

ANNUAL REPORT 2004/05



Opening the doors of learning and culture in a decade of democracy





FOREWORD BY THE MEC FOR EDUCATION

Education is the foundation for all forms of development. Our country needs the development of skills for alleviating poverty and creating jobs, so that, in responding to the President's call to eradicate poverty, we can contribute by opening the doors of our institutions to all who need education.

From poverty emanates hunger, disease, illiteracy and ignorance. This results in the creation of an unstable society that not only experience civil strife but also moral decadence and degeneration. This phenomenon strips off our people's dignity and pride.

Our Constitution guarantees education as a human right and we need to make this ideal a reality for those in the greatest need. We can confidently state that we have improved access to schools and significantly improved equity. In some respects, we have only just begun the journey towards the full transformation of our schools. Our progress thus far points to the increased provision of a better life for the citizens of the Free State.

We have alluded to the Freedom Charter as we have not only opened the doors of learning, but have also ensured access to quality education for the previously disadvantaged communities. However, there are still massive gaps in transformation and development that we must still bridge.

In order to address the pressing needs of communities and to be more responsive to the service delivery challenges, the Department continues to reposition itself, including reorganizing itself. This is aimed at improving effectiveness and efficiency in service delivery.

The Holistic Intervention Programme implemented by the Department was phased out during the course of this year. Operation Jack-up is the latest programme towards fostering a culture of effective learning and teaching, supported by amongst others, fostering partnerships and collaborating with provincial, national and international stakeholders and donors through the development of a partnership management strategy.

The achievements that have been recorded thus far will print an indelible mark in the lives of the people of the Free State. Our fight for human dignity, social development and economic prosperity requires that we reach out to every corner of our province and country in mobilizing support for this noble course of improving the quality of lives of all Free State citizens, especially the impoverished majority of our people, by providing quality life-long education and training.

Ms M.A. Tsopo
MEC: Education



FOREWORD BY THE MEC FOR EDUCATION

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SECTION: A

1. GENERAL INFORMATION

Vision

To be a Department that improves the quality of life of all Free State citizens by providing quality life-long education and training.

Mission

To operate an efficient, effective, outcomes-based education system that works towards the overall development of Free State citizens in a dedicated, professional manner.

Values

- Uphold the Constitution
- Communicate effectively
- Re-dress past imbalances
- Manage Human Resources
- Interact with mutual respect
- Foster innovation and creativity
- Be professional and accountable
- Provide courteous, timely service
- Comply with the National Qualifications Framework (NQF).

Mandates

The Free State Department of Education takes its mandate from the Bill of Rights in the Constitution of the Republic of South Africa, 1996 (Act no. 108 of 1996, section 29 (1)), which establishes the right to education in these terms: "Everyone has the right-

- (a) To a basic education, including adult basic education; and
- (b) To further education, which the state, through reasonable measures, must make progressively available and accessible".

The Department is also charged by the Provincial Government to lead in the implementation of its Human Resource Development Strategy and to ensure functional adult literacy and numeracy has increased, particularly for historically disadvantaged groups. The Department has committed itself to contribute towards effective Governance and Administration and to ensure provincial planning is integrated and based on local and district IDPs.



Submission by the Superintendent General

This Report is submitted in terms of section 40(2) of the Public Finance Management Act, Act 1 of 1999 and chapter 13 of the Constitution (Act 108 of 1996) in relation to effective and efficient financial management, transparency and accountability. From the onset our Department recognizes that effective Financial and Human Resource Management are essential elements in ensuring there is effective service delivery. The implementation of improved controls that would ensure effective utilization of the resources our Department remains our primary objective.

In the last ten years the Free State Department of Education has consolidated its vision of improving the quality of life of all Free State citizens by progressively providing quality education and training opportunities to all.

The 2004/05 Annual Report is also an attempt to report the extent that the Department has succeeded in realizing the over-reaching objective as stated in the Freedom Charter: *To open the doors of learning and culture*. Judging by where we come from, it is our belief that we are firmly set on the road to open all doors of learning and culture. The 2004/05 results as captured in this report leaves little doubt that much still needs to be done to achieve equitable access and defensible outcomes. We agree with the Minister that the cost of failure to achieve objectives is too high, not only for the individual but also for our system as a whole. It is in that spirit that we as a Department intend to honour the principles and spirit of the Freedom Charter through clear and measurable objectives.

We are also committed to monitoring the performance of our Department on key measurable objectives and rectifying unsatisfactory performance wherever it may manifest. We will also ensure the availability of credible and up-to-date data on the performance of learners and our management systems. We also note the weaknesses identified by internal and external auditors and risk assessment processes in this report and thus state our intention to commit more resources to eliminate these weaknesses.

