



basic education
Department:
Basic Education
REPUBLIC OF SOUTH AFRICA



PRESIDENTIAL
EMPLOYMENT
STIMULUS

GUIDELINE TO RECONCILE THE FUNDS TRANSFERRED TO SCHOOLS FOR THE PRESIDENTIAL YOUTH EMPLOYMENT INITIATIVE

PRESIDENTIAL YOUTH EMPLOYMENT INTERVENTION (PYEI) IN THE BASIC EDUCATION SECTOR

DECEMBER 2021

Table of Contents

1. Introduction.....	3
2. Problem Statement	3
3. Aim of the Guideline.....	3
4. Objectives of the PYEI in the Basic Education Sector.....	3
5. Guiding Principle	3
6. Funds Allocated	4
7. Process of reconciling of information/data to ensure proper audit trail of the financial information.....	4
8. Financial Misconduct	7
9. Conclusion.....	7
10. Annexure A - Process Map to Simplify the Guideline.....	7

1. Introduction

As part of Phase II of the Presidential Youth Employment Intervention (PYEI), the Basic Education Sector is appointing 287 424 youth, who will be placed schools for learners with special education needs. This forms an integral part of the Presidential Employment Stimulus (PES). It seeks to confront the devastating economic challenges caused by the COVID-19 pandemic, as part of government's broader economic recovery agenda. It is a large scale public employment intervention targeting unemployed youth, who are 18 – 35 years old. The intervention also seeks to address the high levels of youth unemployment in South Africa. The youth will be offered five months' contract, commencing on 1 November 2021 to 31 March 2022.

2. Problem Statement

Provinces are allocated funds for the Presidential Youth Employment Initiative for payment of stipends, UIF contributions, training and project management. Majority of provinces are transferring funds to schools for payment of stipends with two provinces opting for payment of stipends via Persal and one through BAS.

The schools are contracting the youth for a specific period, however some of these young people leave the jobs for various reasons including: new job, better opportunity elsewhere, resigning, absconding, dismissed, fraudulent documents, etc. When these cases happen some schools do not replace the vacant post/s.

In some instances, the schools are allocated a number to job opportunities, however, schools appoint fewer youth than the allocated number. Schools in return do not return the unused money back to the department. The province could reprioritise these funds for other schools in dire need of these job opportunities.

3. Aim of the Guideline

The guideline aims to ensure that the funds allocated to the Presidential Youth Employment Initiative are utilised for job creation and that the funds unused funds are returned to the Provincial Education Department.

4. Objectives of the PYEI in the Basic Education Sector

The objective of the guideline is to ensure that processes related to the reconciliation of funds transferred to schools for the implementation of Phase II of PYEI are standardised and consistent across all provinces.

5. Guiding Principle

- 5.1 **Transparency, openness, accessibility** – Funds allocated for payments of stipends are utilized for the intended purpose, reported on in an open, accessible and transparent manner.
- 5.2 **Accountability** – Funds allocated are accounted for accordingly by all levels and reports provided in accordance with the Public Finance Management Act (PFMA).
- 5.3 **Proactiveness** in management of risk linked to handling government money.
- 5.4 **Auditability** – the funds allocated and reports thereof should be auditable.
- 5.5 **Common Standards and Consistency** - ensure uniformity in application of the laws, rules and regulations pertinent to public funds transactions.
- 5.6 **Compliance** – with the PFMA prescripts and relevant National Treasury regulations.

6. Funds Allocated

PROVINCE	No. of learners	NUMBER OF JOB OPPORTUNITIES PER PROVINCE	(A) Minimum wage R21,69 = R3817,44 per month Proposed Stipends	(B) UIF 1 % of the employer contribution	(C) TRAINING	(D) OPERATIONAL BUDGET	2021/22 contract of 5 months from November 2021 to March 2022
							TOTAL (2021/22)
R '000							
EC	1,778,000	40,316	R769,513	R7,695	R58,070	R6,314	R841,591
FS	706,500	16,020	R305,771	R3,058	R23,074	R2,509	R334,412
GT	2,241,100	50,816	R969,941	R9,699	R73,195	R7,958	R1,060,793
KZN	2,827,700	64,117	R1,223,819	R12,238	R92,353	R10,041	R1,338,452
LP	1,694,800	38,429	R733,504	R7,335	R55,352	R6,018	R802,210
MP	1,083,500	24,568	R468,935	R4,689	R35,387	R3,847	R512,859
NC	299,600	6,793	R129,666	R1,297	R9,785	R1,064	R141,811
NW	847,690	19,221	R366,877	R3,669	R27,686	R3,010	R401,242
WC	1,197,100	27,144	R518,101	R5,181	R39,097	R4,251	R566,630
Total	12,675,990	287,424	R5,486,127	R54,861	R414,000	R45,012	R6,000,000
TOTAL ALLOCATION TO PEDs							R6,000,000

7. Process of reconciling of information/data to ensure proper audit trail of the financial information

Step 1

Compile the complete list of schools in the Province using SASAMS OR CEMIS data for schools for 2021.

- Validate that the list contains all the institutional categories (public ordinary schools, public special schools, and other institutions e.g. music and art centres etc.) aligned to the framework scope that are included on the list;
- Validate the status of all schools on the list (check for closed schools, merged schools and new schools) to ensure that the list is complete and accurate for all current schools in the province;
- The above process will require review for the 2022 School year as the above may change; and
- This school list should be regarded as the primary data source to validate data completeness for any reconciliation process throughout the project. This list will be referred to as the “Master List of Schools”.

