the learners of the Province. Understanding 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. It also encourages participatory governance through the establishment of governance structures such as SGBs. 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 such quarterly/annual and others reports followed by the Department are in line with policy prescripts and ensure transparency and accountability. The Department is in the process of developing a New Service Delivery Model to address, among other things, the 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 minimising conflict of interest are undertaken to promote clean governance and economy, effectiveness and efficiency within the organisation.

2. Risk Management

- The Department has a risk management strategy or framework duly approved by the HoD and the Risk Management Committee.
- It is the policy of the Department that risk assessments in respect of strategic risks and operational risks are conducted on an annual basis in order to help identify new and emergent risks.
- The Department has a risk management committee in place made up of all members of the Senior Leadership Management Committee (SLMC) and two external parties from the Audit Committee (AC) with one being the chairperson of the risk committee.
- The AC engages with the risk management unit at all times that there is an AC meeting since there is always a presentation of a report by risk management at such meetings.
- Undoubtedly there appears to be some progress on the issue of risk management. However, the pace at which risk management as a concept and culture is being assimilated in the Department is rather slow and the expectation is that going forward the trend could change resulting from increased human capacity and involvement.

3. Fraud and Corruption

- The Department has a fraud prevention policy and an anti-corruption plan aimed at fighting fraud and corruption in the Department and it is duly approved by the HoD, the Risk Management Committee and the Audit Committee.
- The Department does not have its own anti-corruption hotline. However, it relies on the National Anti-Corruption Hotline (NACH) sourced from the Office of the Premier. Included in the fraud prevention document are the pertinent details of the risk management unit which seeks to encourage whistle blowers to blow the whistle on fraud and corruption. In addition, the Department places significant reliance on the national whistle-blowing policy. Indeed, it is assisting the Department as officials keep making confidential disclosures about the perpetration of fraud and corruption.
- Reported cases are duly investigated and transgressors of the law are disciplined in terms of the relevant Public Service and the Employment of Educators Acts. Where there are elements of criminality the matter is subsequently reported to either the commercial crimes unit of the SAPS or other such institutions including the Asset Forfeiture unit.

4. Minimising Conflict of Interest

The Department participates in the Public Service Commission requirement of asking Senior Management Service members of various departments to disclose their financial interests annually. Consequently, the 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.

5. Code of Conduct

The Department adheres to the *Public Service Code of Conduct*. This it does by ensuring that all new staff members are taken through an induction programme organised by the Human Resource unit of the Department. Disciplinary processes exist for the Labour Relations unit of the Department to deal with all cases of transgression of the code. The Department also has an Ethics Committee and part of its function includes the management of the ethical health of the Department.

6. Health, Safety and Environmental Issues

The *Occupational Health and Safety Act No.85 of 1993* endows the Department with a number of responsibilities. In responding to the requirements imposed on the Department by the Act on construction sites, the following applies:

- A qualified Health and Safety consultant forms part of the professional team and manages all health and safety requirements.
- The contractor submits a Health and Safety Plan that responds to all requirements specified.

All risks associated with construction sites are covered in the manner explained above.

Environmental issues are governed by environmental prescripts that impose requirements on the Department whenever such laws are applicable. New sites may require an Environmental Impact Assessment (EIA). In such situations the Department acquires the services of appropriate Environment Assessment Practitioners (EAPs) to comply with such requirements as guided by the *Environment Management Act No.107 of 1998*.

Existing schools are given a budget yearly that deals with the maintenance of school facilities to render them safe until the next scheduled maintenance. When disaster strikes at 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 the area posing danger off or closing the site temporarily whilst restoration of the facility is sought.

During the period covered by this report, no fatalities on the various construction sites were recorded neither were any notices of non-compliance by the Department of Labour Occupational Health and Safety (OHS) inspectors registered.

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

The bulk of the former Transkei lies in the tornado belt which is notorious for most of the disasters that are declared. During the months of November to December, the impact of these tornados on school infrastructure is regularly reported. In this past financial year 95 disaster projects were completed. 271 historical disaster projects were gazetted for correction while budget was awaited. During this time, 137 of those disasters were assessed and a budget of R249m was computed through the work done by various consultants.

7. Portfolio Committees

The following dates were set aside for consideration of the above mentioned meetings:

Budget Vote dates	Annual Report dates
5 May 2015	27 October 2015
7 May 2015	29 October 2015
8 May 2015	30 October 2015
26 May 2015	

After the sessions in consideration of the above reports, adopted House Resolutions circulated to the Department of Education for the implementation of the findings and recommendations of the Portfolio Committee. There has been constant interaction between the Department and the Legislature to address these matters.

8. Scopa Resolutions

The findings and recommendations provided below are based on resolutions and recommendations adopted by the House in terms of Rule 203(a), (b) and (c). The findings are based on the outcome of the audit of the Annual Financial Statements as conducted by the Auditor General for the financial year ending 31 March 2015.

The Department put plans in place to address the matters raised by the Auditor-General in the audit report and the management report and to address the findings and recommendations of the Standing Committee on Public Accounts.

Implementation of the planned interventions was not always possible due to the high level of vacancies at senior levels within the Department. The vacant position is generally filled by acting appointments – creating gaps at lower levels.

The table below provides the findings, recommendations, responses to findings and planned implementation period for the actions outlined in the responses to the findings.

Findings, recommendations, responses and progress

SCOPA Finding	Current Situation
<p>(a) The Committee found that the Department did not have adequate systems in place to identify and disclose all irregular, fruitless and wasteful expenditure incurred during the year under review as required by Section 38 (1) (c) (ii) of the PFMA.</p>	<p>Steps/Plan undertaken The SCM and Irregular Expenditure Policies and procedures were implemented effective from 1 April 2015.</p> <p>In dealing with the identification of irregular and fruitless & wasteful expenditure the Department is currently utilising the Internal Control Unit. However, this has not yet yield the required results as this unit has not been replicated at district level due to staff shortages.</p> <p>There is a monthly report on irregular expenditure that is submitted to Provincial Treasury for accountability purposes.</p> <p>A process for the identification, investigation, recording and reporting of irregular expenditure, fruitless and wasteful expenditure was developed and documented.</p> <p>To correct the audit qualification on completeness of irregular expenditure a 100% post payment test (retrospectively up to 2013/14) was performed to identify, investigate and record all expenditure incurred in contravention of procurement requirements.</p> <p>Disciplinary Steps Currently the department is affecting disciplinary matters. The Chief Financial Officer is placed on precautionary leave whilst the disciplinary process is finalised.</p>
<p>(b) The Department did not have an adequate system to maintain a record of commitments and accruals for the year under review as required by the modified Cash Standards. This is a threat to the financial sustainability of the Department, as liability will increase in the future years.</p>	<p>The Modified Cash Basis of Accounting implies that commitments and accruals are disclosed at financial year-end as a note only in the annual financial statements. The Department rolled out a project to enhance the accuracy of reporting against supporting documentation representing the required portfolio of evidence for disclosure both as at 31 March 2016 and for the prior financial year.</p>
<p>(c) The Committee found that the Department did not have adequate systems in place to maintain complete leave records as these were not reviewed for accuracy. As a result capped leave was incorrectly calculated and understated by R554.4 million.</p>	<p>The Leave system is still dependent on manual completion and approval of leave forms which is further complicated by decentralized processing on PERSAL.</p> <p>The Department has however introduced the following processes:</p> <ul style="list-style-type: none"> ▪ Audit of all Leave Gratuities prior to releasing payment ▪ Centralizing access to Capped Leave balances. <p>In addition, the Department is in the process of:</p> <ul style="list-style-type: none"> ▪ identifying an electronic Payroll and Leave Management system that could improve leave management practices ▪ planning to conduct a 100% audit on Capped Leave Balances.
<p>(d) The Department did not account for its assets as required by the Modified Cash Standards as not all assets were allocated unique numbers, costs of assets not verified. As a result, it was difficult to determine whether any adjustments to the moveable capital assets disclosed were necessary.</p>	<p>The entire Asset Management System was reviewed and the Asset Register updated (reconstructed). This process included conducting a 100% asset verification project, reconciling cost prices and movements to supporting documentation for the current and prior financial year(s).</p>
<p>(e) 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.</p>	<p>The Department rolled out a quality assurance process by addressing prior year findings and root causes, inclusive of correcting errors etc. This process further included collating documents, updating subsidiary records and aligning it to the financial records and reports.</p>
<p>(f) The Internal Audit unit was not fully functional and effective during the year under review as confirmed by the following findings by the Auditor General: (i) The internal audit function did not review the institutions compliance to legal and regulatory provisions as required by T.R. 3.1.10(f); (ii) The</p>	<p>The Internal Audit function was strengthened through filling vacancies, increased funding and revising the organizational structure of the unit. Skills and capacity gaps are addressed through a combination of outsourcing audit assignments, co-sourcing and insourcing.</p>

SCOPA Finding	Current Situation
<p>Internal Audit function did not assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual <i>Division of Revenue Act</i> as required by Treasury Regulations 3.2.8; (iii) Internal audit function did not report at all audit committee meetings as required by Treasury Regulation 3.2.9; (iv) The internal audit function did not evaluate the effectiveness and efficiency of controls and give recommendations for their enhancement and improvement, as required by Treasury Regulation 3.2.11; (v) The internal audit function did not evaluate the reliability and integrity of financial and operational information, as required by Treasury Regulation 3.2.11 (b); (vi) The internal audit function did not evaluate the compliance with laws and regulations, as required by Treasury Regulation 3.2.11.</p>	
<p>(g) The Department has materially underspent the budget for Programme 2 which is Public Ordinary Schools to the amount of R284 million and a total under-spending of R602.3 million.</p>	<p>The two main challenges remain Cost of Employees and Infrastructure spending.</p> <p><u>Cost of Employees spending</u> The Department has established a Central Processing Centre to fast-track the appointment process of teachers as well as a Committee for considering cases of condonation to facilitate payment. High attrition rates since October 2015 are however experienced which remains a concern.</p> <p><u>Infrastructure Spending</u> There were delays in the roll-out of new projects in the current financial year and the delays by some implementing agents to process and submit payments.</p> <p>The rollout occurred later in the year. All implementing agents (IAs) were consulted to fast track the projects allocated to them in line with their cash flow projections.</p> <p>Meetings have taken place with the Accounting Officer and all IAs to discuss the corrective measures to be implemented by each IA to improve expenditure</p>
<p>(h) Effective and appropriate steps were not taken to collect all money due and interest was not charged at the approved rates, as required by Section 38 (1) (c) (i) of the PFMA and Treasury Regulation 11.2.1, 11.5.1, 15.10.2(e) and 11.5.1.</p>	<p>A service provider was appointed to focus on Debt Management.</p>
<p>(i) The Committee found that recourse to non-compliance and taking appropriate disciplinary action for poor performance are not part of the organizational culture in the Department. The Committee has not found adequate responses and evidence to the contrary.</p>	<p>The Department has implemented appropriate disciplinary steps against 15 officials (suspended or notice to suspend). Submission of the required was delayed as the process to implement consequence management took longer than expected. The report is however now available.</p>
<p>(j) The Department's chronic leadership challenges are a cause for concern to the Committee</p>	<p>The Office of the Premier has beefed up the Department with the Intervention Team that have expertise in different line functions in the Department, e.g. SCM, Finance etc. The Office of the Premier has also seconded specific officials to the Department that have expertise in HRM.</p> <p>The Office of the Premier together with the Department of Education are dealing with the issues of leadership as well as fast-tracking appointment and payment of teachers.</p>

9. Prior Modifications to Audit Reports

To be included in final version of report
No modifications to Audit reports for the period under review.

10. Internal Control Unit (ICU)

The purpose of the ICU is outlined below:

- 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 by offering the following specific 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 also mainly a preventative exercise.
- Post-payment review for both 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 financial losses, unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure.

11. Internal Audit and Audit Committees

Key Objectives and Activities of Internal Audit

The establishment, maintenance and functions of a system of internal audit is 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

Nineteen (19) reviews were planned for the period under review, 8 reviews were completed, 8 reviews were in the reporting phase and 3 reviews were in the execution phase at the time of submitting information for inclusion in this report. The Internal Audit Unit has identified capacity constraints which limits the number of reviews that can be completed successfully.

Details of the planned reviews as per the Audit Plan is outlined in the table below:

Planned review as per Audit Plan	Completed (Y/N)	Comments
Mandatory (in terms of the PFMA, Treasury Regulations or Treasury Instructions)		
1. Annual Financial Statements	Y	Completed
2. Annual Report (including Q4 PI)	Y	Completed
3. Interim Financial Statements Q2	Y	Completed
4. Interim Financial Statements Q3	Y	Draft Report
5. Performance Information Q2	Y	Completed
6. Performance Information Q3	Y	Completed
7. Review of 2016/2017 APP	Y	Draft Report
8. In-Year Monitoring (Half yearly)	Y	Draft Report
9. Internal Control Dashboard Q3	N	Execution
10. Risk Management	Y	1 review completed
11. Governance (including conflict of interest)	Y	Draft Report
12. Public Finance Management Act and Treasury Regulations Compliance	Y	Draft Report
13. ICT Audit	Y	2 reviews completed
14. Transfer Payments & Receipts	N	Execution
15. MPAT	Y	3 reviews completed
16. Auditor-General Follow-up	Y	4 reviews completed
17. Review of SUSPENSE account,	N	Execution
18. Review SUNDRY Payments and WARRANT vouchers	Y	Draft Report
Ad hoc assignments		
19. Supply Chain Management: Request to audit awarded bids	Y	Draft Report

Key Objectives and Activities of Audit Committee (AC)

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

The AC operates in terms of written terms of reference, which deal adequately with its membership, authority and responsibilities. It also ensures 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/external	Date appointed	Date Resigned	No. of Meetings attended
Mr Harold Marsberg	B Comm	External	23 May 2011	N/A	7
Ms Lerato Mothae	CA(SA)	External	23 May 2011	N/A	6
Mr Sindile Faku	MSC	External	11 August 2014	N/A	6
Mrs Anna Badimo	MBA	External	11 August 2014	N/A	5
Adv. Sakhelikaya Poswa	LLB	External	11 August 2014	N/A	3

12. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2016.

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.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on current 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:

- Review of the 2016/2017 APP
- 2014/2015 Annual financial statements
- Review of 2015/2016 Interim financial statements for quarter 2 and quarter 3
- 2014/2015 Annual report including quarter 4 performance information
- 2015/2016 quarter 2 and quarter 3 performance information
- In-year monitoring half-yearly
- Risk management
- Governance including conflict of interest
- Transfer payments and receipts
- PFMA and Treasury Regulations compliance
- ICT audit
- MPAT
- SCM – *ad hoc* review of awarded bids
- Review of suspense accounts, sundry payments and warrant vouchers

The following were areas of concern:

- 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 Audit Committee acknowledges the efforts made to secure a co-sourced service provider half way through the financial year, which has had a positive impact on performance within the unit.
- Lack of resources in the risk management unit which has led to risk management within the Department being ineffective.
- Lack of appropriate leadership tone and support from management continues to have a negative impact on the activities of the internal audit and risk management units and hence the governance and oversight activities of the Audit Committee.
- The relative instability at leadership level during the year. The system of internal control, governance and risk management was 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 lack of adequate resources and appropriate capacity remains a challenge facing the Department and unless these are addressed, the Department may not fully meet its mandate or its strategic objectives. Leadership of the Department must ensure that key vacant posts are filled and processes are in place to ensure that key controls are implemented on a continuous basis.
- The inability of the Department to effectively execute its plans in terms of capital and infrastructure spending is a concern to the Audit Committee. In an environment where children are deprived of their constitutional right to a decent basic education, it is distressing that the Department, despite having the funds available, is unable to provide in terms of its mandate.

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.

Internal Audit

Due to a continued lack of capacity of the internal audit function, especially in the first half of the financial year, not all planned audits were completed during the year. 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 has been a lack of support from those charged with HR activities and the position remains vacant.

Auditor-General's Report

The Audit Committee concurs with and accepts the conclusions of the Auditor-General 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 for audit issues raised in the previous year was not effective in addressing all the findings disclosed in 2015. This gave rise to numerous repeat findings in this year's Audit Report, including the following:

- Irregular expenditure
- Employee benefits – leave
- Commitments



Mr H.J. Marsberg
Chairperson of the Audit Committee
Eastern Cape Department of Education
27 July 2016



FUNDISA
SPECIAL
SCHOOL

PART D
**HUMAN RESOURCE
MANAGEMENT**

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 human resources key cost driver remains the cost of employment, mainly the employment of educators of which the educator versus non-educator percentage split was 79.8% / 20.2% (overall educator / non-educator split with ECD practitioners counted as non-educators) as at 31 March 2016 (for schools this split was 90.5% / 9.5% Educator vs Non-Educator). For the school year 2015 the Provincial Department was undergoing a review of the Service Delivery Model and subsequently a review and update of the Provincial Organisational Structure.

As at 31 March 2016 the Department had a total staff complement of 68 026 of which 54 276 were educators and of that number 52 763 were school-based educators. 13 750 were non-educators (including 5 156 ECD Practitioners) of which 5 530 were school-based non-educators.

The biggest challenge in the 2015 academic year was the filling of the vacancies which required qualified educators to teach scarce skills school subjects such as Mathematics, Physical Science, Accounting, Agriculture and Afrikaans and Sesotho as the languages of learning and teaching (LoLT).

Set HR Priorities for the year under review

- **The implementation and management of the Post Provisioning Norms has been prioritised.**

The issue of the post provisioning norms and the model for distribution of posts remains a contentious issue between the Department and its social partners. The demand from labour is always for a big post establishment whilst the Department had to strike a balance between the curriculum requirements and the budget in the declaration of school post establishments.

- **The development of a service delivery model as an apex project for human resource management.**

The purpose of the 2015/25 Service Delivery Model is to:

- Propose an integrated medium to long term model, defining the manner in which the ECDoE will organise itself to deliver effective, economical and efficient education and concomitant services to learners in line with imperatives set by inter alia the NDP;
 - Define the principles for organisational and post establishment design processes;
 - Propose specific organisational arrangements to assist the ECDoE to overcome/resolve inherited structural inefficiencies within the province's education system;
 - Align as far as possible, with due consideration to provincial specific imperatives, institutional arrangements with national norms and standards;
 - Define the resource and organisational development needs for the implementation of the proposed service delivery model; and
- Provide a solid foundation for the design of ECDoE's functional and post establishment structures.
 - A second draft of the service delivery model has been developed and the consultation with relevant stakeholders has commenced. It is planned that the process will be completed on 31 October 2015. The Service Delivery Model has been completed and is in the consultation and discussion phase.

- **Teacher profiling in order to determine the skills gap and the demand**

Although the process has strict timelines as set by the Minister of Basic Education, it was not possible to complete the process by 31 March 2015 and this continued into the 2015/16 financial year. The challenge was due to the lack of adequate human resources to undertake the project given that the priority of the Department is the core business which is provision of teachers which has to a large extent sacrificed the filling of vacancies in the management and support function in the Department.

- **Stabilising the labour relations environment**

- **The review of the Human Resource Operation Project Team (HROTP) on 2nd and 3rd salary notches**

This emanated from a decision of the Provincial Executive Council to conduct an independent audit and verification of the eligibility of employees for promotions, rank/leg promotions, 2nd and 3rd notches and indicate the amounts calculated for payment for qualifying employees in terms of the applicable prescripts and legislative framework. The Department experienced challenges in the payment process of audited files and as a result the process continued to the 2015/16 financial year.

- **Workforce Planning**

The major focus of the Department continues to be centred on building a capable education workforce through a service delivery model as a vantage point on which to base all programmes of the Department including the organogram, 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. It shows how every employee can link the 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 must 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 achievements of results. The system focuses on equal participation in performance management by the supervisor and the employee.

- **Employee Wellness Programme**

The departmental approach to the 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 entire 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 and Challenges Faced by the Department as well as Future Human Resource Plans/Goals

Achievements:

- Approved Service Delivery Model
- Filling of three SMS vacancies in Infrastructure

2016/17 Planned Interventions

- Acquire and develop skills required for effective Human Resource Planning to strengthen the ability of the Department to project current and future HR demands and supply, staff development, succession planning and career development.
- Conduct competency assessment of Senior Managers, HR Practitioners and develop capacity building programme.
- Embark on a special project to get the basic foundation of transactional HR management practices, processes and systems working. This includes recruitment, leave management, and a credible human resource information system.
- Review job descriptions and performance contracts in line with the standard operation procedures.
- Review and develop human resource policies.

3. Human Resource Statistics

3.1. Human Resource Oversight Statistics

Table 3.1.1 Personnel expenditure by Programme 2015/16

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)
Administration 9	2 244 623	1 855 092	0	0	82.6	27
Early childhood development	460 486	353 076	0	0	76.7	5
Examination & education related services	472 601	173 840	0	0	37.7	3
Independent school subsidies	115 586	0	0	0	0	0
Infrastructure development	1 157 959	6 582	0	0	0.6	0
Public ordinary school	23 090 762	19 749 510	0	0	85.5	290
Public spec school	596 819	500 521	0	0	83.9	7
Total as on Financial Systems (BAS)	28 138 836	22 638 622	0	0	80.5	333

Note: The expenditure for Compensation of Employees includes the statutory amount paid of R1 902 million under Programme 1.