It is therefore with great humility that, on behalf of our Department, I am honoured to present this 2004/05 Annual Report to the Member of the Executive Council for Education of the Free State and to the public at large. We thank the Executive Authority, the Education Portfolio Committee and Legislature and the Public for their wise guidance, council and support in our efforts to improve Education in the Free State.



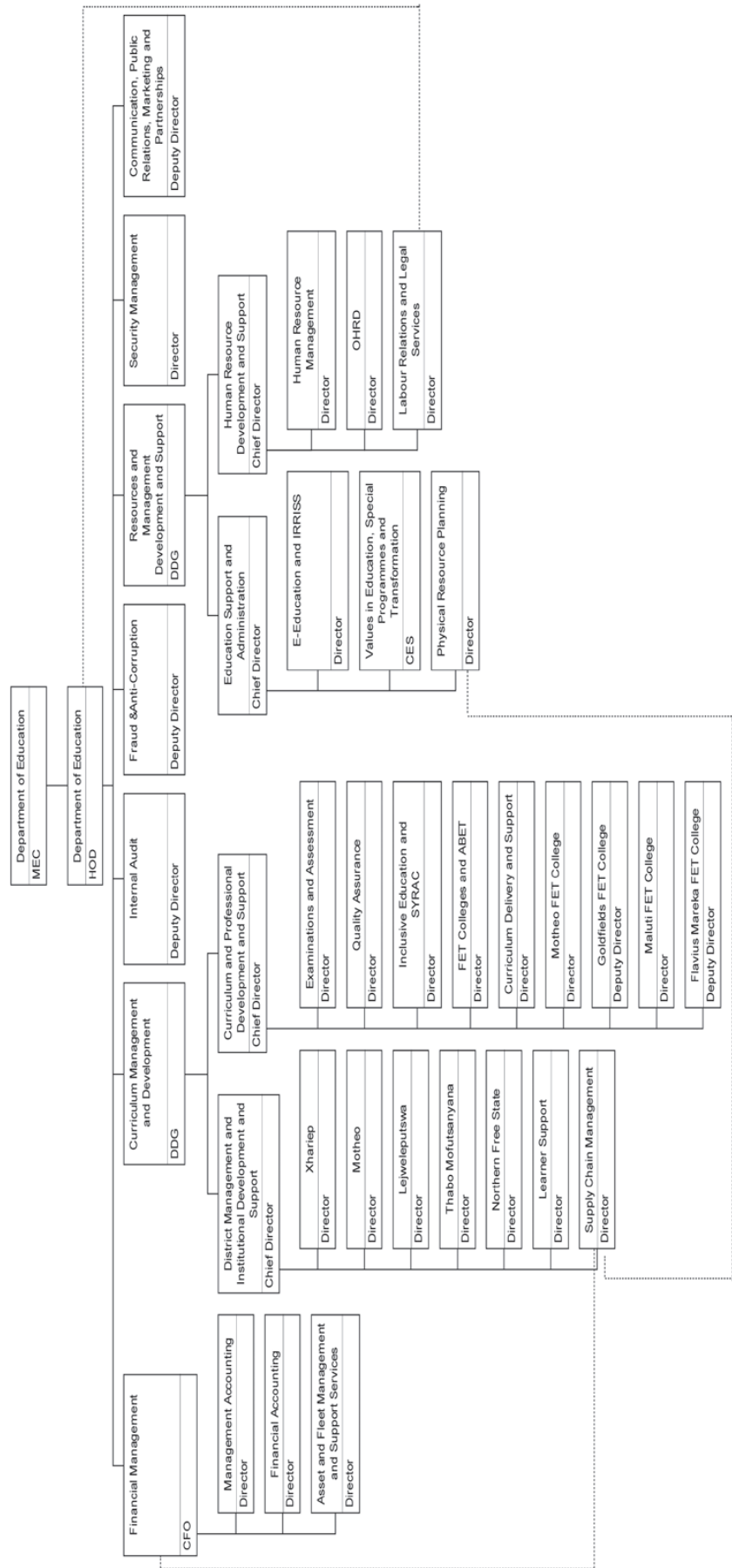
Superintendent General
Mr M.S. Rakometsi