Step 2

Provincial allocation letter –

Using the “Master List of Schools”

- Indicate which schools are participating in the project and which schools opted not to participate in the project;
- Indicate and confirm the job opportunities allocated to the school for the Presidential Youth Employment Initiative in the Basic Education Sector;

- Determine the indicative funds to be allocated to each school using the per assistant stipend cost payable (inclusive of the 1% Employer UIF Contribution and 1% of Employee - youth);
- Check the allocation of job opportunities per school against the appointed numbers on the National Data Management System (NDMS);
- Check if the appointed youth did meet the requirements and have submitted the required supporting documentation; and
- Follow-up on any discrepancies detected between allocated posts and appointed youth to resolve such discrepancies.

Step 3

- Verify the appointed youth on NDMS, their date of assumption of duty and date of resignation/contract termination;
- Verify the number of days worked (in case of in-month appointment/termination dates recorded);
- Verify the unpaid leave days (unpaid leave should be calculated using cumulative leave days qualified for as at ... (*date in time*) vs the actual days absent reported on the NDMS as at (*date in time*); and
- Verify the number of days attended and number of days absent.

Step 4

- Do a spot check of documents submitted to ensure if there are no fraudulent or falsified documents; and
- Documents to be verified at school level:
 - Harambee Lists and or walk-ins where the concession was allowed
 - CV and qualifications
 - Testimonials
 - Proof of application for Police Clearance / Police Clearance
 - ID copy

Step 5

Since provinces are using three different methods for payment of stipends, all are covered below:

School Transfers

Reconcile appointment records on DMS with Payments done by the PED to schools and schools to Youth

- Reconcile the transfer payments made to schools with the Departmental BAS Report for expenditure reported against the Project;
- Reconcile transfers made to schools compared to monies spent by schools on stipends and UIF payments made to DoL; and
- Adjust the next available scheduled tranche of transfers to schools to correct any incorrect payments made to schools or to recover the amounts not spent on the stipends.

PERSAL Payments

- Reconcile the monthly payments made to youth on PERSAL against the number of youth appointed on the DMS as well as the records held by schools (registers)
- Reconcile the leave and terminations on the DMS and or with registers from schools

- Reconcile UIF paid to DoL against the number of youth appointed (DMS or school attendance registers may be used)
- Adjust the next payments to youth to recover what may be an over payment

BAS OR Agency handling payments

- Reconcile the monthly payments made to youth by the AGENCY/BAS against number of youth appointed on the DMS as well as the records held by schools (registers);
- Reconcile the leaves and terminations on the NDMS and or with registers from schools;
- Reconcile UIF paid to DoL against number of youth appointed (NDMS or school attendance registers may be used);
- Adjust the next payments to youth to recover what may be an over payment;
- At the end of the contract, the Agency will have to return funds that were unused / unspent / recovered; and
- Reconciliation of funds in this case will be done by both province working with the Agency.

Step 6

Project Closure

- Ensure that any final recoveries outstanding is timely reconciled prior to processing the final tranche;
- Notify schools by February of the adjustments to payments that they should expect, and that the schools have to make towards payment of youth (where the schools need to recover money, to ensure that that is concluded in the March stipends;
- Do a final reconciliation at project level for the “Master List of Schools” that confirms:
 - There is no expenditure reported against any school that opted NOT to participate;
 - The total expenditure reported against each school that participated in the project reconciles with the transfer payments reported on the NDMS to reflect on the schools’ bank reconciliation statements;
 - Reconcile the final NDMS post allocation per school with confirmed appointments per school;
 - Reconcile the final payment due per school (as adjusted for all pro-rata payments for late appointments or early terminations, as well as adjustments made for unpaid leave) with the actual amount transferred to each school (adjusted for all payment refunds received from schools); and
 - Reconcile the leave records per school to ensure the actual unpaid days processed for all assistants at a school is correct (using cumulative leave days qualified for as at project end-date vs the actual days absent reported on the NDMS as at project end-date).

PERSAL Payments

- The Province will need to ensure that from February, the final reconciliation is started so as to ensure that no youth leave the initiative owing the state.

Agency handling payments

- Reconciliation of funds in this case will be done by both province working and the Agency; and
- At the end of the contract (project contract), the Agency will have to finalise the reconciliation so as to return funds that were unused / unspent / recovered.

8. Financial Misconduct

The allocated funds should be used for the intended purpose and any mismanagement or diversion/deviation of the funds for any other purpose is strictly prohibited. Continuous monitoring will be conducted to identify any possible financial misconduct by any official entrusted with the allocated funds.

Any financial misconduct should be reported according to the relevant regulations dealing with financial misconduct. Should the misconduct be from an official, disciplinary procedures will be implemented whereby investigations will be conducted.

9. Conclusion

This guideline should be read in conjunction with Public Finance Management Act (PFMA), No. 1 of 1999, South African Schools Act (SASA), No. 84 of 1996 and the National and Provincial guidelines related to the transfer and usage of allocated funds.

10. Annexure A - Process Map to Simplify the Guideline

Reconciling of information (Audit Trail)