Table 3.1.2 Personnel costs by salary band 2015/16

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R)
Lower skilled (Levels 1-2)	365 350	1.6	5 210	70 125
Skilled (Levels 3-5)	697 263	3.1	4 190	166 411
Highly skilled production (Levels 6-8)	14 014 706	61.7	43 667	320 945
Highly skilled supervision (Levels 9-12)	7 522 382	33.1	14 906	504 655
Senior management (Levels 13-16)	52 721	0.2	53	994 736
Periodical Remuneration	20 349	0.1	2 784	7 309
Abnormal Appointment	22 367	0.1	820	27 277
Total	22 695 138	99.9	71 630	316 838

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme 2015/16

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
1: administration	1 412 852	72.9	3 937	0.5	52 498	2.7	81 183	3.3
2: public ordinary school education	14 774 057	74.5	4	0	627 993	3.2	983 690	3.8
4: public special school education	366 919	73.7	0	0	20 572	4.1	29 948	4.6
7: early childhood development	353 076	100	0	0	0	0	0	0
8: infrastructure: conditional grants	5 745	80.4	0	0	115	1.6	45	0.5
9: auxilliary & associated services	15 898	45	6 548	4	260	0.7	93	0.2
Total	17 022 135	74.8	10 489	0	701 438	3.1	1 094 959	3.7

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band, 2015/16

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)	4 742	53	0	0	319	3.6	112	1.3
Skilled (Levels 3-5)	462 416	72.7	1 773	0.3	39 998	6.3	31 854	5
Highly skilled production (Levels 6-8)	10 399 373	74.3	4 981	0	493 810	3.5	771 556	4.2
Highly skilled supervision (Levels 9-12)	5 643 237	74.7	3 627	0	166 339	2.2	290 690	3
Senior management (Levels 13-16)	39 606	76.6	0	0	857	1.7	450	0.9
Contract (Levels 1-2)	354 888	99.6	0	0	0	0	159	0
Contract (Levels 3-5)	58 675	95.3	0	0	0	0	19	0
Contract (Levels 6-8)	26 289	93.6	5	0	27	0.1	20	0.1
Contract (Levels 9-12)	12 742	84.7	103	0.7	88	0.6	50	0.3
Contract (Levels 13-16)	3 713	87.7	0	0	0	0	49	1.2
Periodical Remuneration	32	0.2	0	0	0	0	0	0
Abnormal Appointment	16 425	72.6	0	0	0	0	0	0
Total	17 022 135	74.8	10 489	0	701 438	3.1	1 094 959	3.7

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1: administration	7 044	4 357	38.1	483
2: public ordinary school education	65 992	56 473	14.4	5 452
4: public special school education	2 642	1 895	28.3	83
7: early childhood development	5 199	5 144	1.1	5 143
8: infrastructure: conditional grants	15	11	26.7	9
9: auxiliary & associated services	152	146	3.9	145
Total	81 044	68 026	16.1	11 315

Notes:

The number of funded posts for the year under review was **73 205**. At the time of reporting this number was exceeded because the figures reported above, **81 044**, are based on a "Snapshot" of what was reflected on PERSAL as at 31 March 2016 and would have included posts created for the extension of services for ABET educators and ECD practitioners, extension of other contract appointments for the 2016/2017 financial year as well as posts created in the 2016 post establishment whereby the existing posts would have been terminated and / or abolished as the 2016 post establishment was being loaded.

For the 2015/2016 MTEF the total number of funded post across all employment categories within the Department was **73 205** posts and based on the **68 026** filled posts as at 31 March 2016 as stated above, the overall vacancy rate within the Department would therefore have been **7.1%** as at the end of the financial year and not the **16.1%** as stated in the tables above and below (Reasons for disparities as explained in Note 1 above).

As at 31 March 2016 the filled and vacancy rate in respect of the current (2006) approved Organizational Structure for Head Office and District Offices office based staff was **70%** filled and **30%** vacant.

Table 3.2.2 Employment and vacancies by salary band, 31 March 2016

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)	5 390	5 217	80.1	5 180
Skilled (Levels 3-5)	6 591	4 188	36.6	821
Highly skilled production (Levels 6-8)	52 234	43 662	16.4	4 273
Highly skilled supervision (Levels 9-12)	16 752	14 906	11	1 035
Senior management (Levels 13-16)	77	53	32.4	6
Total	81 044	68 026	16.1	11 315

Table 3.2.3 Employment and vacancies by critical occupations, 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	169	98	42	13
All artisans in building, metal machinery etc.	19	15	21.1	0
Architects, town and traffic planners	3	3	0	3
Archivists, curators and related professionals	2	0	100	0
Artisan, project and related superintendents	3	2	33.3	0
Auxiliary and related workers	35	21	40	0
Building and other property caretakers	54	26	51.9	2
Bus and heavy vehicle drivers	17	12	29.4	3
Cleaners in offices, workshops, hospitals etc	3 442	2 344	31.9	422
Client information clerks (switchboard, reception)	31	11	64.5	1
Communication and information related	1	1	0	0
Community development workers	1	1	0	1
Compositors, typesetters & related printing workers	2	0	100	0
Computer programmers.	2	2	0	1
Computer system designers and analysts	1	1	0	1
Conservation labourers	7	6	14.3	0
Custodian personnel	1	1	0	0
Diplomats	1	1	0	0
Farm hands and labourers	5	4	20	0
Farming, forestry advisors and farm managers	3	1	66.7	0
Finance and economics related	114	78	31.6	7
Financial and related professionals	117	66	43.6	4
Financial clerks and credit controllers	584	457	21.7	18
Fire fighting and related workers	2	2	0	0
Food services aids and waiters	195	147	24.6	14
General legal administration & related professionals	7	1	85.7	1
Head of department/chief executive officer	9	5	44.4	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Household and laundry workers	760	417	45.1	26
Housekeepers, laundry and related workers	4	3	25	0
Human resources & organisation development & relate professionals	105	59	43.8	0
Human resources clerks	656	555	15.4	16
Human resources related	123	51	58.5	3
Inspectors of apprentices, works and vehicles	65	19	70.8	1
Library, mail and related clerks	219	111	49.3	1
Light vehicle drivers	118	75	36.4	7
Logistical support personnel	104	67	35.6	2
Material recording and transport clerks	670	556	17.1	41
Messengers, porters and deliverers	55	28	49.1	3
Motor vehicle drivers	4	4	0	1
Nursing assistants	10	5	50	0
Occupational therapy	10	2	80	1
Other administration & related clerks and organisers	2 893	2 061	28.9	273
Other administrative, policy and related officers	593	287	51.6	28
Other information technology personnel	28	15	46.4	4
Other occupations	68 284	59 930	12.2	10 374
Physiotherapy	1	1	0	1
Printing and related machine operators	1	1	0	0
Professional nurse	5	2	60	0
Quantity surveyors & related professionals not classified elsewhere	2	2	0	2
Rank: Departmental head	128	0	100	0
Rank: Deputy principal	42	0	100	0
Rank: Lecturer (c)	2	0	100	0
Rank: Principal p1	20	0	100	0
Rank: Principal p2	15	0	100	0
Rank: Principal p3	5	0	100	0
Rank: Principal s1	19	0	100	0
Rank: Rector (c6)	1	0	100	0
Rank: Teacher	452	0	100	0
Risk management and security services	1	1	0	0
Secretaries & other keyboard operating clerks	273	118	56.8	13
Security guards	198	156	21.2	7
Security officers	182	108	40.7	13
Senior managers	79	50	36.7	6
Social work and related professionals	1	0	100	0
Trade labourers	5	3	40	0
Youth workers	84	33	60.7	1
Total	81 044	68 026	16.1	11 315

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 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/HoD	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	15	9	60	6	40
Salary Level 13	64	39	61	25	39
Total	84	53	63	31	37

Note: As at 31 March 2016 there are 3x Acting Chief Directors and 9x Acting Directors against the vacant posts as reflected above.

Table 3.3.2 SMS post information as on 30 September 2015

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/HoD	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	15	8	53	7	47
Salary Level 13	64	35	55	29	45
Total	84	48	57	36	43

Note: As at 30 September 2015 there were 4x Acting Chief Directors and 14x Acting Directors against the vacant posts as reflected above.

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

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/HoD	1	0	0	0	0
Salary Level 16	1	0	0	0	0
Salary Level 15	3	0	0	0	0
Salary Level 14	15	1	7	6	40
Salary Level 13	64	3	5	25	39
Total	84	4	5	31	37

Note: 11 x SMS posts (1 x Chief Director and 10 x Director) were advertised for filling during 2015/2016

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
We are in the process of reviewing and finalising the Service Delivery Model and Organisational Structure, as a result thereof vacancies have not been filled.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
None

3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary band, 1 April 2015 to 31 March 2016

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)	5 390	0	0	0	0	0	0
Skilled (Levels 3-5)	6 591	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	52 234	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	16 752	0	0	0	0	0	0
Senior Management Service Band A	58	0	0	0	0	0	0
Senior Management Service Band B	14	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
Total	81 044	0	0	0	0	0	0

Note: For the period under review **no** jobs were evaluated.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded, 1st April 2015 to 31 March 2016

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 **no** positions were upgraded.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation, 1st April 2015 to 31 March 2016 (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 2014/15	0	0	0	0

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Percentage of total employed				0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation, 1st April 2015 to 31 March 2016

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

3.5. Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1st April 2015 to 31 March 2016

Salary Band	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	5 202	103	137	4.1
Skilled (Levels 3-5)	7 070	426	444	11
Highly skilled production (Levels 6-8)	45 284	1 640	2 681	47.5
Highly skilled supervision (Levels 9-12)	15 951	42	1 481	25.3
Senior Management Service B and A	44	3	1	2.4
Senior Management Service B and B	9	1	1	100
Senior Management Service B and C	3	0	0	0
Senior Management Service B and D	2	0	0	0
Total	73 565	2 215	4 745	6.5

Note: The number of appointments and terminations 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 3.5.2 Annual turnover rates by critical occupation for the period 1st April 2015 to 31 March 2016

Occupation	Employment at Beginning of Period (April 2015)	Appointments	Terminations	Turn-over Rate
Administrative related	128	3	13	10.2
All artisans in the building metal machinery	17	0	1	5.9
Architects, town and traffic planners	2	0	0	0
Archivists, curators and related professionals	1	0	0	0
Artisan project and related superintendents	2	0	0	0
Auxiliary and related workers	22	0	1	4.5
Building and other property caretakers	28	1	3	10.7
Bus and heavy vehicle drivers	14	0	2	14.3
Cleaners in offices, workshops, hospitals etc.	2 602	18	233	9
Client information clerks (switchboard, reception clerks)	12	0	1	8.3
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.	5	0	0	0
Conservation labourers	7	0	1	14.3
Custodian personnel	1	0	0	0
Diplomats	1	0	0	0
Engineering sciences related	1	0	1	100
Farm hands and labourers	7	0	3	42.9
Farming, forestry advisors and farm managers	1	0	0	0
Finance and economics related	86	0	6	7
Financial and related professionals	67	1	2	3
Financial clerks and credit controllers	478	0	12	2.5
Firefighting and related workers	2	0	0	0
Food services aids and waiters	165	2	8	4.8

Occupation	Employment at Beginning of Period (April 2015)	Appointments	Terminations	Turn-over Rate
General legal administration & related professionals	1	0	0	0
HoD/chief executive officer	6	0	1	16.7
Household and laundry workers	433	13	27	6.2
Housekeepers, laundry and related workers	2	0	0	0
Human resources & organisational development & related professions	63	0	4	6.3
Human resources clerks	587	1	18	3.1
Human resources related	59	0	4	6.8
Inspectors of apprentices, works and vehicles	20	0	1	5
Librarians and related professionals	3	0	0	0
Library, mail and related clerks	111	2	2	1.8
Light vehicle drivers	70	6	2	2.9
Logistical support personnel	71	0	4	5.6
Material-recording and transport clerks	581	0	13	35.4
Messengers, porters and deliverers	31	0	2	6.5
Motor vehicle drivers	9	0	5	55.6
Nursing assistants	5	0	0	0
Occupational therapy	2	0	0	0
Other administration & related clerks and organisers	1 761	357	45	8.8
Other administrative policy and related officers	314	1	5	1.6
Other information technology personnel.	15	0	0	0
Other occupations	65 252	1801	4298	6.6
Physiotherapy	1	0	0	0
Printing and related machine operators	2	0	0	0
Professional nurse	4	0	2	50
Quantity surveyors & related professionals not classified elsewhere	3	1	1	33.3
Risk management and security services	1	0	0	0
Secretaries & other keyboard operating clerks	124	3	6	4.8
Security guards	173	0	9	5.2
Security officers	116	1	6	5.2
Senior managers	53	4	1	1.9
Trade labourers	4	0	1	25
Youth workers	35	0	1	2.9
Total	73 565	2 215	4 745	6.5

Table 3.5.3 Reasons why staff left the Department

Termination Type	Number	% of Total Resignations
Death	383	8.1
Resignation	1 666	35.1
Expiry of contract	1 079	22.7
Transfers	1	0
Discharged due to ill health	73	1.5
Dismissal-misconduct	30	0.6
Retirement	1 513	31.9
Total	4 745	100
Total number of employees who left as a % of the total employment		6.5

Granting of Employee Initiated Severance Packages

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

Note: No employee severance packages were granted for 2015/2016.

Table 3.5.4 Promotions by critical occupation

Occupation	Employment at Beginning of Period (April 2015)	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	128	5	3.9	49	38.3
All artisans in the building metal machinery etc.	17	0	0	2	11.8
Architects, town and traffic planners	2	0	0	0	0
Archivists, curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	2	0	0	0	0
Auxiliary and related workers	22	0	0	19	86.4
Building and other property caretakers	28	0	0	19	67.9
Bus and heavy vehicle drivers	14	0	0	8	57.1
Cleaners in offices, workshops, hospitals etc.	2 602	0	0	1 475	56.7
Client information clerks (switchboard, reception)	12	0	0	7	58.3
Communication and information related	1	0	0	1	100

Occupation	Employment at Beginning of Period (April 2015)	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	1	50
Computer system designers and analysts.	5	0	0	1	20
Conservation labourers	7	0	0	2	28.6
Custodian personnel	1	0	0	1	100
Diplomats	1	0	0	1	100
Engineering sciences related	1	0	0	0	0
Farm hands and labourers	7	0	0	3	42.9
Farming, forestry advisors and farm managers	1	0	0	0	0
Finance and economics related	86	4	4.7	47	54.7
Financial and related professionals	67	8	11.9	18	26.9
Financial clerks and credit controllers	478	3	0.6	288	60.3
Fire fighting and related workers	2	0	0	1	50
Food services aids and waiters	165	0	0	96	58.2
General legal administration & related professionals	1	0	0	0	0
HoD/chief executive officer	6	0	0	1	16.7
Household and laundry workers	433	0	0	233	53.8
Housekeepers, laundry and related workers	2	0	0	2	100
Human resources & organisational development & related professions	63	0	0	22	34.9
Human resources clerks	587	3	0.5	379	64.6
Human resources related	59	2	3.4	37	62.7
Inspectors of apprentices works and vehicles	20	0	0	5	25
Librarians and related professionals	3	0	0	0	0
Library, mail and related clerks	111	1	0.9	91	82
Light vehicle drivers	70	0	0	38	54.3
Logistical support personnel	71	1	1.4	6	8.5
Material-recording and transport clerks	581	1	0.2	364	62.7
Messengers, porters and deliverers	31	0	0	19	61.3
Motor vehicle drivers	9	0	0	1	11.1
Nursing assistants	5	0	0	3	60

Occupation	Employment at Beginning of Period (April 2015)	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
Occupational therapy	2	0	0	0	0
Other administration & related clerks and organisers	1 761	0	0	1 094	62.1
Other administrative policy and related officers	314	6	1.9	101	32.2
Other information technology personnel.	15	0	0	4	26.7
Other occupations	65 252	2 529	3.9	45 851	70.3
Physiotherapy	1	0	0	1	100
Printing and related machine operators	2	0	0	0	0
Professional nurse	4	0	0	1	25
Quantity surveyors & related professionals not classified elsewhere	3	0	0	0	0
Risk management and security services	1	0	0	1	100
Secretaries & other keyboard operating clerks	124	0	0	62	50
Security guards	173	0	0	74	42.8
Security officers	116	0	0	42	36.2
Senior managers	53	1	1.9	1	1.9
Trade labourers	4	0	0	2	50
Youth workers	35	0	0	2	5.7
Total	73 565	2 564	3.5	50 476	68.6

Table 3.5.5 Promotions by salary band

Salary Band	Employees 1 April 2015	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)	5 202	0	0	3	0.1
Skilled (Levels 3-5)	7 070	0	0	2 343	33.1
Highly skilled production (Levels 6-8)	45 284	1 258	2.8	35 141	77.6
Highly skilled supervision (Levels 9-12)	15 951	1 305	8.2	12 989	81.4
Senior management (Levels 13-16)	58	1	1.7	0	0
Total	73 565	2 564	3.5	50 476	68.6

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	37	5	0	1	13	1	0	0	57
Professionals	13 245	1 361	103	821	34 089	2 268	180	2 512	54 579
Technicians and associate professionals	146	12	1	7	280	12	0	20	478
Clerks	845	43	0	8	2 612	199	4	159	3 870
Service and sales workers	216	32	0	0	26	0	0	1	275
Craft and related trades workers	23	4	0	0	9	0	0	0	36
Plant and machine operators and assemblers	77	8	0	4	1	2	0	0	92
Elementary occupations	1294	199	0	16	6 545	462	1	122	8 639
Total	15 883	1 664	104	857	43 575	2 944	185	2 814	68 026
Employees with disabilities	65	13	0	9	95	10	1	13	206

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2016

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	1	0	0	1	0	0	0	5
Senior Management	32	4	0	1	10	1	0	0	48
Professionally qualified and experienced specialists and mid-management	4 813	743	75	471	7 163	618	86	937	14 906
Skilled technical and academically qualified workers, junior management, supervisors, foremen	9 215	693	28	356	29 663	1 863	98	1 746	43 662
Semi-skilled and discretionary decision making	1 792	220	1	28	1 818	256	0	73	4 188
Unskilled and defined decision making	28	3	0	1	4920	206	1	58	5217

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	15 883	1 664	104	857	43 575	2 944	185	2 814	68 026
Employees with disabilities	65	13	0	9	95	10	1	13	206

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	3	0	0	1	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	9	3	0	4	17	6	0	3	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen	458	35	2	52	787	122	4	180	1640
Semi-skilled and discretionary decision making	146	8	0	2	262	5	0	3	426
Unskilled	3	1	0	0	84	11	0	4	103
Total	619	47	2	59	1 150	144	4	190	2 215
Employees with disabilities	1	0	0	0	2	0	0	0	3

Table 3.6.4 Promotions for the period 1st April 2015 to 31 March 2016

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	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	4 400	743	71	456	6 964	637	82	941	14 294
Skilled technical and academically qualified workers, junior management, supervisors, foremen	7 365	531	20	205	25 696	1 408	77	1 097	36 399
Semi-skilled and discretionary decision making	887	170	0	21	1 022	199	0	44	2 343
Unskilled and defined decision making	3	0	0	0	0	0	0	0	3
Total	12 656	1 444	91	682	33 682	2 244	159	2 082	53 040

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Employees with disabilities	51	12	0	7	71	10	0	13	164

Note: The promotion events 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 promotions events and as such will be counted / reflected more than once.