FREE STATE
DEPARTMENT OF EDUCATION

Approved Macro Structure: Department of Education of 2004/05

Diagram 2



Macro Structure: Department of Education



MEC Ms MA Tsopo



HOD Mr M Rokometsi



DDG: District Management
Mr K Khoarai



DDG: Corporate Management & Development
Mr TNT Lioma



Acting DDG:
Curriculum Management & Development
Mr F Sithole



CFO:
Financial Management
Mr B Monnane



Acting Chief Director:
District Management
Mr H Mthombeni



Chief Director:
Human Resource Development
Mr JS Tladi



Chief Director:
Education Support &
Administration
Ms L Letele



Chief Director:
Curriculum & Support
Ms F Ndaba



Acting Chief Director:
FET Colleges and ABET
Mr Jafta



Director:
Security Management
Mr A Leeuw



Director:
Motheo
Ms Z Alexander



Director:
OHRD
Mr MS Sani



Director:
E-Education
Ms B Kitching



Director:
Motheo FET College
Mr S Maboya



Director:
Financial Accounting
Ms S Bosch



Director:
DALM
Ms E Qwelane



Director:
Lejweleputswa
Ms Motsoeneng



Director:
Human Resource
Mr L Muday



Director:
PPP
Mr K Abrahams



Director:
Quality Assurance
Mr FR Sello



Director:
GET
Mr G De Villiers



DD: Flavius Mareka
FET College
Mr T Letho



Director:
Asset Management
Ms J Motjoa



Director: SYRAC
and Values in Education
Mr Moloabi



Director:
Thabo Mofutsanyana
Ms BS Tshabalalala



Director:
Labour Relations
Ms V Harbhajan



Director:
Physical Resource
Ms K Mahlakoleng



Director:
Learner Support
Mr HR Khoza



Director:
ABET
Mr W Mokeuna

1.1 INTRODUCTION BY THE SUPERINENDENT GENERAL

The commitment of our Department to fulfill its mandates is aptly reflected in the manner in which we have dealt with the plight of the vulnerable and learners at risk. The provision of hostel facilities for farm school learners and our extraordinary financial support for schools in quintiles 1 and 2 to enable them to exempt more learners from school fees is a small measure of our commitment.

In 2004/05 the Free State Department of Education pledged the following projects in support of the Provincial Development Plan:

- Enhance people's skills through numeracy and literacy programmes, the provisioning of Adult Basic Education and Training (ABET) and FET programmes.
- School building projects to create conditions that are conducive to learning and teaching.
- Elimination of unsafe and unacceptable structures through upgrading, rehabilitation and renovation of education facilities; and the elimination of backlogs in basic services such as electricity, clean running water and sanitation for schools.
- The increase of ICT Infrastructure resources with the roll out of computers to schools and the establishment of e-learning centres at FET Colleges.
- The awarding of contracts to SMMEs in the areas of LTSM, catering and Infrastructure for capital maintenance projects in support of SMMEs.
- Increasing schools participation in school safety and beautification programmes.

In 2004/05 Department sought to develop an Education System that is Responsive to the Challenges of the 21st Century and to the needs of the Free State and the following provides a summary of the Department's highlights:

1.1.1 Effective systems, structures and human resources

Three phases of redeployment were completed. In the first phase 21 officials on Chief Director, Director, Chief Education Specialist and Deputy Director levels were redeployed. This included the redeployment of a Director to the newly established e-Education and IRRISS Directorate and a new manager to the ABET Sub-directorate as well as the creation of Private Public Partnership (PPP) directorate.

In the second phase 17 officials on Director, Chief Education Specialist, Deputy Director, First Education Specialist and Assistant Director levels were redeployed. In the third phase 91 School Management Developers were allocated new schools and three were redeployed to other Districts.

In 2004, 138 bursaries were allocated to un-qualified educators and 391 bursaries allocated to under-qualified educators.

The male/female ratio at senior management level has improved from 72% male and 28% female at the beginning of the previous financial year to 62% male and 38% female, which is better than the target of 30% female by end of March 2005 set by DPSA.

1.1.2 Opening the doors of learning in the Free State

Implementing the first phase of the Learner Transport Programme. i.e. transporting learners walking a round trip of more than 21 km. A pilot project was launched in Thabo Mofutsanyana on 6 October 2004 and in Lejweleputswa on 21 January 2005. Currently 1 434 learners are transported on 139 routes in Thabo Mofutsanyana. In Lejweleputswa 42 routes are operated and 406 learners transported.

Expanding the hostels project for farm school learners. Seven out of ten hostels are currently operational. A total of 1011 learners are accommodated in hostels. Negotiations for opening more hostels are taking place.

1.1.3 Building on a solid foundation

The Department subsidised 218 new ECD classes with effect from January 2005.