Table 3.6.5 Terminations for the period 1st April 2015 to 31 March 2016

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	410	79	8	52	780	59	8	85	1 481
Skilled technical and academically qualified workers, junior management, supervisors, foremen	667	55	2	31	1 629	137	7	153	2 681
Semi-skilled and discretionary decision making	176	20	0	9	192	35	0	12	444
Unskilled and defined decision making	4	1	0	1	119	12	0	0	137
Total	1 258	156	10	93	2 720	243	15	250	4 745
Employees with disabilities	8	1	1	2	8	1	0	0	21

Table 3.6.6 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary actions finalised	7	1	0	0	4	1	0	0	13

Table 3.6.7 Skills development

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	678	80	10	41	853	36	6	26	1 730
Professionals	12 677	1 144	96	627	14 887	2 442	178	449	32 500
Technicians and associate professionals	212	0	16	0	1 483	251	0	87	2 049
Clerks	1 089	83	0	19	3 196	232	4	188	4 811
Service and sales workers	0	0	0	0	0	0	0	0	0

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
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	0	0	0	0	0	0	0	0	0
Total	14 656	1 307	122	687	20 419	2 961	188	750	41 090
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2015

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	01	0	0	0%
Salary Level 16	01	1	1	100%
Salary Level 15	03	2	2	100%
Salary Level 14	15	9	9	100%
Salary Level 13	64	30	30	100%
Total	84	42	42	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability, 1st April 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
African, Male	1 007	15 818	6.4	4 117	4 089
Asian, Male	2	104	1.9	28	13 930
Coloured, Male	176	1 651	10.7	646	3 672
White, Male	19	848	2.2	104	5 465
African, Female	2 285	43 480	5.3	10 240	4 482
Coloured, Female	248	2 934	8.5	969	3 905

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
Asian, Female	3	184	1.6	14	4 686
White, Female	123	2 801	4.4	578	4 698
Employees with a disability	25	206	12.1	124	4 956
Total	3 888	68 026	5.7	16 820	4 326

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service, 1st April 2015 to 31 March 2016

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R)	Average cost per employee (R)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	9	5 210	0.2	23	2 556	0.0%
Skilled (Levels 3-5)	1 371	4 190	32.7	3 868	2 821	0.0%
Highly skilled production (Levels 6-8)	2 358	43 667	5.4	11 610	4 924	0.1%
Highly skilled supervision (Levels 9-12)	150	14 906	1	1 320	8 800	0.0%
Periodical Remuneration	0	2 784	0	0	0	0.0%
Abnormal Appointment	0	820	0	0	0	0.0%
Total	3 888	71 577	5.4	16 821	4 326	0.1%

Table 3.8.3 Performance Rewards by critical occupation, 1st April 2015 to 31 March 2016

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	No. of Employees	% of Total within Occupation	Total Cost (R)	Average Cost per Employee (R)
Administrative related	55	98	56.1	477	8 673
All artisans in the building metal machinery etc.	6	15	40	24	4 000
Architects, town and traffic planners	0	3	0	0	0
Artisan project and related superintendents	0	2	0	0	0
Auxiliary and related workers	12	21	57.1	34	2 833
Building and other property caretakers	12	26	46.2	33	2 750
Bus and heavy vehicle drivers	6	12	50	20	3 333
Cleaners in offices, workshops, hospitals etc.	960	2 342	41	2 683	2 795
Client inform clerks (switchboard, reception etc clerks)	10	11	90.9	47	4 700
Communication and information related	0	1	0	0	0
Community development workers	1	1	100	6	6 000
Computer programmers.	1	2	50	6	6 000
Computer system designers and analysts.	1	1	100	6	6 000
Conservation labourers	1	6	16.7	3	3 000
Custodian personnel	1	1	100	14	14 000
Diplomats	1	1	100	6	6 000
Farm hands and labourers	1	4	25	3	3 000
Farming, forestry advisors and farm managers	0	1	0	0	0
Finance and economics related	48	78	61.5	407	8 479
Financial and related professionals	44	66	66.7	282	6 409
Financial clerks and credit controllers	267	457	58.4	1 295	4 850
Fire fighting and related workers	1	2	50	3	3 000

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	No. of Employees	% of Total within Occupation	Total Cost (R)	Average Cost per Employee (R)
Food services aids and waiters	71	147	48.3	200	2 817
General legal administration & related professionals	0	1	0	0	0
HoD/chief executive officer	2	5	40	20	10 000
Household and laundry workers	138	417	33.1	406	2 942
Housekeepers, laundry and related workers	1	3	33.3	3	3 000
Human resources & organisation development & related professions	31	59	52.5	193	6 226
Human resources clerks	343	555	61.8	1 700	4 956
Human resources related	34	51	66.7	261	7 676
Inspectors of apprentices, works and vehicles	11	19	57.9	62	5 636
Library, mail and related clerks	78	111	70.3	374	4 795
Light vehicle drivers	32	75	42.7	93	2 906
Logistical support personnel	21	67	31.3	155	7 381
Material-recording and transport clerks	284	556	51.1	1 385	4 877
Messengers, porters and deliverers	17	28	60.7	48	2 824
Motor vehicle drivers	2	4	50	6	3 000
Nursing assistants	2	5	40	6	3 000
Occupational therapy	0	2	0	0	0
Other administration & related clerks and organisers	915	2061	44.4	4 339	4 742
Other administrative policy and related officers	130	287	45.3	752	5 785
Other information technology personnel.	6	15	40	35	5 833
Other occupations	211	59 923	0.4	934	4 427
Physiotherapy	0	1	0	0	0
Printing and related machine operators	0	1	0	0	0
Professional nurse	1	2	50	6	6 000
Quantity surveyors & related professions not classified elsewhere	0	2	0	0	0
Rank: Unknown	0	9	0	0	0
Risk management and security services	1	1	100	5	5 000
Secretaries & other keyboard operating clerks	44	118	37.3	208	4 727
Security guards	31	156	19.9	85	2 742
Security officers	43	108	39.8	147	3 419
Senior managers	1	50	2	5	5 000
Trade labourers	1	3	33.3	3	3 000
Youth workers	9	33	27.3	43	4 778
Total	3 888	68 026	5.7	16 823	4 327

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service, 1st April 2015 – 31 March 2016

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	39	0	0	0	0
Band B	0	9	0	0	0	0
Band C	0	3	0	0	0	0
Band D	0	2	0	0	0	0
Total	0	53	0	0	0	0

3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band

Salary Band	01-Apr-15		31-Mar-16		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	11	1.8	19	3.4	8	-20.5
Highly skilled production (Levels 6-8)	433	71.8	409	72.5	-24	61.5
Highly skilled supervision (Levels 9-12)	153	25.4	130	23	-23	59
Senior Management (Levels 13-16)	0	0	1	0.2	1	-2.6
Contract (Levels 1-2)	1	0.2	2	0.4	1	-2.6
Contract (Levels 3-5)	3	0.5	1	0.2	-2	5.1
Periodical Remuneration	1	0.2	2	0.4	1	-2.6
Abnormal Appointment	1	0.2	0	0	-1	2.6
Total	603	100	564	100	-39	100

Table 3.9.2 Foreign workers by major occupation

Major Occupation	01-Apr-15		31-Mar-16		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	1	0.2	0	0	-1	2.6
Information technology personnel	1	0.2	0	0	-1	2.6
Other occupations	601	99.7	563	99.8	-38	97.4
Professionals and managers	0	0	1	0.2	1	-2.6
Total	603	100	564	100	-39	100

3.10 Leave utilisation

Table 3.10.1 Sick leave, 1st January 2015 to 31 December 2015

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)	225	69.3	70	0.2	3	80
Skilled (Levels 3-5)	9 519	84	1 488	5.3	6	5 010

Highly skilled production (Levels 6-8)	114 102	79.1	19 223	68.6	6	131 229
Highly skilled supervision (Levels 9-12)	43 746	80	7 219	25.8	6	81 402
Senior management (Levels 13-16)	177	87	26	0.1	7	628
Total	167 769	79.6	28 026	100	6	218 349

Table 3.10.2 Disability leave (temporary and permanent), 1st January 2015 to 31 December 2015

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	3 667	99.9	93	5.3	39	1 896
Highly skilled production (Levels 6-8)	64 007	100	1 198	68.5	53	75 710
Highly skilled supervision (Levels 9-12)	26 852	100	457	26.1	59	47 927
Senior management (Levels 13-16)	262	100	2	0.1	131	878
Total	94 788	100	1 750	100	54	126 411

Table 3.10.3 Annual Leave, 1st January 2015 to 31 December 2015

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	148	33	4
Skilled (Levels 3-5)	31 548	1 909	17
Highly skilled production (Levels 6-8)	67 507	3 629	19
Highly skilled supervision (Levels 9-12)	43 785	1 983	22
Senior management (Levels 13-16)	888	48	19
TOTAL	143 876	7 602	19

Table 3.10.4 Capped leave, 1st January 2015 to 31 December 2015

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
Skilled (Levels 3-5)	356	70	5	64
Highly skilled production (Levels 6-8)	2 228	466	5	59
Highly skilled supervision (Levels 9-12)	2 172	338	6	76
Senior management (Levels 13-16)	4	1	4	101
TOTAL	4 760	875	5	66

Table 3.10.5 Leave payouts, 1st April 2015 to 31 March 2016

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Capped leave payouts on termination of service for 2015/16	187 105	1 745	107 223
Current leave payout on termination of service for 2015/16	20	1	20 000
TOTAL	187 125	1 746	107 174

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>Educators who are forced to move from one school to another or from one district to another as part of the redeployment process. In the majority of cases these educators are forced to leave their families behind and to stay without them for weeks and sometimes months on end.</p> <p>Head Office based employees that are categorised 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.</p>	<ul style="list-style-type: none"> Employee Health and Wellness hosts quarterly HCT sessions to enable employees to have a regular check of their HIV status. Early detection for those who participates ensures that they can access treatment if necessary and take precautions to avoid reinfection and infecting others. We facilitate access to treatment care and support for infected employees and affected families. Health Promotion is intensified through the Productivity Management Pillar of Employee Health and Wellness (EHW) with a view to educate employees to manage their positive status such that it does not impede employee productivity. Sensitising managers on reasonable accommodation (physically and emotionally) of employees who are infected.

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

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		Employee Health and Wellness is a component of Human Resource Management and Development and reports directly to the Chief Director : HRM&D.
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		6 employees are attached to the Unit <ul style="list-style-type: none"> 2 Employees (employed) and 4 officials are seconded from other sections. Budget allocation for 2016-17 and for 2015-16 is R3.3m
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		<ul style="list-style-type: none"> Prevention programmes in the form of health promotion and health education, HCT & TB Screening Provide treatment, care and support in the form of counselling

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> GEMS advocacy to facilitate the enrolment of those infected in the Disease Management Programme
<p>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.</p>	x		<p>Yes.</p> <p>See attachment entitled Employee Health and Wellness Committee.</p>
<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>	x		<p>Key Human Resource Policies and procedures that might have a bearing on the implementation of Employee Health and Wellness programme have been reviewed.</p> <p>The purpose was to determine to what extent these either support or contradict the key principles for the effective implementation of the 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. Employment equity Safety Health and Environment <p>The review revealed that none of the policies and procedures in the Department contradict key principles for the effective implementation of an Employee Health and Wellness Programme.</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 our 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. <p>An increase in the number of Employees who disclose their status and seek assistance through the Employee Health and Wellness programme</p>

Question	Yes	No	Details, if yes
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<ul style="list-style-type: none"> Quarterly Statistics indicating new infections. Follow up the work attendance of employees who have disclosed.
9. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<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

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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.go.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@educprov.go.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

NAME	TELEPHONE	CREDENTIALS	EMAIL
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@educprov.gov.za

3.12 Labour Relations

Table 3.12.1 Collective agreements

Subject Matter	Date
None	

Table 3.12.2 Misconduct and disciplinary hearings finalised

Outcome of disciplinary hearings	Number	% of total
Discharged	2	15.38%
Fine	1	7.69%
Final Written Warning (FWW)	4	30.77%
Suspension	5	38.46%
Written Warning (WW)	1	7.69%
Total	13	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% total
Absenteeism	4	30.77%
Contravened the Act	1	7.69%
Failed to carry out lawful instruction	1	7.69%
Fraud	2	15.38%
Insolent behaviour	2	15.38%
Prejudice	2	15.38%
Sexual harassment	1	7.69%
Total	13	100%

Table 3.12.4 Grievances logged for the period 1st April 2015 to 31 March 2016

Grievances	Number	% of Total
Number of grievance finalised: resolved	2	1.32%
Number of grievances pending	150	98.68%
Total number of grievances lodged	152	100%

Table 3.12.5 Disputes logged with Councils for the period 1st April 2015 to 31 March 2016

Disputes	Number	% of Total
Arbitration hearing pending	75	64.10%
Conciliation hearing pending	34	29.06%
Dismissed	1	0.85%
Dispute closed	1	0.85%
Dispute dismissed	1	0.85%
Dispute withdrawn	2	1.71%
No jurisdiction	1	0.85%
Settlement agreement	0	0%
Withdrawn	2	1.71%
Grand Total	117	100%

Table 3.12.6 Strike actions for the period 1st April 2015 to 31 March 2016

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

Table 3.12.7 Precautionary suspensions for the period 1st April 2015 to 31 March 2016

Number of people suspended	26
Number of people whose suspension exceeded 30 days	26
Average number of days suspended	187
Cost of suspension (R'000)	

3.13 Skills development

Table 3.13.1 Training needs identified

Occupational Category	Gender	Number of employees as at 1 April 2015	Training needs identified at start of the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Male	43	0	4	0	4
	Female	18	0	6	0	6
Professionals	Male	16 258	0	1 504	0	1 504
	Female	40 525	0	1 726	0	1 726
Technicians and associate professionals	Male	193	0	0	0	0
	Female	365	0	0	0	0
Clerks	Male	812	0	335	0	335
	Female	2 817	0	481	0	481
Service and sales workers	Male	271	0	0	0	0
	Female	28	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	29	0	0	0	0
	Female	10	0	0	0	0
Plant and machine operators and assemblers	Male	91	0	0	0	0
	Female	4	0	0	0	0
Elementary occupations	Male	2 153	0	0	0	0
	Female	9 948	0	0	0	0
Sub Total	Male	19 850	0	1 843	0	1 843
	Female	53 715	0	2 213	0	1 213
Total		73 565	0	4 056	0	4 056

Table 3.13.2 Training provided for the period

Occupational Category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Male	43	0	4	0	4
	Female	18	0	6	0	6
Professionals	Male	16 258	0	1 504	0	1 504
	Female	40 525	0	1 726	0	1 726
Technicians and associate professionals	Male	193	0	0	0	0
	Female	365	0	0	0	0
Clerks	Male	812	0	335	0	335
	Female	2 817	0	481	0	481
Service and sales workers	Male	271	0	0	0	0
	Female	28	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	29	0	0	0	0
	Female	10	0	0	0	0
Plant and machine operators and assemblers	Male	91	0	0	0	0
	Female	4	0	0	0	0
Elementary occupations	Male	2 153	0	0	0	0
	Female	9 948	0	0	0	0
Sub Total	Male	19 850	0	1 843	0	1 843
	Female	53 715	0	2 213	0	2 213
Total		73 565	0	4 056	0	4 056

3.14 Injury on duty

Table 3.14.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	13	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	100
Total	13	100

3.15 Utilisation of Consultants

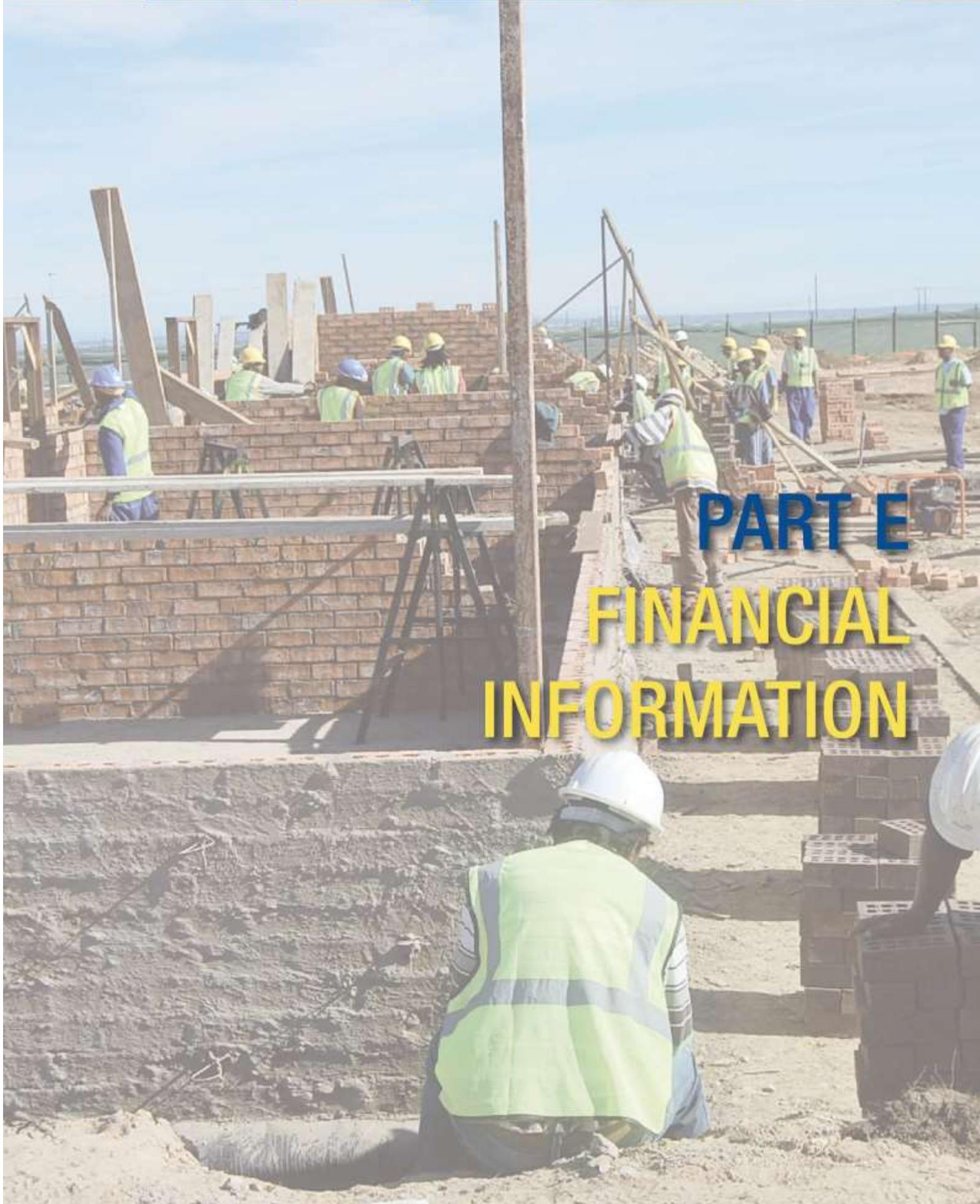
Table 3.15.1. Report on Consultant appointments using appropriated funds for the period April 2015 to 31 March 2016

Directorate	Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand	Commencement date and end date
HRM	Technical support to Human Resources Management and Development	1	48 months	600 000 (contract value)	2014 - 2019
Resource Targeting and systems planning	Implementation of the South African Schools and Management Systems (SA-SAMS)	1	36 Months	45 970 309 (contract value)	September 2013 – August 2016
SCM - Demand and Acquisition	Technical support services for SCM, Asset Management & Disbursement verification	1	14 months	2 736 000 (contract value)	August 2014 – October 2015
Finance	Support Chief Financial Officer (CFO) to deal with the report of the Auditor General and other financial matters	1	7 months	12 120 936 (contract value)	Nov 2015 – June 2016
SCM	Provision of leadership, development and control of the Document Management Centre Project ("the DMC project")	1	12 months	1 065 933 (contract value)	2015/16 –2016/17
Finance	Provision of CFO support	1	36 Months	R970 /hr	December 2015 – March 2018
Internal Audit Unit	Provision of internal audit services and technical capacity in a co-sourced capacity	1	12 months	3 995 119 (contract value)	October 2015 – October 2016
SCM	Provision of technical support to Supply Chain Management of the Department for a period of eighteen (18) months	1	18 Months	8 859 084 (contract value)	December 2016 – June 2017
LTSM	Development of a system to manage LTSM data and implementation of the system thereof	1	5 Months	894 900 (contract value)	October 2015 – 31 March 2016
HRM	Provisioning of Human Resources Management Project Management Support Office to the Eastern Cape	1	36 months	19 719 946 (contract value)	2015/16

Directorate	Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand	Commencement date and end date
	Department of Education.				
HRM	HR Systems Auditing and Development	1 (PILIR)	24 Months	5 192 062 (contract value)	2015 - 2017
HRM	Forensic Investigators	1	12 Months	6 500 000 (contract value)	2016 - 2017
Infrastructure	Assisting with the management of the infrastructure management information system	1	3 Years	13 687 000 (contract value)	01 April 2015 - 31 March 2018
Infrastructure	Provision of financial services and audit intervention services, project management services	1	3 Years	9 965 000 (contract value)	01 April 2015 - 31 March 2016
CFO Office	Support Chief Financial Officer (CFO) to deal with 2011/12 report of the Auditor General and other financial matters	1	12 Months	R500 p/h	March 2015 - March 2016
SMME	Document Performance Information Systems	1	12 months	R333/h	November 2014 - November 2015

Table 3.15.2. Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDI) for the period 1 April 2015 to 31 March 2016

Directorate	Project Title	Gender	Race
Finance	Support Chief Financial officer (CFO) to deal with the report of the Auditor General and other financial matters	1x Male	Black
Finance	Provision of Technical Support to CFO	1x Male	White
SCM	Integrated document management	1x Female	Black
Legal Services	Appointment of rapid response investigators to investigate alleged fraud with respect to educators at St Patricks	3x African 2x whites 1x coloured	3x African 2x whites 1x coloured
SMME	Document Performance Information System	1x female	1 x coloured



PART E
FINANCIAL
INFORMATION

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

Report on the financial statements

Introduction

1. I 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 2016 the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standards (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, 2014 (Act No. 10 of 2014) (DoRA) and for such internal controls 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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Employee benefits

6. The department did not account for all capped leave commitments and leave entitlement as required by the MCS. Complete and accurate leave records were not maintained on file and on the accounting system due to a lack of review during the year. Consequently, capped leave commitments and leave entitlement as disclosed in note 21 to the financial statements is understated by R883,5 million (2015: R581,4 million).

Commitments

7. The department did not account for its commitments as required by the MCS as the department did not include variation orders when calculating commitments. This was because the department did not adequately review and reconcile the commitment schedules. Consequently commitments as disclosed in note 20 to the financial statements is overstated by R317,6 million.
8. In addition I was unable to obtain sufficient appropriate audit evidence for commitments as I was not provided with sufficient appropriate contract information that was used to determine commitments. This was as result of the department not having 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 R2,36 billion as disclosed in note 20 to the financial statements.

Irregular expenditure

9. The department did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year as required by section 40(3)(b)(i) of the PFMA. The irregular expenditure disclosed in disclosure note 23 is understated in respect of the amounts incurred during the year that were identified during the audit process by R610,8 million (2015: R71,8 million). Owing to the lack of systems, it was impracticable to determine the full extent of the understatement of irregular expenditure.
10. In addition sufficient appropriate audit evidence could not be obtained to confirm the balance of R265,5 million (2015: R95,7 million) which was disclosed in note 24.2. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustment to irregular expenditure of R556,7 million (2015: R677,3 million) as disclosed in note 23 to the financial statements was necessary.

Fruitless and wasteful expenditure

11. The department did not account for all fruitless and wasteful expenditure as required by the MCS as the department made transfers to schools where differences between learner numbers per learner head counts learner numbers per the budget allocation calculations were identified. In addition, the department did not have adequate processes in place for preventing the write-off of staff debt and wrote off staff debt without adequate supporting documentation. Due to the inadequate state of the Department's records I was unable to determine the full extent of the misstatement relating to the amount of fruitless and wasteful expenditure incurred and disclosed. Consequently, I was unable to determine the adjustment required to the amount of fruitless and wasteful expenditure of R73,6 million disclosed in note 24 to the financial statements.

Qualified opinion

12. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Education as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matter

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

Material underspending of the vote

13. As disclosed in the appropriation statement, the department has materially underspent on the overall vote to the amount of R735,6 million (2015: R602,3 million). In addition, as disclosed in note 34 to the financial statements, an amount of R530 million was returned to National Treasury as the funds were not spent.

Additional matter

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

Unaudited supplementary schedules

15. 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.

Report on other legal and regulatory requirements

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016.
- Programme 2: Public Ordinary School on pages x to x
 - Programme 5: Early Childhood Development on pages x to x
 - Programme 6: Infrastructure Development on pages x to x
 - Programme 7: Examinations and Education Related Services on pages x to x
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 6: Infrastructure Development on pages x to x
 - Programme 7: Examinations and Education Related Services on pages x to x
21. I also did not identify material findings on the usefulness of the reported information for Programme 2: Public ordinary schools and Programme 5: Early childhood development.
22. The material findings in respect of the reliability of the reported information of Programme 2: Public ordinary schools and Programme 5: Early childhood development, are as follows:

Programme 2: Public Ordinary School

Reliability of reported performance information

23. The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not reliable when compared to the portfolio of evidence provided.

Programme 5: Early Childhood Development

Reliability of reported performance information

24. The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets for significantly important indicators.

Additional matters

25. I draw attention to the following matters:

Achievement of planned targets

26. Refer to the annual performance report on pages xx to xx for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 23 and 24 of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on usefulness of the reported performance information of Programme 2: Public Ordinary Schools, Programme 5: Early Childhood Development and Programme 7: Examinations and Education Related Services. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness of the reported performance information. As management subsequently corrected only some of the misstatements in Programme 2: Public Ordinary Schools, I identified material findings on the reliability of the reported performance information.

Compliance with legislation

28. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other

related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

29. 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.
30. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

31. 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.
32. Invitations for competitive bidding were not always advertised in at least the government tender bulletin and CIDB website, as required by Treasury Regulation 16A6.3(c) and CIDB Reg 24.
33. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period, as required by Treasury Regulations 16A6.3(c).
34. Bid adjudication was not always done by committees which was composed in accordance with the policies of the department, as required by Treasury Regulations 16A6.2(a), (b) and (c).
35. Sufficient appropriate audit evidence could not be obtained that all extension to contracts were approved by a properly delegated official as required by section 44 of the PFMA.
36. 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.
37. 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.
38. Sufficient appropriate audit evidence could not be obtained to determine whether persons in service of other state institutions who had a private or business interest in contracts awarded by the department participated in the process relating to that contract in contravention of Treasury Regulation 16A8.4.

Consequence management

39. Investigations were not conducted into all allegations of financial misconduct committed by officials, as required by Treasury Regulation 4.1.1 and 33.1.1.

Expenditure management

40. 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 expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph.
41. 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 as indicated in the basis for qualification paragraph.

Transfer payments

42. 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.

Internal control

43. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. 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.

Leadership

44. Leadership did not implement effective human resource management to ensure that adequately and sufficiently skilled resources are in place as a number of key positions within top and middle management were vacant for extended periods of time. 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 and monitored and where necessary consequence management is not always applied.
45. There were key deficiencies noted over key priorities of the department relating to infrastructure, teacher development, school finances, learner teacher support material and the national school nutrition programme. The district offices which are responsible for monitoring of the functioning of schools are not held accountable for executing their responsibilities, to the detriment of many schools. Service delivery reporting is not supported by a sound performance management system which should effectively monitor and evaluate all aspects of the performance of the department.
46. Leadership at the department have not instituted all the disciplines necessary to enable oversight and monitoring that promotes efficiency and effectiveness in financial management, service delivery reporting and compliance with laws and regulations. As a

result, the correct tone was not set in building a high performance environment that promotes accountability.

47. Leadership has not sufficiently addressed the previously reported challenges faced by the department's Supply Chain Management Unit. This was largely as a result of inadequate capacity within the SCM unit which resulted in poor record keeping and monitoring throughout the year. This was further aggravated by poor planning, implementation and monitoring of contracts and projects by user directorates within the department.
48. There was a lack of integration and alignment within the department, as the different directorates planned, worked and reported in isolation. This was further compounded by a lack of monitoring and coordination between head office and the district offices, which had a negative impact on the performance of the department and its ability to prepare financial statements and an annual performance report that were free of misstatements.

Financial and performance management

49. There was a lack of supervision, monitoring and consequence management in respect of the daily and monthly control activities and record keeping which resulted in limitations in the financial and performance reports. There is also inadequate monitoring and coordination within directorates and between head office and district offices.
50. The department has a significant budget for infrastructure which is critical for the delivery of services. There is no effective and well-resourced project management unit at the department or adequate processes in place for procurement and contract management. There is a high rate of deviations from SCM regulations as well as poor planning that impacts infrastructure delivery.
51. The department does not monitor and review information relating to the accuracy of learner numbers, which is used as a base for a number of key functions such as financing school operations. As the budget for school financing is fixed, schools that receive more funding than required do so at the detriment of other schools.

Governance

52. The internal audit function is a critical component in risk management and is not appropriately staffed which restricted the completion of majority of assignments on the internal audit plan. For the internal audits relating to the high-risk areas of the department, management did not implement the recommendations made. As a result, the audit committee could not exercise adequate and effective oversight over the implementation of the matters reported during the year.

Other reports

53. I draw attention to the following engagements that could potentially impact on the department's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

Performance audits

54. A separate performance audit management report on the curriculum support and

monitoring provided by education districts to schools was issued to the department during the year under review. The public reporting envisaged in the previous year was postponed to 2015-16. To facilitate comprehensive reporting the scope of the performance audit on the curriculum support and monitoring provided by education districts to schools was extended to include all nine provinces.

Investigations

55. The departments appointed external investigators to conduct investigations into the following matters:

- alleged irregularities relating to learner teacher support material. In the current year, the investigation focused on fruitless and wasteful expenditure relating thereto and for the prior year, the focus was on the procurement processes and resultant irregular expenditure. These investigations were complete at the reporting date and disciplinary action is still underway.
- alleged irregular expenditure in both the current and prior years relating to infrastructure procurement. The investigation was complete at the reporting date and disciplinary action is still in process.
- prior year irregular expenditure relating to human resources expenditure. The investigation was complete at the reporting date and disciplinary action is still in process.
- irregular expenditure relating to transfers to schools was completed at year-end, as was an investigation regarding the failure of an official to implement sound financial internal control measures, where the disciplinary process has been completed.
- irregular expenditure for the prior year relating to supply chain management has been completed and disciplinary action is in process.
- alleged irregularities relating to a completed investigation with regards to remuneration payments have been reported to the South African Police Services (SAPS). The timing of the outcome of this process is not known at present.

AUDITOR - GENERAL

East London

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. Annual Financial Statements

PROVINCE OF THE EASTERN CAPE
DEPARTMENT OF EDUCATION
VOTE 6

ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016

EASTERN CAPE DEPARTMENT OF EDUCATION
Vote 6

APPROPRIATION STATEMENT
for the year ended 31 March 2016

	Appropriation per programme							2014/15	
	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. Administration	2 683 724	-	(23 028)	2 660 696	2 242 721	417 975	84.3%	2 190 298	2 190 298
2. Public ordinary school education	23 544 741	-	(287 399)	23 257 342	23 090 762	166 580	99.3%	22 607 696	22 323 628
3. Independent school subsidies	116 317	-	-	116 317	115 587	730	99.4%	111 189	110 314
4. Public special school education	651 056	-	-	651 056	596 817	54 239	91.7%	538 698	525 386
5. Early childhood development	556 541	-	-	556 541	460 485	96 056	82.7%	319 517	389 660
6. Infrastructure development	1 156 410	-	291 795	1 448 205	1 448 205	-	100.0%	411 932	1 100 072
7. Examination and education related services	450 815	-	18 632	469 447	469 447	-	100.0%	548 513	316 646
8. Further education and training	-	-	-	-	-	-	-	319 517	311 494
9. Adult basic education and training	-	-	-	-	-	-	-	316 646	411 772
Subtotal	29 159 604	-	-	29 159 604	28 424 024	735 580	97.5%	28 281 581	27 679 270
Statutory Appropriation	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Member's remuneration	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Total	29 161 506	-	-	29 161 506	28 425 926	735 580	97.5%	28 283 403	27 681 092
Reconciliation with statement of financial performance									
Add									
Departmental receipts				45 456				33 082	
Actual amounts per statement of financial performance (total revenue)				29 206 962				28 316 485	
Actual amounts per statement of financial performance (total expenditure)					28 425 926				27 681 092

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

	Appropriation per economic classification							2014/15		
	2015/16							Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	R'000			
Current payments	25 563 600	58 028	(87 585)	25 534 043	24 775 870	758 173	97.0%	24 571 063	24 107 793	
Compensation of employees	23 284 751	(3 725)	(291 795)	22 989 231	22 635 463	353 768	98.5%	22 640 251	22 511 450	
Salaries and wages	19 867 064	8 477	(217 568)	19 657 973	19 435 689	222 284	98.9%	19 988 705	19 541 609	
Social contributions	3 417 687	(12 202)	(74 227)	3 331 258	3 199 774	131 484	96.1%	2 651 546	2 969 841	
Goods and services	2 278 849	61 753	204 210	2 544 812	2 140 407	404 405	84.1%	1 930 812	1 595 545	
Administrative fees	(366)	387	-	45	954	(909)	2120.0%	1 026	1 199	
Advertising	(42)	4 771	-	4 729	4 635	94	98.0%	7 203	3 038	
Minor assets	96 374	(39 641)	-	56 733	3 795	52 938	6.7%	42 505	3 438	
Audit costs: External	18 625	3 309	-	21 934	21 274	660	97.0%	21 267	20 425	
Bursaries: Employees	47 188	6 680	-	64 896	61 654	3 242	95.0%	32 548	29 509	
Catering: Departmental activities	48 401	(6 848)	-	41 553	32 530	9 023	78.3%	37 871	30 386	
Communication (G&S)	29 997	(593)	-	29 404	24 904	4 500	84.7%	24 730	22 147	
Computer services	49 113	24 370	-	73 483	53 026	20 457	72.2%	36 569	30 005	
Consultants: Business and advisory services	157 288	(38 459)	-	95 801	44 200	51 601	46.1%	59 854	55 359	
Legal services	44 274	(400)	-	43 874	19 138	24 736	43.6%	82 299	63 358	
Contractors	177 579	(30 059)	-	351 730	356 933	(5 203)	101.5%	154 724	116 895	
Agency and support / outsourced services	118 485	(5 106)	-	113 379	106 255	7 124	93.7%	138 902	126 007	
Entertainment	25	-	-	25	6	19	24.0%	59	27	
Inventory: Clothing material and supplies	22	-	-	22	57	(35)	259.1%	117	45	
Inventory: Farming supplies	-	1 088	-	1 088	887	201	81.5%	100	344	
Inventory: Food and food supplies	3 700	(3 700)	-	-	-	-	-	99	86	
Inventory: Fuel, oil and gas	32	1 942	-	1 974	1 817	157	92.0%	128	-	
Inventory: Learner and teacher support material	656 252	(14 218)	-	642 034	587 889	54 145	91.6%	589 579	570 756	
Inventory: Materials and supplies	60	46	-	106	1	105	0.9%	26	11	
Inventory: Medical supplies	219	-	-	219	219	-	100.0%	505	498	
Medcas Inventory Interface	800	(800)	-	-	-	-	-	-	-	
Inventory: Other supplies	211 904	128 729	12 000	352 633	237 112	115 521	67.2%	122 987	28 853	
Consumable supplies	3 723	5 613	-	9 336	11 229	(1 893)	120.3%	4 803	5 648	
Consumable: Stationery, printing and office supplies	126 124	(339)	-	125 785	108 588	17 197	86.3%	97 927	92 700	
Operating leases	35 721	8 355	-	44 076	29 748	14 328	67.5%	41 380	27 567	
Property payments	77 661	(9 490)	-	68 171	73 270	(5 099)	107.5%	70 297	65 247	

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

	Appropriation per economic classification						2014/15	
	2015/16			Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement					
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	-	619	-	40	579	6.5%	11 924	4 194
Travel and subsistence	228 772	(1 698)	-	289 575	(62 501)	127.5%	183 534	194 633
Training and development	102 899	26 511	-	31 893	97 517	24.6%	122 887	61 658
Operating payments	37 785	411	-	33 955	4 241	88.9%	38 387	36 834
Venues and facilities	6 210	273	-	4 801	1 682	74.1%	6 575	4 678
Rental and hiring	-	-	-	22	(22)	-	-	-
Interest	-	-	-	-	-	-	-	798
Transfers and subsidies	2 568 888	24 451	-	2 574 922	18 417	99.3%	2 557 582	2 530 271
Provinces and municipalities	7 248	-	-	-	7 248	-	-	-
Municipalities	7 248	-	-	-	7 248	-	-	-
Municipal agencies and funds	7 248	-	-	-	7 248	-	-	-
Departmental agencies and accounts	92 705	-	-	92 315	390	99.6%	13 416	13 416
Non-profit institutions	2 220 305	24 451	-	2 218 634	26 122	98.8%	2 322 938	2 215 772
Households	248 630	-	-	263 973	(15 343)	106.2%	221 228	301 083
Social benefits	-	-	-	240 466	(240 466)	-	-	-
Other transfers to households	248 630	-	-	23 507	225 123	9.5%	221 228	301 083
Payments for capital assets	1 029 018	(82 479)	87 585	1 015 714	18 410	98.2%	1 154 758	1 043 028
Buildings and other fixed structures	947 147	(84 705)	87 585	969 945	(19 918)	102.1%	1 077 748	977 867
Machinery and equipment	78 871	2 226	-	45 769	35 328	56.4%	75 654	64 688
Transport equipment	-	41 982	-	28 138	13 844	67%	-	-
Other machinery and equipment	78 871	(39 756)	-	17 631	21 484	45.1%	75 654	64 688
Biological assets	-	-	-	-	-	-	-	-
Intangible assets	3 000	-	-	-	3 000	-	1 356	473
Payment for financial assets	-	-	-	59 420	(59 420)	-	-	-
Total	29 161 506	-	-	28 425 926	735 580	97.5%	28 283 403	27 681 092

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

	Programme 1: Administration									
	2015/16					2014/15				
	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	
Sub programmes:										
1. Office of MEC	5 068	720	-	5 788	6 509	(721)	112.5%	7 445	8 721	
2. Corporate Services	1 372 676	(3 527)	(23 028)	1 346 121	1 076 675	269 446	80.0%	1 030 099	919 516	
3. Education Management	1 256 083	1 708	-	1 257 791	1 114 597	143 194	88.6%	1 103 544	1 224 319	
4. Human Resource Development	8 213	-	-	8 213	4 985	3 228	60.7%	9 762	6 149	
5. Education Management Information System (EMIS)	41 684	1 099	-	42 783	39 955	2 828	93.4%	39 448	31 593	
Total for sub programmes	2 683 724	-	(23 028)	2 660 696	2 242 721	417 975	84.3%	2 190 298	2 190 298	
Economic Classification										
Current payments	2 616 812	(7 785)	(23 028)	2 585 999	2 187 635	398 364	84.6%	2 140 258	2 137 005	
Compensation of employees	2 070 774	(5 931)	-	2 064 843	1 853 190	211 653	89.7%	1 803 887	1 824 514	
Salaries and wages	1 796 318	7 240	-	1 803 558	1 598 098	205 460	88.6%	1 600 017	1 564 317	
Social contributions	274 456	(13 171)	-	261 285	255 092	6 193	97.6%	203 870	260 197	
Goods and services	546 038	(1 854)	(23 028)	521 156	334 445	186 711	64.2%	336 371	311 693	
Administrative fees	-	-	-	-	936	(912)	3900.0%	619	1 134	
Advertising	5 174	(445)	-	4 729	4 465	264	94.4%	1 078	422	
Minor assets	34 684	2 724	-	37 408	1 206	36 202	3.2%	2 909	491	
Audit costs: External	18 625	3 309	-	21 934	21 274	660	97.0%	20 217	19 389	
Bursaries: Employees	4 391	1	-	4 392	3 857	535	87.8%	3 173	1 620	
Catering: Departmental activities	5 704	162	-	5 866	4 019	1 847	68.5%	3 735	2 108	
Communication (G&S)	29 997	(593)	-	29 404	24 904	4 500	84.7%	24 529	22 057	
Computer services	42 477	22 718	-	65 195	45 120	20 075	69.2%	32 158	30 005	
Consultants: Business and advisory services	151 538	(35 643)	(23 028)	92 867	40 864	52 003	44.0%	43 532	37 122	
Legal services	44 274	(400)	-	43 874	19 138	24 736	43.6%	52 299	49 523	
Contractors	3 075	2 422	-	5 497	3 147	2 350	57.2%	2 625	1 851	
Agency and support / outsourced services	16 533	1 909	-	18 442	9 869	8 573	53.5%	22 256	18 909	
Entertainment	25	-	-	25	6	19	24.0%	19	-	
Inventory: Clothing material and supplies	-	-	-	-	45	(45)	-	20	-	
Inventory: Food and food supplies	-	-	-	-	-	-	-	99	86	
Inventory: Fuel, oil and gas	2	-	-	2	1	1	50.0%	1	-	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	142	8	
Inventory: Materials and supplies	40	44	-	84	-	84	-	12	2	
Inventory: Medical supplies	-	-	-	-	-	-	-	15	15	
Inventory: Other supplies	-	2 000	-	2 000	-	2 000	-	46	-	

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

	2015/16						2014/15		
	Programme 1: Administration						Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance			
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Consumable supplies	2 730	5 249	-	7 979	10 098	(2 119)	1 592	3 711	
Consumable: Stationery, printing and office supplies	18 719	(5)	-	18 714	7 990	10 724	9 028	8 018	
Operating leases	17 496	(184)	-	17 312	10 364	6 948	16 055	10 059	
Property payments	41 438	(8 999)	-	32 439	28 114	4 325	16 265	13 751	
Travel and subsistence	83 196	1 715	-	84 911	74 865	10 046	57 648	71 163	
Training and development	5 934	(229)	-	5 705	3 266	2 439	6 733	3 665	
Operating payments	18 184	2 321	-	20 505	19 670	835	18 394	16 141	
Venues and facilities	1 778	70	-	1 848	1 214	634	1 172	443	
Rental and hiring	-	-	-	-	13	(13)	-	-	
Interest and rent on land	-	-	-	-	-	-	-	798	
Transfers and subsidies	16 191	120	-	16 311	19 937	(3 626)	11 245	18 903	
Non-profit institutions	120	120	-	240	209	31	410	236	
Households	16 071	-	-	16 071	19 728	(3 657)	10 835	18 667	
Other transfers to households	16 071	-	-	16 071	19 728	(3 657)	10 835	18 667	
Payments for capital assets	50 721	7 665	-	58 386	35 149	23 237	38 795	34 390	
Buildings and other fixed structures	-	-	-	-	65	(65)	-	-	
Buildings	-	-	-	-	65	(65)	-	-	
Machinery and equipment	47 721	7 665	-	55 386	35 084	20 302	38 795	34 390	
Transport equipment	-	38 586	-	38 586	24 766	13 820	-	-	
Other machinery and equipment	47 721	(30 921)	-	16 800	10 318	6 482	38 795	34 390	
Intangible assets	3 000	-	-	3 000	-	3 000	-	-	
Total	2 683 724	-	(23 028)	2 660 696	2 242 721	417 975	2 190 298	2 190 298	