1.1.4 Dealing effectively with poverty, for the vulnerable and those at risk.

The strategy to alleviate the plight of orphans was based on 4 pillars:

- A feeding scheme for orphans during school hours as part of the National School Nutrition Programme (NSNP).
- Delivery of food-parcels for 23 475 orphans started in February and continued until March 2005. Food parcels are delivered on a bi-monthly basis.
- Assisting with school fees. All schools with orphans received R50 per learner towards school fees. An amount of R1,6 million has been transferred to affected schools.
- Provision of hostel and transport facilities for farm school learners.

The Free State Department of Education decided to fund the 2 poorest quintiles with R 516, 00 per learner, which is above the adequacy rate of R 475, 00 as set by the National Department of Education

1 076 Learnership contracts have been signed for at the four FET Colleges. (Either these learnerships need to be mentioned or delete the following.)

The grade 12 pass rate dropped slightly from 79,9% to 78,7%. However, the number of learners who passed Grade 12 increased by 571 as more learners registered for Grade 12. The pass rate is 7,3% above the national pass rate, compared to the 6,6% of 2003. The exemption rate fell slightly from 22,8% to 22,2%. It is still 3,5% above the national average. Failing schools have been reduced to 11. Three of these schools however did not write the Grade 12 exams.

1.1.5 Giving concrete access to quality ABET

In order to make classes more accessible, day classes were offered from the beginning of 2005. Currently 6 943 learners attend day classes at 67 ABET centres.

1.1.6 Infrastructure Development

177 Schools were provided with toilets, 93 schools were provided with water and 44 schools were provided with electricity. Platooning schools were reduced from 35 to 21 by completing one school, Lieketseng in Virginia, adding additional classrooms to 7 schools that ran double sessions and merging 6 schools with other schools

The Department appointed a Director for PPP. A Feasibility Study is under way. The scope of work has been finalized and approved. This will eliminate platooning schools by 2007/8.

1.1.7 Risk and the internal control environment

The internal audit section was established in the 2004/05 financial years as the Department first conducted a thorough risk assessment in order to be in a position to correctly structure the section and to immediately direct the section towards the risk profile of the Department.

The Department has established a co-sourced internal audit section with the view to having a fully functional in-house unit within the next 3 years.

1.1.8 Acknowledgements

I would like to thank the MEC for Education and members of the Strategic and Leadership Committee of the Department respectively for their support throughout the year. We value their guidance and wise council and I believe their vast wealth of experience will enable the Free State Department of Education to go from strength to strength.

I would like to take this opportunity to publicly thank all Education stakeholders in our Province. The officials of the Department deserve my special THANK YOU.

1.2. LEADERSHIP AND CORPORATE GOVERNANCE

In pursuit of the objective to implement and monitor good governance practices the Executive Authority (MEC) has promoted and consulted with the following structures and bodies to determine and establish policies and priorities for the FSDoE:

1.2.1. Institutions Reporting to Executive

Provincial Education and Training Council (**PETC**);
Further Education and Training (**FET**) Board;
Early Childhood Development (**ECD**) Council;
Adult Basic Education and Training (**ABET**) Council;
Provincial Examination Board;
Principals' Council;
School Governing Bodies

- The Education and Training Council (PETC) is an advisory body to the MEC. It is an umbrella body for other sub-structures such as the ABET Council, the Principals Council, the ECD Council and the Examination Board. Four Council meetings in accordance with the constitution and reports were submitted.
- Interaction with SGBs and communities took place; SGBs in each of the 5 districts were met at least once a year.
- Sustainable posts were timeously created, the Organisational Structure reviewed and finalised before 30 November 2004.
- The MEC also monitored the extent to which public queries and concerns were addressed by the Department in a timely manner.

1.2.2. The Bills that the executive authority has submitted to the Legislature

None for 2004/05.

1.2.3. Official visits abroad for 2004/05

PLACE	DATE	PURPOSE
Thailand – Bangkok	9 – 18 July 2004	To attend and participate in the XV International AIDS Conference.
UK – London	8 – 16 January 2005	To attend the annual international BETT Exhibition in London and to visit best practice schools to observe the use of ICT in learning and teaching Trip for MEC funded by UK Trade and Investment.

1.3. LEGISLATIVE AND OTHER MANDATES

The legislative mandate of the Department of Education is founded in the Constitution of the Republic of South Africa, Act 108 of 1996, the South African Schools Act, Act 84 of 1996 and several other supporting legislation, functional and policy mandates that inform what the Department does and how it does it.