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Sub-programme 1.1: Office of the MEC										
	2015/16					2014/15				
	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	4 847	600	-	5 447	6 268	(821)	115.1%	6 984	8 485	
Compensation of employees	3 186	-	-	3 186	4 374	(1 188)	137.3%	5 269	6 865	
Goods and services	1 661	600	-	2 261	1 894	367	83.8%	1 715	1 620	
Transfers and subsidies	120	120	-	240	209	31	87.1%	410	236	
Non-profit institutions	120	120	-	240	209	31	87.1%	410	236	
Payments for capital assets	101	-	-	101	32	69	31.7%	51	-	
Machinery and equipment	101	-	-	101	32	69	31.7%	51	-	
Total	5 068	720	-	5 788	6 509	(721)	112.5%	7 445	8 721	

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Sub-programme 1.2: Corporate Services									
2015/16					2014/15				
	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	1 319 714	(11 034)	(23 028)	1 285 652	1 034 195	251 457	80.4%	989 489	879 373
Compensation of employees	859 523	(5 931)	-	853 592	787 748	65 844	92.3%	740 847	661 260
Goods and services	460 191	(5 103)	(23 028)	432 060	246 447	185 613	57.0%	248 642	217 315
Interest and rent on land	-	-	-	-	-	-	-	-	798
Transfers and subsidies	5 623	-	-	5 623	7 621	(1 998)	135.5%	3 312	6 685
Households	5 623	-	-	5 623	7 621	(1 998)	135.5%	3 312	6 685
Payments for capital assets	47 339	7 507	-	54 846	34 859	19 987	63.6%	37 298	33 458
Buildings and other fixed structures	-	-	-	-	65	(65)	-	-	-
Machinery and equipment	44 339	7 507	-	51 846	34 794	17 052	67.1%	37 298	33 458
Intangible assets	3 000	-	-	3 000	-	3 000	-	-	-
Total	1 372 676	(3 527)	(23 028)	1 346 121	1 076 675	269 446	80.0%	1 030 099	919 516

Sub-programme 1.3: Education Management									
2015/16					2014/15				
	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	1 242 354	1 550	-	1 243 904	1 102 232	141 672	88.6%	1 095 458	1 212 035
Compensation of employees	1 184 231	-	-	1 184 231	1 039 949	144 282	87.8%	1 038 056	1 143 958
Goods and services	58 123	1 550	-	59 673	62 283	(2 610)	104.4%	57 402	68 077
Transfers and subsidies	10 448	-	-	10 448	12 107	(1 659)	115.9%	7 523	11 972
Households	10 448	-	-	10 448	12 107	(1 659)	115.9%	7 523	11 972
Payments for capital assets	3 281	158	-	3 439	258	3 181	7.5%	563	312
Machinery and equipment	3 281	158	-	3 439	258	3 181	7.5%	563	312
Total	1 256 083	1 708	-	1 257 791	1 114 597	143 194	88.6%	1 103 544	1 224 319

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Sub-programme 1.4: Human Resource Development									
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	8 213	-	-	8 213	4 985	3 228	60.7%	9 762	6 139
Compensation of employees	-	-	-	-	(242)	242	-	-	-
Goods and services	8 213	-	-	8 213	5 227	2 986	63.6%	9 762	6 139
Total	8 213	-	-	8 213	4 985	3 228	60.7%	9 762	6 149

Sub-programme 1.5: Education Management Information System (EMIS)									
2015/16									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	41 684	1 099	-	42 783	39 955	2 828	93.4%	38 565	30 973
Compensation of employees	23 834	-	-	23 834	21 361	2 473	89.6%	19 715	12 431
Goods and services	17 850	1 099	-	18 949	18 594	355	98.1%	18 850	18 542
Payments for capital assets	-	-	-	-	-	-	-	883	620
Machinery and equipment	-	-	-	-	-	-	-	883	620
Total	41 684	1 099	-	42 783	39 955	2 828	93.4%	39 448	31 593

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 2: Public Ordinary School Education										
	2015/16					2014/15				
	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	7 490 863	-	-	7 490 863	7 557 363	(66 500)	100.9%	6 274 045	6 415 186	
2. Public Secondary Schools	14 884 712	-	(298 427)	14 586 285	14 370 686	215 599	98.5%	15 239 053	14 826 535	
3. Human Resource Development	76 637	-	11 028	87 665	86 063	1 602	98.2%	62 994	53 986	
4. School, Sport, Culture and Media Services	30 091	-	-	30 091	27 651	2 440	91.9%	24 431	27 859	
5. Conditional Grants	1 062 438	-	-	1 062 438	1 048 999	13 439	98.7%	1 007 173	1 000 062	
Total for sub programmes	23 544 741	-	(287 399)	23 257 342	23 090 762	166 580	99.3%	22 607 696	22 323 628	
Economic classification										
Current payments	21 314 102	(18 892)	(287 399)	21 007 811	20 783 507	224 304	98.9%	20 570 866	20 314 946	
Compensation of employees	20 155 005	-	(310 427)	19 844 578	19 749 510	98 068	99.5%	19 520 055	19 380 138	
Salaries and wages	17 088 245	-	(236 200)	16 854 076	16 884 491	(30 415)	100.2%	17 133 167	16 734 968	
Social contributions	3 066 760	-	(74 227)	2 993 502	2 865 019	128 483	95.7%	2 386 888	2 645 170	
Goods and services	1 159 097	(21 892)	23 028	1 160 233	1 033 997	126 236	89.1%	1 050 811	934 808	
Administrative fees	(386)	386	-	-	-	-	-	205	65	
Advertising	(5 216)	5 216	-	-	170	(170)	-	6 044	2 515	
Minor assets	8 748	(6 631)	-	2 117	972	1 145	45.9%	9 442	2 842	
Bursaries: Employees	42 797	6 679	11 028	60 504	57 797	2 707	95.5%	28 561	27 852	
Catering: Departmental activities	31 549	(5 314)	-	26 235	21 868	4 367	83.4%	26 945	22 492	
Communication (G&S)	-	-	-	-	-	-	-	193	90	
Computer services	979	309	-	1 288	1 282	6	99.5%	-	-	
Contractors	5 750	(2 816)	-	2 934	3 336	(402)	113.7%	16 322	15 254	
Agency and support / outsourced services	8 474	(1 364)	-	7 110	4 124	2 986	58.0%	3 909	1 976	
Entertainment	87 863	(7 790)	-	80 073	81 548	(1 475)	101.8%	100 364	90 939	
Inventory: Clothing material and accessories	10	-	-	10	-	10	-	40	27	
Inventory: Farming supplies	-	1 088	-	1 088	887	201	81.5%	100	344	
Inventory: Food and food supplies	3 700	(3 700)	-	-	1 801	156	92.0%	100	562 199	
Inventory: Fuel, oil and gas	15	1 942	-	1 957	574 408	2 365	99.6%	528 472	-	
Inventory: Learner and teacher support material	589 387	(12 614)	-	576 773	-	-	-	14	9	
Inventory: Materials and supplies	20	1	-	21	1	20	4.8%	14	7	
Inventory: Medical supplies	-	(800)	-	-	-	-	-	14	-	
Medias Inventory Interface	800	-	-	-	-	-	-	-	-	
Inventory: Other supplies	211 848	5 379	12 000	229 227	111 549	117 678	48.7%	121 230	27 757	

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

	Programme 2: Public Ordinary School Education						2014/15	
	2015/16			2014/15			Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	
Consumable supplies	527	442	-	969	828	141	85.4%	1 205
Consumable: Stationery, printing and office supplies	4 789	(1 348)	-	3 441	2 408	1 033	70.0%	4 309
Operating leases	16 285	8 539	-	24 824	17 909	6 915	72.1%	17 425
Property payments	29 714	(441)	-	29 273	42 241	(12 968)	144.3%	45 035
Transport provided: Departmental activity	-	619	-	619	40	579	6.5%	707
Travel and subsistence	79 251	(6 195)	-	73 056	78 492	(5 436)	107.4%	74 390
Training and development	28 772	(3 868)	-	24 904	21 796	3 108	87.5%	21 617
Operating payments	10 976	90	-	11 066	8 704	2 362	78.7%	13 159
Venues and facilities	2 445	299	-	2 744	1 827	917	66.6%	2 588
Rental and hiring	-	-	-	-	9	(9)	-	-
Transfers and subsidies	2 219 040	24 331	-	2 243 371	2 246 273	(2 902)	100.1%	1 988 633
Non-profit institutions	1 988 236	24 331	-	2 012 567	2 005 560	7 007	99.7%	1 709 686
Households	230 804	-	-	230 804	240 713	(9 909)	104.3%	278 947
Social benefits	-	-	-	-	240 466	(240 466)	-	-
Other transfers to households	230 804	-	-	230 804	247	230 557	0.1%	278 947
Payments for capital assets	11 599	(5 439)	-	6 160	7 988	(1 828)	129.7%	20 049
Machinery and equipment	11 599	(5 439)	-	6 160	7 988	(1 828)	129.7%	19 576
Transport equipment	-	3 396	-	3 396	24	3 372	99.3%	-
Other machinery and equipment	11 599	(8 835)	-	2 764	4 616	(1 852)	167.0%	19 576
Intangible assets	-	-	-	-	-	-	-	473
Payment for financial assets	-	-	-	-	52 994	(52 994)	-	-
Total	23 544 741	-	(287 399)	23 257 342	23 090 762	166 580	99.3%	22 323 628

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Sub-programme 2.1: Public Primary Schools										
	2015/16					2014/15				
	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	7 129 031	-	-	7 129 031	7 131 580	(2 549)	100.0%	5 980 187	6 064 298	
Compensation of employees	6 832 512	-	-	6 832 512	6 981 241	(148 729)	102.2%	5 695 009	5 856 907	
Goods and services	296 519	-	-	296 519	150 339	146 180	50.7%	285 178	207 391	
Transfers and subsidies	359 832	-	-	359 832	425 783	(65 951)	118.3%	283 465	341 138	
Non-profit institutions	339 832	-	-	339 832	344 083	(4 251)	101.3%	238 366	277 086	
Households	20 000	-	-	20 000	81 700	(61 700)	408.5%	45 099	64 052	
Payments for capital assets	2 000	-	-	2 000	-	2 000	-	10 393	9 750	
Machinery and equipment	2 000	-	-	2 000	-	2 000	-	10 393	9 750	
Total	7 490 863	-	-	7 490 863	7 557 363	(66 500)	100.9%	6 274 045	6 415 186	

Sub-programme 2.2: Public Secondary School										
	2015/16					2014/15				
	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	14 005 167	(16 643)	(298 427)	13 699 097	13 480 272	209 825	98.5%	14 455 806	14 128 188	
Compensation of employees	13 303 995	-	-	12 993 568	12 748 387	245 181	98.1%	13 807 396	13 505 570	
Goods and services	701 172	(16 643)	12 000	696 529	731 885	(35 356)	105.1%	648 410	622 618	
Transfers and subsidies	879 897	17 331	-	897 228	834 420	62 808	93.0%	773 908	695 432	
Non-profit institutions	669 093	-	-	666 424	675 407	11 017	98.4%	612 402	480 537	
Households	210 804	-	-	210 804	159 013	51 791	75.4%	161 506	214 895	
Payments for capital assets	(352)	(688)	-	(1 040)	3 000	(4 040)	(288.5%)	9 339	2 915	
Machinery and equipment	(352)	(688)	-	(1 040)	3 000	(4 040)	(288.5%)	8 866	2 442	
Biological assets	-	-	-	-	-	-	-	-	-	
Software and other intangible assets	-	-	-	-	(52 994)	-	-	473	473	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
Total	14 884 712	-	(298 427)	14 586 285	14 370 686	215 599	98.5%	15 239 053	14 826 535	

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Sub-programme 2.3: Human Resource Development									
2015/16					2014/15				
	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	76 637	-	11 028	87 665	86 063	1 602	98.2%	62 994	53 986
Goods and services	76 637	-	11 028	87 665	86 063	1 602	98.2%	62 994	53 986
Total	76 637	-	11 028	87 665	86 063	1 602	98.2%	62 994	53 986
Sub-programme 2.4: School, Sport, Culture and Media Services									
2015/16					2014/15				
	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	29 891	-	-	29 891	27 634	2 257	92.4%	24 431	27 859
Goods and services	29 891	-	-	29 891	27 634	2 257	92.4%	24 431	27 859
Payments for capital assets	200	-	-	200	-	183	8.5%	-	-
Machinery and equipment	200	-	-	200	-	183	-	-	-
Total	30 091	-	-	30 091	27 651	2 440	91.9%	24 431	27 859
Sub-programme 2.5: Conditional Grants									
2015/16					2014/15				
	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	73 376	(2 249)	-	71 127	57 958	13 169	81.5%	47 448	40 615
Compensation of employees	18 498	3 000	-	21 498	19 882	1 616	92.5%	17 650	17 661
Goods and services	54 878	(5 249)	-	49 629	38 076	11 553	76.7%	29 798	22 954
Transfers and subsidies	979 311	7 000	-	986 311	986 070	241	100.0%	953 296	952 063
Non-profit institutions	979 311	7 000	-	986 311	986 070	241	100.0%	953 296	952 063
Payments for capital assets	9 751	(4 751)	-	5 000	4 971	29	99.4%	6 429	7 384
Machinery and equipment	9 751	(4 751)	-	5 000	4 971	29	99.4%	6 429	7 384
Total	1 062 438	-	-	1 062 438	1 048 999	13 439	98.7%	1 007 173	1 000 062

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Programme 3: Independent School Subsidies									
2015/16					2014/15				
	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. Primary Phase	67 448	-	-	67 448	66 718	730	98.9%	69 447	61 794
2. Secondary Phase	48 869	-	-	48 869	48 869	-	100.0%	41 742	48 520
Total for sub-programmes	116 317	-	-	116 317	115 587	730	99.4%	111 189	110 314
Economic classification									
Current payments	116 317	-	-	116 317	115 587	730	99.4%	111 189	110 314
Transfers and subsidies	116 317	-	-	116 317	115 587	730	99.4%	111 189	110 314
Non-profit institutions	116 317	-	-	116 317	115 587	730	99.4%	111 189	110 314
Total	116 317	-	-	116 317	115 587	730	99.4%	111 189	110 314
Sub-programme 3.1: Primary Phase									
2015/16					2014/15				
	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									
Transfers and subsidies	67 448	-	-	67 448	66 718	730	98.9%	69 447	61 794
Non-profit institutions	67 448	-	-	67 448	66 718	730	98.9%	69 447	61 794
Total	67 448	-	-	67 448	66 718	730	98.9%	69 447	61 794
Sub-programme 3.2: Secondary Phase									
2015/16					2014/15				
	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									
Transfers and subsidies	48 869	-	-	48 869	48 869	-	100.0%	41 742	48 520
Non-profit institutions	48 869	-	-	48 869	48 869	-	100.0%	41 742	48 520
Total	48 869	-	-	48 869	48 869	-	100.0%	41 742	48 520

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		Programme 4: Public Special School Education					2014/15		
		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	644 575	-	-	644 575	590 947	53 628	91.7%	526 084	514 077
2. Human Resource Development	2 442	-	-	2 442	2 113	329	86.5%	2 374	1 789
3. School Sport, Culture and Media Services	1 972	-	-	1 972	1 690	282	85.7%	3 669	2 958
4. Conditional Grants for OSD Therapist	2 067	-	-	2 067	2 067	-	100.0%	6 571	6 562
Total for sub programmes	651 056	-	-	651 056	596 817	54 239	91.7%	538 698	525 386
Economic classification									
Current payments	571 728	-	-	571 728	522 542	49 186	91.4%	461 775	447 654
Compensation of employees	534 877	-	-	534 877	500 521	34 356	93.6%	439 682	438 464
Salaries and wages	461 561	-	-	461 561	424 047	37 514	91.9%	380 494	375 868
Social contributions	73 316	-	-	73 316	76 474	(3 158)	104.3%	59 188	62 596
Goods and services	36 851	-	-	36 851	22 021	14 830	59.8%	22 093	9 190
Advertising	-	-	-	-	-	-	-	81	-
Minor assets	6 456	(4 589)	-	1 867	-	1 867	-	1 778	-
Audit costs: External	-	-	-	-	-	-	-	1 000	987
Bursaries: Employees	-	-	-	-	-	-	-	585	-
Catering: Departmental activities	3 648	(1 200)	-	2 448	725	1 723	29.6%	41	485
Inventory: Learner and teacher support material	13 459	-	-	13 459	2 801	10 658	20.8%	8 694	26
Inventory: Other supplies	-	4 601	-	4 601	9 818	(5 217)	213.4%	1 321	706
Consumable supplies	12	(12)	-	-	-	-	-	87	-
Consumable: Stationery, printing and office supplies	810	-	-	810	-	810	-	-	-
Property payments	3 100	-	-	3 100	236	2 864	7.6%	2 300	2 425
Transport provided: Departmental activity	-	-	-	-	-	-	-	3 189	-
Travel and subsistence	6 924	1 200	-	8 124	6 169	1 955	75.9%	550	2 725
Training and development	2 442	-	-	2 442	2 113	329	86.5%	2 374	1 789
Operating payments	-	-	-	-	159	(159)	-	-	47
Venues and facilities	-	-	-	-	-	-	-	93	-
Transfers and subsidies	72 651	-	-	72 651	74 223	(1 572)	102.2%	66 350	67 160
Non-profit institutions	70 896	-	-	70 896	70 754	142	99.8%	64 677	64 186
Households	1 755	-	-	1 755	3 469	(1 714)	197.7%	1 673	2 974
Other transfers to households	1 755	-	-	1 755	3 469	(1 714)	197.7%	1 673	2 974
Payments for capital assets	6 677	-	-	6 677	52	6 625	0.8%	10 573	10 572
Machinery and equipment	6 677	-	-	6 677	52	6 625	0.8%	10 573	10 572
Total	651 056	-	-	651 056	596 817	54 239	91.7%	538 698	525 386

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Sub-programme 4.1: Schools										
	2015/16					2014/15				
	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	565 247	-	-	565 247	516 672	48 575	91.4%	449 161	436 345	
Compensation of employees	532 810	-	-	532 810	498 454	34 356	93.6%	433 111	431 902	
Goods and services	32 437	-	-	32 437	18 218	14 219	56.2%	16 050	4 443	
Transfers and subsidies	72 651	-	-	72 651	74 223	(1 572)	102.2%	66 350	67 160	
Non-profit institutions	70 896	-	-	70 896	70 754	142	99.8%	64 677	64 186	
Households	1 755	-	-	1 755	3 469	(1 714)	197.7%	1 673	2 974	
Payments for capital assets	6 677	-	-	6 677	52	6 625	0.8%	10 573	10 572	
Machinery and equipment	6 677	-	-	6 677	52	6 625	0.8%	10 573	10 572	
Total	644 575	-	-	644 575	590 947	53 628	91.7%	526 084	514 077	

Sub-programme 4.2: Human Resource Development										
	2015/16					2014/15				
	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	2 442	-	-	2 442	2 113	329	86.5%	2 374	1 789	
Goods and services	2 442	-	-	2 442	2 113	329	86.5%	2 374	1 789	
Total	2 442	-	-	2 442	2 113	329	86.5%	2 374	1 789	

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Sub-programme 4.3: School Sport, Culture and Media Studies									
2015/16					2014/15				
	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	1 972	-	-	1 972	1 690	282	85.7%	3 669	2 958
Goods and services	1 972	-	-	1 972	1 690	282	85.7%	3 669	2 958
Total	1 972	-	-	1 972	1 690	282	85.7%	3 669	2 958

Sub-programme 4.4: Conditional Grants for OSD Therapist									
2015/16					2014/15				
	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	2 067	-	-	2 067	2 067	-	100.0%	6 571	6 562
Compensation of employees	2 067	-	-	2 067	2 067	-	100.0%	6 571	6 562
Total	2 067	-	-	2 067	2 067	-	100.0%	6 571	6 562

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Programme 5: Early Childhood Development									
2015/16					2014/15				
	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	530 969	-	-	530 969	456 374	74 595	86.0%	538 702	388 940
2. Pre-Grade R in Public Schools	23 478	-	-	23 478	2 429	21 049	10.3%	7 826	150
3. Human Resource Development	2 094	-	-	2 094	1 682	412	80.3%	1 985	570
Total for sub programmes	556 541	-	-	556 541	460 485	96 056	82.7%	548 513	389 660
Economic classification									
Current payments	548 744	-	-	548 744	460 485	88 259	83.9%	531 504	380 402
Compensation of employees	364 641	-	-	364 641	353 076	11 565	96.8%	345 604	325 112
Salaries and wages	363 912	-	-	363 912	352 417	11 495	96.8%	344 871	324 464
Social contributions	729	-	-	729	659	70	90.4%	733	648
Goods and services	184 103	-	-	184 103	107 409	76 694	58.3%	185 900	55 290
Minor assets	45 033	(30 000)	-	15 033	-	15 033	-	27 106	-
Catering: Departmental activities	1 000	-	-	1 000	529	471	52.9%	75	-
Inventory: Learner and teacher support material	53 357	(1 562)	-	51 795	10 675	41 120	20.6%	49 896	8 286
Consumable: Stationery, printing and office supplies	14 193	1 562	-	15 755	12 952	2 803	82.2%	-	-
Travel and subsistence	8 000	-	-	8 000	81 571	(73 571)	1019.6%	353	157
Training and development	62 520	30 000	-	92 520	1 682	90 838	1.8%	78 111	32 653
Transfers and subsidies	7 797	-	-	7 797	-	7 797	-	17 009	9 258
Non-profit institutions	7 797	-	-	7 797	-	7 797	-	17 009	9 258
Total	556 541	-	-	556 541	460 485	96 056	82.7%	548 513	389 660

Sub-programme 5.1: Grade R in Public Schools									
2015/16					2014/15				
	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	530 969	-	-	530 969	456 374	74 595	86.0%	529 091	379 682
Compensation of employees	364 641	-	-	364 641	353 076	11 565	96.8%	345 604	325 112
Goods and services	166 328	-	-	166 328	103 298	63 030	62.1%	183 487	54 570
Transfers and subsidies	-	-	-	-	-	-	-	9 611	9 258
Non-profit institutions	-	-	-	-	-	-	-	9 611	9 258
Total	530 969	-	-	530 969	456 374	74 595	86.0%	538 702	388 940

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Sub-programme 5.2: Pre-Grade R Training									
2015/16					2014/15				
	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	15 681	-	-	15 681	2 429	13 252	15.5%	428	150
Goods and services	15 681	-	-	15 681	2 429	13 252	15.5%	428	150
Transfers and subsidies	7 797	-	-	7 797	-	7 797	-	7 398	-
Non-profit institutions	7 797	-	-	7 797	-	7 797	-	7 398	-
Total	23 478	-	-	23 478	2 429	21 049	10.3%	7 826	150

Sub-programme 5.3: Human Resource Development									
2015/16					2014/15				
	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	2 094	-	-	2 094	1 682	412	80.3%	1 985	570
Goods and services	2 094	-	-	2 094	1 682	412	80.3%	1 985	570
Total	2 094	-	-	2 094	1 682	412	80.3%	1 985	570

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Programme 6: Infrastructure Development									
2015/16					2014/15				
	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	30 800	-	-	30 800	24 709	6 091	80.2%	26 407	66 095
2. Public Ordinary Schools	910 732	-	291 795	1 202 527	1 280 881	(78 354)	106.5%	849 861	855 116
3. Special Schools	70 864	-	-	70 864	56 023	14 841	79.1%	200 308	128 496
4. Early Childhood Development	144 014	-	-	144 014	86 592	57 422	60.1%	160 516	50 365
Total for sub programmes	1 156 410	-	291 795	1 448 205	1 448 205	-	100.0%	1 237 092	1 100 072
Economic classification									
Current payments	192 015	84 705	204 210	480 930	471 899	9 031	98.1%	159 344	122 205
Compensation of employees	24 425	-	-	24 425	6 582	17 843	26.9%	9 757	8 452
Salaries and wages	21 999	-	-	21 999	5 929	16 070	27.0%	9 757	7 606
Social contributions	2 426	-	-	2 426	653	1 773	26.9%	-	846
Goods and services	167 590	84 705	204 210	456 505	465 317	(8 812)	101.9%	149 587	113 753
Advertising	-	-	-	-	-	-	-	-	101
Contractors	166 015	(31 295)	204 210	338 930	349 470	(10 540)	103.1%	148 087	112 988
Inventory: Other supplies	-	116 000	-	116 000	115 262	738	99.4%	-	-
Consumable: Stationery, printing and office supplies	120	-	-	120	15	105	12.5%	-	89
Travel and subsistence	1 255	-	-	1 255	556	699	44.3%	1 350	440
Training and development	200	-	-	200	200	-	-	150	82
Operating payments	-	-	-	-	14	(14)	-	-	53
Interest (Incl. (PPP))	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17 248	-	-	17 248	-	17 248	-	-	-
Provinces and municipalities	7 248	-	-	7 248	-	7 248	-	-	-
Municipalities	7 248	-	-	7 248	-	7 248	-	-	-
Municipal agencies and funds	7 248	-	-	7 248	-	7 248	-	-	-
Non-profit institutions	10 000	-	-	10 000	-	10 000	-	-	-
Payments for capital assets	947 147	(84 705)	87 585	950 027	969 880	(19 853)	102.1%	1 077 748	977 867
Buildings and other fixed structures	947 147	(84 705)	87 585	950 027	969 880	(19 853)	102.1%	1 077 748	977 867
Payment for financial assets	-	-	-	-	6 426	(6 426)	-	-	-
Total	1 156 410	-	291 795	1 448 205	1 448 205	-	100.0%	1 237 092	1 100 072

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for the year ended 31 March 2016

Sub-programme 6.1: Administration									
2015/16					2014/15				
	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	30 800	-	-	30 800	21 192	9 608	68.8%	11 257	13 942
Compensation of employees	24 425	-	-	24 425	6 578	17 847	26.9%	9 757	8 452
Goods and services	6 375	-	-	6 375	14 614	(8 239)	229.2%	1 500	5 490
Payments for capital assets	-	-	-	-	3 517	(3 517)	-	15 150	52 153
Buildings and other fixed structures	-	-	-	-	3 517	(3 517)	-	15 150	52 153
Total	30 800	-	-	30 800	24 709	6 091	80.2%	26 407	66 095

Sub-programme 6.2: Public Ordinary Schools									
2015/16					2014/15				
	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	160 870	84 705	204 210	449 785	449 785	-	100.0%	130 890	91 068
Goods and services	160 870	84 705	204 210	449 785	449 785	-	100.0%	130 890	91 068
Contractors	160 870	(31 295)	204 210	333 785	334 523	(738)	100.2%	130 890	91 068
Inventory: Other Supplies	-	116 000	-	116 000	115 262	738	99.4%	-	-
Transfers and subsidies	17 248	-	-	17 248	-	17 248	-	-	-
Provinces and Municipalities	7 248	-	-	7 248	-	7 248	-	-	-
Non-profit institutions	10 000	-	-	10 000	-	10 000	-	-	-
Payments for capital assets	732 614	(84 705)	87 585	735 494	824 670	(89 176)	112.1%	718 971	764 048
Buildings and other fixed structures	732 614	(84 705)	87 585	735 494	824 670	(89 176)	112.1%	718 971	764 048
Payment for financial assets	-	-	-	-	6 426	(6 426)	-	-	-
Total	910 732	-	291 795	1 202 527	1 280 881	(78 354)	106.5%	849 861	855 116

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for the year ended 31 March 2016

Sub-programme 6.3 Special Schools										
	2015/16					2014/15				
	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	345	-	-	345	62	283	18.0%	17 197	17 195	
Compensation of employees	-	-	-	-	4	(4)	-	-	-	
Goods and services	345	-	-	345	58	287	16.8%	17 197	17 195	
Payments for capital assets	70 519	-	-	70 519	55 961	14 558	79.4%	183 111	111 301	
Buildings and other fixed structures	70 519	-	-	70 519	55 961	14 558	79.4%	183 111	111 301	
Total	70 864	-	-	70 864	56 023	14 841	79.1%	200 308	128 496	

Sub-programme 6.4: Early Childhood Development										
	2015/16					2014/15				
	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	-	-	-	-	860	(860)	-	-	-	
Goods and services	144 014	-	-	144 014	860	(860)	-	-	-	
Payments for capital assets	144 014	-	-	144 014	85 732	58 282	59.5%	160 516	50 365	
Buildings and other fixed structures	144 014	-	-	144 014	85 732	58 282	59.5%	160 516	50 365	
Total	144 014	-	-	144 014	86 592	57 422	60.1%	160 516	50 365	

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for the year ended 31 March 2016

Programme 7: Examination and Education Related Services									
2015/16					2014/15				
	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. Payments to Seta	92 705	-	-	92 705	92 315	390	99.6%	14 166	13 416
2. Professional Services	33 425	-	-	33 425	30 032	3 393	89.8%	32 185	24 233
3. Special Projects	1 302	-	-	1 302	1 216	86	93.4%	1 409	381
4. External Examinations	287 662	-	18 632	306 284	310 553	(4 269)	101.4%	231 863	242 821
5. Conditional Grants	35 731	-	-	35 731	35 331	400	98.9%	37 023	35 795
Total for sub programmes	450 815	-	18 632	469 447	469 447	-	100.0%	316 646	316 646
Economic classification									
Current payments	318 297	-	18 632	336 929	347 900	(10 971)	103.3%	282 809	287 095
Compensation of employees	133 127	(794)	18 632	150 965	170 682	(19 717)	113.1%	113 801	124 109
Salaries and wages	133 127	(794)	18 632	150 965	168 805	(17 840)	111.8%	113 801	124 099
Social contributions	-	-	-	-	1 877	(1 877)	-	-	10
Goods and services	185 170	794	-	185 964	177 218	8 746	95.3%	169 008	162 986
Administrative fees	20	1	-	21	18	3	85.7%	2	2
Minor assets	1 453	(1 145)	-	308	1 617	(1 309)	525.0%	1 269	105
Catering; Departmental activities	6 500	(496)	-	6 004	5 389	615	89.8%	6 723	5 030
Communication (G&S)	-	-	-	-	-	-	-	8	-
Computer services	5 657	1 343	-	7 000	6 624	376	94.6%	4 411	-
Consultants; Business and advisory services	-	-	-	-	-	-	-	-	2 983
Contractors	15	178	-	193	192	1	99.5%	98	78
Agency and support / outsourced services	14 089	775	-	14 864	14 838	26	99.8%	16 282	16 159
Inventory: Clothing material and accessories	12	-	-	12	12	-	100.0%	42	40
Inventory: Fuel, Oil and Gas	15	-	-	15	15	-	100%	27	-
Inventory: Learner and teacher support material	49	(42)	-	7	5	2	71.4%	243	237
Inventory: Materials and supplies	-	1	-	1	-	1	-	-	-
Inventory: Medical supplies	219	-	-	219	219	-	100.0%	476	476
Inventory: Other supplies	56	749	-	805	483	322	60.0%	31	31
Consumable supplies	454	(66)	-	388	303	85	78.1%	597	521
Consumable: Stationery, printing and office supplies	87 493	(548)	-	86 945	85 223	1 722	98.0%	82 212	80 226
Operating leases	1 940	-	-	1 940	1 475	465	76.0%	728	83
Property payments	3 409	(50)	-	3 359	2 679	680	79.8%	4 334	4 036
Travel and subsistence	50 146	1 582	-	51 728	47 922	3 806	92.6%	43 116	42 258

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Programme 7: Examination and Education Related Services									
2015/16					2014/15				
	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 development	3 031	608	-	3 639	3 036	603	83.4%	2 090	1 659
Operating payments	8 625	(2 000)	-	6 625	5 408	1 217	81.6%	4 210	7 425
Venues and facilities	1 987	(96)	-	1 891	1 760	131	93.1%	2 109	1 639
Transfers and subsidies	119 644	-	-	119 644	118 902	742	99.4%	32 837	29 401
Departmental agencies (non-business entities)	92 705	-	-	92 705	92 315	390	99.6%	13 416	13 416
Non-profit institutions	26 939	-	-	26 939	26 524	415	98.5%	19 421	15 985
Households	-	-	-	-	63	(63)	-	-	-
Other transfers to households	-	-	-	-	63	(63)	-	-	-
Payments for capital assets	12 874	-	-	12 874	2 645	10 229	20.5%	1 000	150
Machinery and equipment	12 874	-	-	12 874	2 645	10 229	20.5%	250	150
Intangible assets	-	-	-	-	-	-	-	750	-
Total	450 815	-	18 632	469 447	469 447	-	100.0%	316 646	316 646

Sub-programme 7.1: Payments to Seta									
2015/16					2014/15				
	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	92 705	-	-	92 705	92 315	390	99.6%	13 416	13 416
Departmental agencies and accounts	92 705	-	-	92 705	92 315	390	99.6%	13 416	13 416
Departmental agencies (non-business entities)	92 705	-	-	92 705	92 315	390	99.6%	13 416	13 416
Payments for capital assets	-	-	-	-	-	-	-	750	-
Software and other intangible assets	-	-	-	-	-	-	-	750	-
Total	92 705	-	-	92 705	92 315	390	99.6%	14 166	13 416

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Sub-programme 7.2: Professional Services									
2015/16					2014/15				
	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	32 955	-	-	32 955	29 553	3 402	89.7%	31 935	24 166
Compensation of employees	-	-	-	-	8	(8)	-	-	10
Goods and services	32 955	-	-	32 955	29 545	3 410	89.7%	31 935	24 156
Transfers and subsidies	-	-	-	-	28	(28)	-	-	-
Households	-	-	-	-	28	(28)	-	-	-
Payments for capital assets	470	-	-	470	451	19	96.0%	250	67
Machinery and equipment	470	-	-	470	451	19	96.0%	250	67
Total	33 425	-	-	33 425	30 032	3 393	89.8%	32 185	24 233

Sub-programme 7.3: Special Projects									
2015/16					2014/15				
	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	1 302	-	-	1 302	1 181	121	90.7%	1 409	381
Goods and services	1 302	-	-	1 302	1 181	121	90.7%	1 409	381
Transfers and subsidies	-	-	-	-	35	(35)	-	-	-
Households	-	-	-	-	35	(35)	-	-	-
Total	1 302	-	-	1 302	1 216	86	93.4%	1 409	381

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Sub-programme 7.4: External Examinations										
	2015/16					2014/15				
	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	248 609	-	18 632	267 241	281 835	(14 594)	105.5%	212 442	226 836	
Compensation of employees	130 546	-	18 632	149 178	168 977	(19 799)	113.3%	112 688	122 986	
Goods and services	118 063	-	-	118 063	112 858	5 205	95.6%	99 754	103 850	
Transfers and subsidies	26 939	-	-	26 939	26 524	415	98.5%	19 421	15 985	
Non-profit institutions	26 939	-	-	26 939	26 524	415	98.5%	19 421	15 985	
Payments for capital assets	12 104	-	-	12 104	2 194	9 910	18.1%	-	-	
Machinery and equipment	12 104	-	-	12 104	2 194	9 910	18.1%	-	-	
Total	287 652	-	18 632	306 284	310 553	(4 269)	101.4%	231 863	242 821	

Sub-programme 7.5: Conditional Grants										
	2015/16					2014/15				
	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	35 431	-	-	35 431	35 331	100	99.7%	37 023	35 712	
Compensation of employees	2 581	(794)	-	1 787	1 697	90	95.0%	1 113	1 113	
Goods and services	32 850	794	-	33 644	33 634	10	100.0%	35 910	34 599	
Payments for capital assets	300	-	-	300	-	300	-	-	83	
Machinery and equipment	300	-	-	300	-	300	-	-	83	
Total	35 731	-	-	35 731	35 331	400	98.9%	37 023	35 795	

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Programme 8: Further Education and Training										
	2015/16					2014/15				
	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										
4. Conditional Grants	-	-	-	-	-	-	-	319 517	311 494	
Total for sub programmes	-	-	-	-	-	-	-	319 517	311 494	
Economic classification										
Current payments										
Goods and services	-	-	-	-	-	-	-	11 294	5 261	
Administrative fees	-	-	-	-	-	-	-	11 294	5 261	
Audit costs: External	-	-	-	-	-	-	-	200	-	
Bursaries: Employees	-	-	-	-	-	-	-	50	49	
Consumable supplies	-	-	-	-	-	-	-	229	37	
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	914	211	
Transport provided: Departmental activity	-	-	-	-	-	-	-	217	-	
Travel and subsistence	-	-	-	-	-	-	-	7 448	3 487	
Operating payments	-	-	-	-	-	-	-	1 566	1 471	
Transfers and subsidies								670	6	
Non-profit institutions	-	-	-	-	-	-	-	307 903	306 233	
Households	-	-	-	-	-	-	-	305 788	305 760	
Other transfers to households	-	-	-	-	-	-	-	2 115	473	
Payments for capital assets								2 115	473	
Machinery and equipment	-	-	-	-	-	-	-	320	-	
Other machinery and equipment	-	-	-	-	-	-	-	320	-	
Total	-	-	-	-	-	-	-	319 517	311 494	

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Sub-programme 8.4: Conditional Grant									
	2015/16					2014/15			
	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	-	-	-	-	-	-	-	11 294	5 261
Goods and services	-	-	-	-	-	-	-	11 294	5 261
Transfers and subsidies	-	-	-	-	-	-	-	307 903	306 233
Non-profit institutions	-	-	-	-	-	-	-	305 788	305 760
Households	-	-	-	-	-	-	-	2 115	473
Payments for capital assets	-	-	-	-	-	-	-	320	-
Machinery and equipment	-	-	-	-	-	-	-	320	-
Total	-	-	-	-	-	-	-	319 517	311 494

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Programme 9: ADULT BASIC EDUCATION AND TRAINING									
2015/16					2014/15				
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. Subsidies to Public Adult Learning Centre	-	-	-	-	-	-	-	411 408	411 408
2. Human Resource Development	-	-	-	-	-	-	-	524	364
Total for sub programmes	-	-	-	-	-	-	-	411 932	411 772
Economic classification									
Current payments	-	-	-	-	-	-	-	411 391	411 403
Compensation of employees	-	-	-	-	-	-	-	405 643	408 839
Salaries and wages	-	-	-	-	-	-	-	404 776	408 465
Social contributions	-	-	-	-	-	-	-	867	374
Goods and services	-	-	-	-	-	-	-	5 748	2 564
Minor assets	-	-	-	-	-	-	-	1	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	352	271
Contractors	-	-	-	-	-	-	-	5	2
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	2 132	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	162	58
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	2 204	2 029
Operating payments	-	-	-	-	-	-	-	776	193
Venues and facilities	-	-	-	-	-	-	-	100	3
Transfers and subsidies	-	-	-	-	-	-	-	380	369
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	380	347
Households	-	-	-	-	-	-	-	-	22
Other transfers to households	-	-	-	-	-	-	-	-	22
Payments for capital assets	-	-	-	-	-	-	-	161	-
Machinery and equipment	-	-	-	-	-	-	-	28	-
Other machinery and equipment	-	-	-	-	-	-	-	28	-
Intangible assets	-	-	-	-	-	-	-	133	-
Total	-	-	-	-	-	-	-	411 932	411 772

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Sub-programme 9.1: Subsidies to Public Adult Learning Centre									
2015/16					2014/15				
	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	-	-	-	-	-	-	-	410 867	411 039
Compensation of employees	-	-	-	-	-	-	-	405 643	408 839
Goods and services	-	-	-	-	-	-	-	5 224	2 200
Transfers and subsidies	-	-	-	-	-	-	-	380	369
Non-profit institutions	-	-	-	-	-	-	-	380	347
Households	-	-	-	-	-	-	-	-	22
Payments for capital assets	-	-	-	-	-	-	-	161	-
Machinery and equipment	-	-	-	-	-	-	-	28	-
Software and other Intangible assets	-	-	-	-	-	-	-	133	-
Total	-	-	-	-	-	-	-	411 408	411 408

Sub-programme 9.3: Human Resource Development									
2015/16					2014/15				
	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	-	-	-	-	-	-	-	524	364
Goods and services	-	-	-	-	-	-	-	524	364
Total	-	-	-	-	-	-	-	524	364

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Direct Charges									
2015/16					2014/15				
	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. Members Remuneration	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Total for sub programmes	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Economic classification									
Current payments	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Compensation of employees	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Total	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822

Sub-Programme 10.1: Members Remuneration									
2015/16					2014/15				
	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	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Compensation of employees	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822
Total	1 902	-	-	1 902	1 902	-	100.0%	1 822	1 822

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

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):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	2 660 696	2 242 722	417 974	16%

Explanation of variance: This programme has an overall under-spending of R417.9 million that is mainly in three sub-programmes: Corporate Services, Education Management and HRD which have underspent by R269.4 million, R143.1 million and R3.2 million respectively.

The under-spending in Compensation of Employees of R211.6 million is mainly attributable to none filling of posts as approved in the 2015/16 Annual Recruitment Plan due to process that was taken to allow the approval the new service delivery model process to take place and be finalised and which the old organogram structure had to be aligned to the new delivery model, some of the recruitment process was then put on hold. Material under-spending in Goods and Services by R190.5 million was due to late start and finalisation of the document management project embarked upon by the Department to improve the archiving and retrieval of data. The underspending in Machinery and Equipment by R19.4 million was mainly due to late delivery of fleet by the fleet management entity and contractual obligations for the month of March 2016.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Public Ordinary School Education administration	23 257 342	23 090 762	166 580	1%

Explanation of variance: This programme has underspent its budget by R166.6 million which is mainly due to underspending in all sub-programmes except for sub-programme 2.1 (Public Primary Schools) which has slightly overspent its budget by 0.9% (R66.5 million).

The underspending in Compensation of Employees of R98 million is due to attrition rate registered by the Department during the year, due to educator posts that were not all paid as at 31st March 2016. The underspending in Goods & Services of R121.7 million is due to LTSM top-up procured but remained to be paid as at 31st March 2016.

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Public Special School Education	651 056	596 817	54 239	8%

Explanation of variance: The underspending in this programme of R54.2 million is due to underspending recorded in sub-programme 4.1 (Schools). The underspending in Compensation of Employee of R34.4 million is as a result of delays in the full implementation of ARP in relation to posts identified for Special Schools as well as slow process in terms of payment of newly appointed support staffs. The underspending in Goods and Services by R14.8 million relates to late submission of invoices for LTSM and assistive devices and funds procured but not yet paid for the hosting of the International sporting events for all intellectually Disabled learners.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Early Childhood Development	556 541	460 486	96 055	17%

Explanation of variance: The under spending of R96 million is recorded under sub-programme 5.1 (Grade-R in Public Schools) and 5.2 (Pre-Grade R) by R74.6 million and R21 million respectively. This underspending is attributed to Compensation of Employees underspending of R11.6 million due to payment of 48 replacing practitioners not yet processed at year end and postponement of additional practitioners which were scheduled for appointment in January 2016 but had to be held back due to verification of learner admission and placement of practitioners affected by the rationalization process.

The programme under spent in Goods and Services by R76.7 million in March 2016 due to inability of suppliers from the National tender to perform as per their SLAs which led the Department to request a deviation of approaching new suppliers.

Transfers underspending of R7.8 million recorded in Pre-Grade R is attributed to delays in finalizing the bid to provide accredited NQF Level 4 training.

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	22 989 231	22 635 463	353 768	2%
Goods and services	2 540 061	2 136 318	403 743	16%
Transfers and subsidies				
Provinces and municipalities	7 248	-	7 248	100.0%
Departmental agencies and accounts	92 705	92 315	390	0.4%
Non-profit institutions	2 244 756	2 218 634	26 122	1%
Households	248 630	263 973	(15 343)	(6%)
Payments for capital assets				
Buildings and other fixed structures	950 027	969 945	(19 918)	(2%)
Machinery and equipment	85 848	49 591	36 257	42%
Software and other intangible assets	3 000	-	3 000	100%

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.3 Per conditional grant

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Maths, science and technology grant	36 586	26 349	10 237	28%
Education Infrastructure Grant	1 136 410	1 136 427	(17)	0%
HIV and AIDS Grant	35 751	35 331	420	1%
National School Nutrition Programme	1 020 116	1 017 111	3 005	0%
Extended public works incentive programme	3 000	3 379	(379)	-13%
Extended public works integrated programme	2 736	2 192	566	21%
OSD for Therapists Grant	2 067	2 067	-	0%

HIV/ AIDS

The budget for the grant was reduced during the adjustments estimates to R35.751 million due to slow spending in the first six months of the financial year. At year end the grants spent R35.330 million or 98.8 per cent. The amount remaining will not be spent and does not qualify to be rolled over hence the Department intends to surrender the funding.

Maths Science and Technology

The total budget for the MST Conditional Grant is R36.586 million. The projected spending for March 2016 was R2.143 million and the actual expenditure was R5.098 million which translates to an over spending of 20.5 per cent due tenders that were awarded late as a result of delays in Supply Chain Management (SCM) to procure ICT hardware and software, workshop machinery, equipment, tools, and workshop consumables. The implication was that service providers were not paid as was originally projected and more payments were done in March 2016. The actual expenditure up to 31 March 2016 is R26.349 million or 72 per cent of the total budget. The under spending is attributed to some tender processes being finalised late leading to late procurement of goods and services as well as late submission of invoices by suppliers.

EPWP Social Sector Grant

The incentive grant allocated R3 million for the 2015/16 financial year. The Grant spent R3.378 million to date. The over spending is attributed to misallocation of personnel in the system who were place or linked against the wrong objectives. This will be corrected before closure of books for 2015/16 Financial Year.

EPWP Integrated Grant

The incentive grant allocated R2 736 million for the 2015/16 financial year. In terms of March projections, the programme spent R29 thousand of the R 265 thousand projected amount leaving R236 thousand as an under-expenditure during the period under review. The under spending at year end is attributed to late submission of relevant documents such as minutes of the meeting, certified ID copies, and signed bank forms; tax no etc. by beneficiaries required by HRA during capturing in Dec which were later submitted in March 2016 for processing.

**EASTERN CAPE DEPARTMENT OF EDUCATION
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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2016

	2015/16 R'000	2014/15 R'000
REVENUE	<i>Note</i>	
Annual appropriation	1	29 159 604
Statutory appropriation	2	1 902
Departmental revenue	3	45 456
Total Revenue		28 281 581
		1 822
		33 082
		29 206 962
EXPENDITURE		
Current expenditure		
Compensation of employees	4	22 635 465
Goods and services	5	2 144 061
Interest and rent on land	6	-
Total current expenditure		24 779 526
		22 511 450
		1 609 526
		798
Transfers and subsidies		
Transfers and subsidies	8	2 574 920
Total transfers and subsidies		2 574 920
		2 530 271
Expenditure for capital assets		
Tangible assets	9	1 012 060
Intangible assets		-
Total expenditure for capital assets		1 012 060
		1 028 481
		566
Payments for financial assets	7	59 420
TOTAL EXPENDITURE		28 425 926
SURPLUS FOR THE YEAR		781 036
		27 681 092
		635 393
Reconciliation of Net Surplus/(Deficit) for the year		
Voted funds	14	735 580
Annual appropriation		722 616
Conditional grants		12 964
Departmental revenue and NRF Receipts		45 456
SURPLUS FOR THE YEAR		781 036
		602 311
		395 419
		206 892
		33 082
		635 393

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2016**

	2015/16 R'000	2014/15 R'000
ASSETS		
	<i>Note</i>	
Current assets	687 267	504 211
Cash and cash equivalents	11 685 796	496 300
Prepayments and advances	12 -	6 426
Receivables	13 1 471	1 485
Non-current assets	84 854	125 590
Receivables	13 84 854	125 590
TOTAL ASSETS	772 121	629 801
LIABILITIES		
Current liabilities	753 764	607 976
Voted funds to be surrendered to the Revenue Fund	14 735 580	602 311
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15 3 557	(40 493)
Payables	16 14 627	46 158
TOTAL LIABILITIES	753 764	607 976
NET ASSETS	18 357	21 825
Represented by:		
Recoverable revenue	18 357	21 825
TOTAL	18 357	21 825

**EASTERN CAPE DEPARTMENT OF EDUCATION
VOTE 6**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2016**

	2015/16 R'000	2014/15 R'000
Recoverable revenue	21 825	15 492
Opening balance	(3 468)	6 333
Transfers:		
Debts revised	(2 579)	(1 278)
Debts recovered (included in departmental receipts)	(12 939)	(9 026)
Debts raised	12 050	16 637
Closing balance	18 357	21 825
TOTAL	18 357	21 825

	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES	29 272 322	28 378 971
Receipts		
Annual appropriated funds received	29 159 604	28 281 581
Statutory appropriated funds received	1 902	1 822
Departmental revenue received	110 764	95 555
Interest received	52	13
Net (increase)/decrease in working capital	15 645	24 575
Surrendered to Revenue Fund	(669 077)	(232 239)
Current payments	(24 779 526)	(24 124 964)
Interest paid	-	(798)
Payments for financial assets	(59 420)	-
Transfers and subsidies paid	(2 574 920)	(2 530 271)
Net cash flow available from operating activities	1 205 024	1 515 274
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	(1 012 060)	(1 025 059)
Net cash flows from investing activities	(1 012 060)	(1 025 059)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in net assets	(3 468)	6 333
Net cash flows from financing activities	(3 468)	6 333
Net increase/(decrease) in cash and cash equivalents	189 496	496 548
Cash and cash equivalents at beginning of period	496 300	(248)
Cash and cash equivalents at end of period	685 796	496 300

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

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	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Comparative information
5.1	Prior period comparative information 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.
5.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
6	Revenue
6.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). 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. 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.
6.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7	Expenditure
7.1	Compensation of employees
7.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

7.1.2	<p>Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. 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 Other <i>expenditure</i> (such as goods and services, transfers and subsidies, interest and rent on land, and payment for capital assets) is recognised in the statement of financial performance on the date of payment. The expenditure for assets is classified as capital expense if the total consideration paid is more than the capitalisation threshold.</p>
7.3	<p>Accrued expenditure payable Accrued expenditure payable is 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. Accrued expenditure payable is measured at cost.</p>
7.4	<p>Leases</p>
7.4.1	<p>Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.</p>
7.4.2	<p>Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. 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 Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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 Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.</p>
10	<p>Receivables 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: Impairment of financial assets 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 Payables are recognised in the statement of financial position at cost.</p>

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

13	Capital Assets
13.1	<p>Immovable capital assets Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. 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 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. 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. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. 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 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. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. 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. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. 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	Provisions and Contingents
14.1	<p>Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits 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	Contingent liabilities

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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

	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.
14.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
14.4	Commitments Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.
15	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • 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. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
16	Fruitless and wasteful expenditure 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. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
17	Irregular expenditure 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. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
18	Changes in accounting policies, accounting estimates and errors 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. Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

	<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> <p>For financial periods prior to 2012/13 the department does not revisit full populations to evaluate the full extent of prior period errors identified and reported. Consequently, the department does not restate the opening balance to the corresponding retrospectively for the effect of financial periods prior to 2012/13. Prior to concluding on impracticability the department explores all possible options to gain access to the relevant information.</p>
19	<p>Accruals Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the notes to the financial statements.</p>
20	<p>Employee benefits Short-term employee benefits that give rise to a present or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of performance or the statement of financial position.</p>
21	<p>Events after the reporting date 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>
22	<p>Principal-Agent arrangements 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, 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.</p>
23	<p>Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are 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>
24	<p>Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
25	<p>Related party transactions 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's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. 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>
26	<p>Inventories</p>

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**ACCOUNTING POLICIES
for the year ended 31 March 2016**

	<p>At the date of acquisition, inventories are recorded at cost price in the annexures attached to the financial statements Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p>
27	<p>Public-Private Partnerships 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. 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>

**EASTERN CAPE DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

1. Annual Appropriation

	Final Appropriation R'000	2015/16 Actual Funds Received R'000	Funds not requested Not received R'000	Final Appropriation R'000	2014/15 Appropriation received R'000
Administration	2 660 696	2 660 696	-	2 190 298	2 190 298
Public Ordinary School Education	23 257 342	23 257 342	-	22 607 696	22 607 696
Independent School Subsidy	116 317	116 317	-	111 189	111 189
Public Special School Education	651 056	651 056	-	538 698	538 698
Early Childhood Development	556 541	556 541	-	319 517	319 517
Infrastructure Development	1 448 205	1 448 205	-	411 932	411 932
Examination and Education related services	469 447	469 447	-	548 513	548 513
Further Education and training	-	-	-	1 237 092	1 237 092
Adult Basic Education and training	-	-	-	316 646	316 646
Total	29 159 604	29 159 604	-	28 281 581	28 281 581

1.1 Conditional grants

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Total grants received	36	2 236 666	2 577 538
Provincial grants included in Total Grants received		<u>2 236 666</u>	<u>2 577 538</u>

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	Note	2015/16 R'000	2014/15 R'000
2. Statutory Appropriation			
Members' remuneration		1 902	1 822
Total		1 902	1 822
Actual Statutory Appropriation received		1 902	1 822
3. Departmental revenue			
Sales of goods and services other than capital assets	3.1	50 326	49 870
Fines, penalties and forfeits	3.2	8	63
Interest, dividends and rent on land	3.3	52	13
Transactions in financial assets and liabilities	3.4	60 430	45 622
Total revenue collected		110 816	95 568
Less: Own revenue included in appropriation	15	65 360	62 486
Departmental revenue collected		45 456	33 082
3.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		50 326	49 870
Sales by market establishment		61	74
Other sales		50 265	49 796
Total	3	50 326	49 870
3.2 Fines, penalties and forfeits			
Fines		8	63
Total	3	8	63
3.3 Interest, dividends and rent on land			
Interest		52	13
Total	3	52	13
3.4 Transactions in financial assets and liabilities			
Stale cheques written back		2 939	-
Other Receipts including Recoverable Revenue		57 491	45 622
Total	3	60 430	45 622

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	Note	2015/16 R'000	2014/15 R'000
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		16 761 686	16 934 497
Performance award		33 465	46 773
Service Based		44 460	49 707
Compensative/circumstantial		369 794	353 859
Periodic payments		9 068	11 336
Other non-pensionable allowances		2 217 219	2 145 437
Total		<u>19 435 692</u>	<u>19 541 609</u>
4.2 Social contributions			
Employer contributions			
Pension		2 099 656	2 048 856
Medical		1 095 174	915 365
UIF		23	149
Bargaining council		1 572	1 910
Official unions and associations		3 348	3 561
Total		<u>3 199 773</u>	<u>2 969 841</u>
Total compensation of employees		<u>22 635 465</u>	<u>22 511 450</u>
Average number of employees		<u>68 850</u>	<u>74 223</u>

	Note	2015/16 R'000	2014/15 R'000
5. Goods and services			
Administrative fees		953	1 232
Advertising		4 721	3 040
Minor assets	5.1	4 213	997
Bursaries (employees)		61 653	29 651
Catering		32 549	30 726
Communication		24 945	21 715
Computer services	5.2	53 026	32 937
Consultants: Business and advisory services		44 200	55 858
Legal services		19 138	63 356
Contractors		357 934	117 062
Agency and support / outsourced services		106 255	126 010
Entertainment		7	26
Audit cost – external	5.3	21 274	16 891
Inventory	5.4	825 617	617 705
Consumables	5.5	124 010	104 384
Operating leases		29 747	27 574
Property payments	5.6	73 478	65 411
Rental and hiring		22	15
Transport provided as part of the departmental activities		40	3 074
Travel and subsistence	5.7	209 960	186 496
Venues and facilities		4 802	4 693
Training and development		111 563	63 847
Other operating expenditure	5.8	33 954	36 826
Total		<u>2 144 061</u>	<u>1 609 526</u>

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5.1	Minor assets			
	Tangible assets			
	Machinery and equipment		4 213	997
	Total	5	<u>4 213</u>	<u>997</u>
5.2	Computer services			
	SITA computer services		50 359	31 130
	External computer service providers		2 667	1 807
	Total	5	<u>53 026</u>	<u>32 937</u>
5.3	Audit cost – External			
	Regularity audits		18 352	15 898
	Performance audits		2 427	-
	Computer audits		495	993
	Total	5	<u>21 274</u>	<u>16 891</u>
		Note	2015/16	2014/15
			R'000	R'000
5.4	Inventory			
	Learning, teaching and support material		587 641	573 741
	Other supplies	5.4.1	237 976	43 964
	Total	5	<u>825 617</u>	<u>617 705</u>
5.4.1	Other supplies			
	Assets for distribution		237 976	43 964
	Machinery and equipment		551	54
	School furniture		237 425	43 858
	Sports and recreation		-	52
	Total	5	<u>237 976</u>	<u>43 964</u>
5.5	Consumables			
	Consumable supplies		15 405	11 366
	Uniform and clothing		-	136
	Household supplies		-	2 442
	Building material and supplies		-	-
	Communication accessories		-	-
	IT consumables		388	888
	Other consumables		15 017	7 900
	Stationery, printing and office supplies		108 605	93 018
	Total	5	<u>124 010</u>	<u>104 384</u>
5.6	Property payments			
	Municipal services		40 866	37 630
	Property management fees		-	-
	Property maintenance and repairs		101	-
	Other		32 511	27 781
	Total	5	<u>73 478</u>	<u>65 411</u>
5.7	Travel and subsistence			
	Local		209 960	186 496
	Total	5	<u>209 960</u>	<u>186 496</u>

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5.8	Other operating expenditure			
	Resettlement costs		5 460	3 916
	Other		28 494	32 910
	Total		33 954	36 826
6.	Interest and rent on land			
	Interest paid		-	798
	Total		-	798
		Note	2015/16	2014/15
			R'000	R'000
7.	Payments for financial assets			
	Debts written off	7.1	59 420	-
	Total		59 420	-
7.1	Debts written off			
	Other debt written off			
	Disallowance fraud account written off		1 957	-
	Advances account written off		6 426	-
	Salary reversal account written off		51 037	-
	Total		59 420	-
	Total debt written off		59 420	-
8.	Transfers and subsidies			
	Departmental agencies and accounts	Annex 1A	92 315	13 416
	Non-profit institutions	Annex 1B	2 218 637	2 215 772
	Households	Annex 1C	263 972	301 083
	Total		2 574 924	2 530 271
9.	Expenditure for capital assets			
	Tangible assets		1 012 060	1 028 481
	Buildings and other fixed structures	32	969 944	977 867
	Machinery and equipment	30	42 116	50 614
	Intangible assets		-	566
	Software	31	-	566
	Total		1 012 060	1 029 047
9.1	Analysis of funds utilised to acquire capital assets – 2015/16			
			Voted	Total
			funds	
	Tangible assets		1 012 060	1 012 060
	Buildings and other fixed structures		969 944	969 944
	Machinery and equipment		42 116	42 116
	Biological assets		-	-
	Total		1 012 060	1 012 060

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9.2	Analysis of funds utilised to acquire capital assets – 2014/15		Voted funds	Total
	Tangible assets		1 028 481	1 028 481
	Buildings and other fixed structures		977 867	977 867
	Machinery and equipment		50 614	50 614
	Intangible assets		566	566
	Software		566	566
	Total		1 029 047	1 029 047
9.3	Finance lease expenditure included in Expenditure for capital assets			
			2015/16	2014/15
	Tangible assets			
	Machinery and equipment		19 004	29 656
	Total		19 004	29 656
		Note	2015/16 R'000	2014/15 R'000
10.	Unauthorised expenditure			
10.1	Reconciliation of unauthorised expenditure			
	Opening balance		-	62 786
	Prior period error		-	-
	As restated		-	62 786
	Unauthorised expenditure – discovered in current year (as restated)		-	-
	Less: Amounts approved by Parliament/Legislature with funding		-	(62 786)
	Less: Amounts approved by Parliament/Legislature without funding		-	-
	Capital		-	-
	Current		-	-
	Transfers and subsidies		-	-
	Less: Amounts transferred to receivables for recovery	15	-	-
	Closing balance		-	-
11.	Cash and cash equivalents			
	Consolidated Paymaster General Account		685 796	496 300
	Total		685 796	496 300
12.	Prepayments and advances			
	Advances paid	12.1	-	6 426
	Total		-	6 426
12.1	Advances paid			
	Public entities	12	-	6 426
	Total		-	6 426

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13. Receivables

		Current	2015/16 Non- current	Total	Current	2014/15 Non- current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Staff debt	13.1	1 328	84 854	86 182	1 485	123 487	124 972
Other debtors	13.2	143	-	143	-	2 103	2 103
Total		1 471	84 854	86 325	1 485	125 590	127 075

	Note	2015/16 R'000	2014/15 R'000
13.1 Staff debt			
Debt Account		27 569	30 188
Sal: Reversal		44 777	84 002
Pension Recoverable		3 548	577
Deduction Disallowance		2 175	1 650
Tax Debt		8 100	8 555
SAL UIF		13	-
Total	13	86 182	124 972
13.2 Other debtors			
Unpaid BAS EBT		4	22
Disallowance Fraud		-	1 957
Receipt Deposit		137	124
Receipt Control		2	-
Total	13	143	2 103
13.3 Impairment of receivables			
Estimate of impairment of receivables		7 933	8 652
Total		7 933	8 652

	Note	2015/16 R'000	2014/15 R'000
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		602 311	138 255
Prior period error		-	-
As restated		602 311	138 255
Transfer from statement of financial performance		735 580	602 311
Paid during the year		(602 311)	(138 255)
Closing balance		735 580	602 311

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

Opening balance		(40 493)	(42 077)
Prior period error	19.1		-
As restated		(40 493)	(42 077)
Transfer from Statement of Financial Performance (as restated)		45 456	33 082
Own revenue included in appropriation		65 360	62 486
Paid during the year		(66 766)	(93 984)
Closing balance		3 557	(40 493)

16. Payables – current

Advances received	16.1	-	3 675
Clearing accounts	16.2	14 627	42 483
Total		14 627	46 158

16.1 Advances received

National departments		-	3 675
Total		-	3 675

16.2 Clearing accounts

Sal: ACB		9 840	35 996
Sal: Garnishee		304	33
Med Aid		13	325
Sal: Pension Fund		37	1 509
Sal: Income Tax		4 348	4 598
Other		85	22
Total		14 627	42 483

	Note	2015/16 R'000	2014/15 R'000
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		781 036	635 393
Add back non cash/cash movements not deemed operating activities		423 988	879 881
(Increase)/decrease in receivables – current		40 750	(43 540)
(Increase)/decrease in prepayments and advances		6 426	-
(Increase)/decrease in other current assets		-	62 786
Increase/(decrease) in payables – current		(31 531)	5 329
Expenditure on capital assets		1 012 060	1 025 059
Surrenders to Revenue Fund		(669 077)	(232 239)
Own revenue included in appropriation		65 360	62 486
Net cash flow generated by operating activities		1 205 024	1 515 274

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

Consolidated Paymaster General account	685 796	496 300
Total	685 796	496 300

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	<i>Annexure 2</i>	55 719	65 037
Claims against the department		<i>Annexure 3</i>	118 427	88 735
Intergovernmental payables (unconfirmed balances)		<i>Annexure 5</i>	17 647	412
Total			191 793	154 184

Contingent assets

Nature of contingent asset				
Unconfirmed Interdepartmental Claim		<i>Annexure 4</i>	2 326	1 898
Total			2 326	1 898

*Claims against the department are contingent on pending litigations.
Claims by the bank on housing loan guarantees are dependent on defaults by the officials employed by the department.
Interdepartmental payables are claims by other departments whereby the department (EC DOE) has not yet confirmed the liability.*

	Note	2015/16 R'000	2014/15 R'000
20. Commitments			
Current expenditure			
Approved and contracted		160 959	198 882
Approved but not yet contracted		546	283
		161 505	199 165
Capital expenditure			
Approved and contracted		1 429 264	1 396 190
Approved but not yet contracted		772 206	222 396
		2 201 470	1 618 586
Total Commitments		2 362 975	1 817 750

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	Note	2015/16 R'000	2014/15 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	<i>Annexure 5</i>	-	14 751
Confirmed balances with other government entities	<i>Annexure 5</i>	-	-
Total		-	14 751
21 Employee benefits			
Leave entitlement		224 279	209 255
Service bonus (Thirteenth cheque)		708 756	689 380
Performance awards		754	507
Capped leave commitments		2 639 836	2 738 188
Other		26 837	70 930
Total		3 600 462	3 708 260

*Leave entitlement with a negative balance is (R 2.123m)
Other employee benefits relate to cost of employment related accruals of R 21.459m
(2015: R 32.893m) and long service awards of R5 378m (2015: R 38.037m).*

	Note	2015/16 R'000	2014/15 R'000
22 Lease commitments			
22.2 Operating leases expenditure for 2015/16			
		Buildings and other fixed structures R'000	Total R'000
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

Operating leases expenditure for 2014/15

		Buildings and other fixed structures R'000	Total R'000
Not later than 1 year		16 358	16 358
Later than 1 year and not later than 5 years		49 568	49 568
Total lease commitments		65 926	65 926

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22.3 **Finance leases expenditure for 2015/16**

	R'000	R'000
	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
	Machinery and equipment	Total
Not later than 1 year	11 515	11 515
Later than 1 year and not later than 5 years	11 801	11 801
Total lease commitments	23 316	23 316

		Note	2015/16 R'000	2014/15 R'000
23	Irregular expenditure			
23.1	Reconciliation of irregular expenditure			
	Opening balance		677 322	1 211
	Prior period error	24.7		895
				(24 954)
	As restated		677 322	1 186
				941
	Add: Irregular expenditure – relating to prior year		-	-
	Add: Irregular expenditure – relating to current year	23.2	265 487	95 677
	Less: Prior year amounts condoned		-	-
	Less: Current year amounts condoned	23.3	(340 567)	(605 296)
	Less: Amounts not condoned and recoverable	23.4	-	-
	Less: Amounts not condoned and not recoverable	23.5	(45 574)	-
	Closing balance		556 668	677 322
	Analysis of awaiting condonation per age classification			
	Current year		-	480
	Prior years		(340 567)	821
	Total		(340 567)	480 821

			2015/16 R'000
23.2	Details of irregular expenditure – current year		
	Incident	Disciplinary steps taken/criminal proceedings	
	Infrastructure		10 794
	Transfer to schools		254 693
	Total		265 487

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23.3	Details of irregular expenditure condoned		
	Incident	Condoned by (condoning authority)	
	Infrastructure	National Treasury	340 567
	Total		340 567

Tenders not advertised in the Government Tender Bulletin as required by legislation.

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		2015/16 R'000
23.4	Details of irregular expenditure not recoverable (not condoned)	
	Incident	
	Not condoned by (condoning authority)	
	Procurement	45 429
	Compensation of employees	145
	Total	45 574

These transactions were included in the prior years. The supporting documents related to these items could not be found and therefore it is impractical to account for these transactions other than writing them off.

23.5	Details of irregular expenditures under investigation (not included in the main note)	
	Incident	
	Procurement	334 077
	Bid Invitations	50 790
	Bid Evaluations	344 244
	Constructions	124 624
	Compensation of employees	3 629
	Total	857 364

To address the audit qualification on the completeness of the irregular expenditure identified and disclosed; the department performed post payment testing on all the awards issued since 2013/14.

23.6	Prior period error	2014/15 R'000
	Nature of prior period error	
	Restatement effect in the 2015/16 financial year as a result of the investigation of irregular expenditure identified in the prior years.	(24 954)
	Relating to 2014/15	80 458
	Restatement effect in the 2014/15 financial year as a result of the investigation of irregular expenditure identified in the prior years.	80 458
	Total prior period errors	55 504

In correcting the prior period errors, the department revisited the full populations related to the current and prior years. However, for financial periods 2012/13 and prior, the department is unable to revisit full populations to evaluate the full extent of prior period errors identified and reported. Consequently, the department is unable to retrospectively restate the opening balance. Prior to concluding on the impracticability the department explored all possible options to gain access to these populations for financial periods 2012/13 and prior. The lack of a Records Management Policy prior to 2012/13 has led to the misplacement and loss of records, compounded by the volumes across multiple operational locations.

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The department is trading with some companies directly owned or co-owned by employees.
The department is utilising buildings currently paid by Eastern Cape Department of Road and Public Works.

26 Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)	1	1 902	1 822
Officials:			
Level 15 to 16	4	5 802	5 702
Level 14 (Incl. CFO)	15	10 183	14 486
Family members of key management personnel	28	11 011	14 230
Total		<u>28 898</u>	<u>36 240</u>

27 Provisions

School Nutrition Programme (SNP)	1 444	2 948
Long Service Award	59 846	49 390
Total	<u>61 290</u>	<u>52 338</u>

	Note	2015/16 R'000	2014/15 R'000
27.1 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	<u>1 444</u>	<u>59 846</u>	<u>61 290</u>

Reconciliation of movement in provisions – 2014/15

	Court order R'000	School Nutrition Programme R'000	Long Service Award R'000	Total provisions R'000
Opening balance	5 500	-	44 546	50 046
Increase in provision	-	2 948	4 844	7 792
Settlement of provision	(5 500)	-	-	(5 500)
Closing balance	<u>-</u>	<u>2 948</u>	<u>49 390</u>	<u>52 338</u>

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28 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	147 227	-	30 853	-	178 080
Transport assets	22 849	-	19 916	-	42 765
Computer equipment	83 395	-	9 088	-	92 483
Furniture and office equipment	35 965	-	414	-	36 379
Other machinery and equipment	5 018	-	1 435	-	6 453
TOTAL	147 227	-	30 853	-	178 080

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	870	9 541

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	(Finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	42 115	(19 004)	7 742	30 853
Transport assets	27 884	(17 732)	9 763	19 916
Computer equipment	9 088	-	-	9 088
Furniture and office equipment	2 436	-	(2 022)	414
Other machinery and equipment	2 707	(1 272)	-	1 435
TOTAL	42 115	(19 004)	7 742	30 853

28.2 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014/15

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	118 445	12 227	17 063	508	147 227
Transport assets	13 975	3 328	5 546	-	22 849
Computer equipment	62 077	10 897	10 929	508	83 395
Furniture and office equipment	21 958	13 419	588	-	35 965
Other machinery and equipment	20 435	(15 417)	-	-	5 018
TOTAL	118 445	12 227	17 063	508	147 227

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28.2.1 Prior period error

	<i>Note</i>	2014/15 R'000
Nature of prior period error		
Relating to 2014/15		12 227
Cost of assets		10 542
Reversal of disposal		508
Misclassification in additions		1 177
Total prior period errors		12 227

28.3 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Machinery and equipment	Total
	R'000	R'000
Opening balance	68 049	68 049
Additions	2 856	2 856
TOTAL MINOR ASSETS	70 905	70 905

	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

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	1 430	2 913

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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT
31 MARCH 2015**

	Machinery and equipment R'000	Total R'000
Opening balance	74 308	74 308
Prior period error	(6 944)	(6 944)
Additions	715	715
Disposals	30	30
TOTAL MINOR ASSETS	68 049	68 049

28.3.1 Prior period error

	<i>Note</i>	2014/15 R'000
Nature of prior period error		
Restatement effect on the opening balance		(6 944)
Fair value adjustment due to the asset register reconstruction		(6 944)
		-
Restatement effect on the corresponding figure		1 669
Misclassification on the additions		1 639
Disposal reversal		30
Total prior period errors		(6 944)

To address the audit qualification on the movable tangible assets, a 100% asset verification was performed and as a result the movable tangible was reconstructed.

29 Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31
MARCH 2016**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	1 066	-	-	-	1 066
TOTAL INTANGIBLE CAPITAL ASSETS	1 066	-	-	-	1 066

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29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non- Cash R'000	(Development work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

29.2 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	11 502	(11 002)	566	-	1 066
TOTAL	11 502	(11 002)	566	-	1 066

29.2.1 Prior period error

	Note	2014/15 R'000
Nature of prior period error		
Relating to 2014/15 [affecting the opening balance]		(11 002)
Opening balance restatement		(10 909)
Opening balance restatement		(93)
Total prior period errors		(11 002)

30 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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	-	-	-	-	-

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30.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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
BUILDING AND OTHER FIXED STRUCTURES	969 944	-	(969 944)	-	-
Dwellings	969 944	-	(969 944)	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
TOTAL	969 944	-	(969 944)	-	-

30.2 S42 Immovable assets

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
Dwellings	476	1 990 112
TOTAL	476	1 990 112

Assets subjected to transfer in terms of S42 of the PFMA – 2014/15

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	421	1 860 579
Dwellings	421	1 860 579
TOTAL	421	1 860 579

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		<i>Note</i>	2015/16 R'000	2014/15 R'000
31	Principal-agent arrangements			
31.1	Department acting as the principal			
	Eastern Cape Department of Roads and Public Works		1 035 255	957 341
	Total		<u>1 035 255</u>	<u>957 341</u>
32	Prior period errors			
32.1	Correction of prior period errors			
	Expenditure:			-
	Goods & Services			(63 988)
	Net effect			<u>(63 988)</u>

Goods and Services:
Travel and subsistence costs included finance lease expenses that should not have been included in this account.

Assets:	
S24 Immovable Assets	(12 222)
Liabilities:	
Other - COE related accruals	2 080
Other - Goods and services related accruals	73 355
Other – Transfers and subsidies related accruals	70 937
Other – Capital assets related accruals	56 211
Other – Goods and services related payables	28 117
Other – Capital assets related payables	134
Other - Commitments - current expenditure (approved and contracted)	1 406
Other - Commitments - capital expenditure (approved not yet contracted)	22 087
Other - Commitments - capital expenditure (approved and contracted)	1 338 912
Net effect	<u>1 593 239</u>

Assets:
The error was due to a S42 transfers that did not agree to the close-out reports.
Liabilities:
The error is due to non-disclosure of all liabilities in the prior year.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Transfer of functions

The following two programmes were transferred on 01 April 2015 from the EC Department of Education (EC DOE) (transferor) to the National Department of Higher Education and Training (DHET) (Recipient):

1. Programme 5: Further Education and training (FET)

2. Programme 6: Adult Basic Education and training (ABET)

With this transfer of function, the EC DOE transferred all personnel and resources to DHET.

The related transfer impacted the cost of employment and appropriation of the EC DOE associated to these functions.

The EC DOE retained accountability for all matters that originated from these accounts prior to 01 April 2015.

No assets were transferred, thus no impact on the balance prior to transfer.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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33.1	Statement of Financial Position	Note	Bal per dept 2014/15 AFS before transfer	Functions per dept (transferred) / received	2014/15 R'000	Functions per dept (transferred) / received	2014/15 R'000	2014/15 Bal after transfer
	ASSETS		504 211	-	504 211	-	504 211	
	Current Assets							
	Cash and cash equivalents		496 300	-	496 300	-	496 300	
	Prepayments and advances		6 426	-	6 426	-	6 426	
	Receivables		1 485	-	1 485	-	1 485	
	Non-Current Assets		125 590	-	125 590	-	125 590	
	Receivables		125 590	-	125 590	-	125 590	
	TOTAL ASSETS		629 801	-	629 801	-	629 801	
	LIABILITIES							
	Current Liabilities		607 976	-	607 976	-	607 976	
	Voted funds to be surrendered to the Revenue Fund		602 311	-	602 311	-	602 311	
	Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund		(40 493)	-	(40 493)	-	(40 493)	
	Payables		46 158	-	46 158	-	46 158	
	TOTAL LIABILITIES		607 976	-	607 976	-	607 976	
	NET ASSETS		21 825	-	21 825	-	21 825	

The transfer of functions between EC DOE and DHET only include the personnel of these programmes and the associated activities. The shifting of the functions from Provincial Education Department to the DHET was given effect through the amendment of the FET Collages Act, 2006. The amendment of the act was assented on 3 May 2012 and 11 May 2013. The nature of the amendment was published.

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The transfer was co-ordinated by DHET.
DHET accepted accountability for the function on and after 01 April 2015.
The EC DOE Accounting Officer (AO) returns accountability for matters that originated prior to 01 April 2015.
The EC DOE AO provided the DHET AO with all supporting records (i.e. personnel records of staff transferred).

Notes

Note	Bal per dept 2014/15 AFS before transfer	Functions per dept (transferred) / received	Functions per dept (transferred) / received	2014/15 Bal after transfer
	R'000	2014/15 R'000	2014/15 R'000	R'000
Contingent liabilities	152 699	-	-	152 699
Contingent assets	1 898	-	-	1 898
Commitments	1 817 750	-	-	1 817 750
Accruals	400 661	-	-	400 661
Payables not recognised	28 250	-	-	28 250
Employee benefits	3 708 260	-	-	3 708 260
Lease commitments – Operating lease	65 926	-	-	65 926
Lease commitments – Finance lease	23 316	-	-	23 316
Lease commitments – Operating lease revenue	-	-	-	-
Accrued departmental revenue	-	-	-	-
Irregular expenditure	677 322	-	-	677 322
Fruitless and wasteful expenditure	71 858	-	-	71 858
Impairment	8 652	-	-	8 652
Provisions	52 338	-	-	52 338
Movable tangible capital assets	147 173	-	-	147 173
Immovable tangible capital assets	-	-	-	-
Intangible capital assets	973	-	-	973

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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34 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2014/15	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DoRA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Maths, science and technology grant	45 059	-	-	(8 473)	36 586	36 586	26 349	10 237	72%	13 342	13 313
Education Infrastructure Grant	1 703 877	71 938	(530 000)	(109 405)	1 136 410	1 136 410	1 136 427	(17)	100%	1 177 914	996 571
HIV and AIDS Grant	37 086	-	-	(1 335)	35 751	35 751	35 331	420	99%	37 023	35 796
National School Nutrition Programme	1 020 116	-	-	-	1 020 116	1 020 116	1 017 979	2 137	100%	984 548	977 489
Technical Sec. School Re-capitalisation Programme	-	-	-	-	-	-	-	-	-	32 928	24 484
Extended public works incentive programme	3 000	-	-	-	3 000	3 000	3 379	(379)	113%	3 115	2 811
Further Education and Training	-	-	-	-	-	-	-	-	-	319 517	311 494
Extended public works integrated programme	2 736	-	-	-	2 736	2 736	2 170	566	79%	2 580	2 126
OSD for Therapists Grant	2 067	-	-	-	2 067	2 067	2 067	-	100%	6 571	6 562
Total	2 813 941	71 938	(530 000)	(119 213)	2 236 666	2 236 666	2 223 702	12 964		2 577 538	2 370 646

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2014/15 Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred		
SETA	R'000 5 705	R'000 -	R'000 87 000	R'000 92 705	R'000 92 315	% 100%	R'000 13 416	
TOTAL	5 705	-	87 000	92 705	92 315		13 416	

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

	TRANSFER ALLOCATION				EXPENDITURE		2014/15 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
Transfers							
Section 20 & 21 Schools	1 987 026	-	1 210	1 988 236	2 005 562	101%	1 804 064
Independent Schools	117 527	-	(1 210)	116 317	115 586	99%	111 189
Special schools	76 258	-	(5 362)	70 896	70 755	100%	64 677
FET colleges	-	-	-	-	-	0%	19 440
ECD sites	7 797	-	-	7 797	-	0%	17 009
HIV and AIDS (life skills)	20 274	-	6 665	26 939	26 525	98%	19 421
AET centres	-	-	-	-	-	0%	380
Bursaries	120	-	-	120	209	174%	200
TOTAL	2 209 002	-	11 303	2 220 305	2 218 637	0%	2 036 380

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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers							
Leave gratuities	167 826	-	80 804	248 630	263 972	106%	221 228
TOTAL	167 826	-	80 804	248 630	263 972		221 228

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**ANNEXURE 2
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	Realised losses not recoverable i.e. claims paid out
STANDARD BANK		-	9 503	-	1 020	-	8 483	-	-
NEDBANK (CAPE O		-	42	-	-	-	42	-	-
NEDBANK LIMITED		-	8 790	-	689	-	8 101	-	-
FIRSTRAND BANK:		-	2 277	-	82	-	2 195	-	-
NEDBANK (INC B		-	167	-	-	-	167	-	-
MEEG BANK LIMIT		-	111	-	36	-	75	-	-
ABSA		-	23 078	-	2 211	-	20 867	-	-
UNIQUE FINANCE		-	656	-	28	-	628	-	-
OLD MUTUAL FIN.		-	26	-	26	-	-	-	-
0052 PEOPLES BANK FB		-	4 707	-	435	-	4 272	-	-
NEDBANK LTD(NBS		-	5 327	-	635	-	4 692	-	-
FNB - FORMER SA		-	829	-	69	-	760	-	-
OLD MUT (NEDB/P		-	5 425	-	519	-	4 906	-	-
UNITED		-	13	-	-	-	13	-	-
GBS MUTUAL BANK		-	37	-	-	-	37	-	-
TNBS MUTUAL BAN		-	408	-	55	-	353	-	-
HLANO FIN SERVI		-	12	-	-	-	12	-	-
ITHALA LIMITED		-	556	-	522	-	34	-	-
0134 EASTERN CAPE DE, SA HOME LOANS P		-	-	-	-	-	-	-	-
0279 HOUS. DEV. BOAR,		-	12	-	-	-	12	-	-
0516 GREEN START H/L		-	71	-	23	-	48	-	-
0444 BOE BANK LIMITED		-	-	-	-	-	-	-	-
0512 SA HOME LOANS		-	23	-	-	-	23	-	-
0516 GREEN START H/L		-	-	-	-	-	-	-	-
TOTAL		-	62 070	-	6 350	-	55 720	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016**

Nature of Liability	Opening Balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/cancelled /reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims against the department	88 735	29 692	-	-	118 427
Unconfirmed inter-governmental payables	412	17 235	-	-	17 647
State housing guarantees	65 037	-	9 318	-	55 719
TOTAL	154 184	46 927	9 318	-	191 793

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	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
Department								
Education KZN	-	-	326	625	326	625		-
Education Northern Cape	-	-	232	232	232	232		-
Education Western Cape	-	-	332	30	332	30		-
Education Gauteng	-	-	236	87	236	87		-
Education National	-	-	37	37	37	37		-
Education Free State	-	-	-	265	-	265		-
Justice	-	-	19	19	19	19		-
National Public Works	-	-	47	47	47	47		-
Correctional Services	-	-	34	34	34	34		-
Parliament SA	-	-	29	28	29	28		-
PELRC	-	-	205	466	205	466		-
SASSA	-	-	-	28	-	28		-
TOTAL	-	-	1 497	1 898	1 497	1 898		-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16	
	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	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
DEPARTMENTS								
Current								
National Departments	15 157	14 249	-	-	15 157	14 249	-	-
Eastern Cape Departments	111	450	17 647	412	17 758	862	-	-
Education Western Cape	-	52	-	-	-	52	-	-
Education KZN	-	-	-	-	-	-	-	-
Education North West	47	-	-	-	47	-	-	-
Education Mpumalanga	135	-	-	-	135	-	-	-
Health	58	-	-	-	58	-	-	-
TOTAL	15 508	14 751	17 647	412	33 155	15 163		-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 6
INVENTORIES**

Inventory: Textbooks	Note	2015/16		2014/15	
		Quantity	R'000	Quantity	R'000
Opening balance		2 203	174	17 765	11 507
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases - Cash		3 052 154	827 714	3 906 451	400 865
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(3 049 981)	(827 592)	(3 922 013)	(412 198)
Add/(Less): Adjustments		-	-	-	-
Closing balance		4 376	296	2 203	174

**ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016				
	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	-	-	-	-
Non-residential buildings	4 876 646	969 944	-	5 846 590
Other fixed structures	-	-	-	-
TOTAL	4 876 646	969 944	-	5 846 590

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015					
	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					
Dwellings					
Non-residential buildings	3 898 779	-	977 867	-	4 876 646
Other fixed structures					
TOTAL	3 898 779	-	977 867	-	4 876 646

**ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
IDT	-	6 426	-	-	-	6 426
TOTAL	-	6 426	-	-	-	6 426

**ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
Advance received from Department of Basic Education	-	3 675	-	-	-	3 675
TOTAL	-	3 675	-	-	-	3 675