1.3.1. The Constitution of the Republic of South Africa, Act 108 of 1996

Section 7(2) of the Constitution enjoins the state to “respect, protect, promote and fulfill the rights in the Bill of Rights”. Guidance as to the meaning of these obligations can be found in international law.

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

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 right of access to quality education without discrimination, and makes schooling compulsory for children aged 7 to 15. 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 (SGBs) is now in place in all 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.

1.3.3. Free State Schools Education Act 2 of 2000

This Act should be read with and subject to the South African Schools Act 84 of 1996. It addresses those issues that are peculiar to the Free State and are covered in the National Act, e.g. the establishment of the Free State Education and Training Council – which is a body comprised of diverse stakeholders that advises the MEC on education issues broadly, as well as the establishment of the Principals’ Council and the Provincial Examination Board.

The Act further gives the MEC the authority to make regulations on any matter relating to education in the Province. This is in furtherance of the mandate of the Department in terms of the Constitution.

1.3.4. The National Education Policy Act, Act 27 of 1996

To provide for the determination of national policy for education, including the determination of policy on salaries and conditions of employment of educators. It lays the foundation for the establishment of the Council of Education Ministers (CEM), as well as the Heads of Education Committee (HEDCOM).

1.3.5. Further Education Training Act, Act 98 of 1998

There is a National FET Act that regulates broadly for FET matters at a National level. Provinces have a concurrent legislative authority with National on matters relating to FET, which are specific to a particular Province.

The Free State Department of Education is in the process of drafting a Bill for the establishment of the Further Education and Training Council, which is not catered for in the National Act and which the Province needs to establish in order to ensure stakeholder participation in FET matters and also to advise the MEC.

1.3.6. Adult Basic Education and Training Act

The National Department has enacted the National ABET Act to regulate for a broad framework with regard to admission to ABET centres, governance and funding of ABET centres. The Act empowers the MEC to make resolutions with regard to specific matters pertaining to ABET in the Provinces.

1.3.7. National Education Policy Act, 1996 Act No 27 of 1996

National Policy: Education White Paper Five (5) on Early Childhood Development (ECD). The paper deals with the implementation of Grade R as a compulsory year of schooling with an emphasis on poverty alleviation and collaborative approach to programmes for learners from birth to pre-Grade R.

ECD refers to a comprehensive approach to policies and programmes for children from birth to nine years of age, and processes by which children grow and thrive physically, mentally, emotionally, spiritually, morally and socially, with the active participation of their parents and caregivers.

1.3.8. Preferential Procurement Policy Framework Act, 2000 Act No 5 of 2000

The general conditions and procedures are subject to the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000), and the Preferential Procurement Regulations, 2001 and are applicable to all tenders, contracts and orders, unless otherwise decided by the Accounting Officer prior to the invitation of tenders.

1.3.9. Public Finance Management Act, Act No 1 of 1999

Public Finance Management Act, No 1 of 1999 (as amended by Act 29 of 1999), deals with funding and spending of the State monies. The Act promotes the objective of good financial management in order to maximize delivery through the efficient and effective use of limited resources.

1.3.10. Acts governing Human Resource Management

The following acts govern the relations with employees:

- Public Service Act (Proclamation No. 103 of 1994)
- Employment of Educators Act, No 76 of 1998, read together with Government Notice No 1400, as published in Government Gazette No.22961: Repeal of Regulations and determining of conditions,
- Government Notice No.1451 Government Gazette No. 24077:
- Amendment of Regulations for the distribution of educator posts to schools in a Provincial Department of Education.
- Basic Conditions of Employment Act No 74 of 1997
- Labour Relations Act No 66 of 1995

1.3.11. Skills Development Act, No 97 of 1998

Skills Development Act, No 97 of 1998. This Act deals with the skills grants to be paid by the Sector Education and Training Authorities (SETAs).

There are six (6) types of grants that an Employer may claim:

- A workplace skills grant
- A workplace skills implementation grant
- A grant towards the cost of Learnerships and learner allowances
- A grant towards the cost of skills programme
- A grant towards the cost of providing apprenticeship training, and
- A grant towards a programme, project or research activity that helps the relevant SETA to implement its sector skills plan.

1.3.12. Occupational Health and Safety Act

The Occupational Health and Safety Act, No 85 of 1993 provides for the health and safety of persons at work as well as the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work.

1.3.13. Other legislative requirements

Admission Policy:

In view of the ruling in the case of 'Harris v/s the Minister of Education' the admission age for both public and independent schools has been changed to the age of 5 turning 6 in the year of admission for Grade 1.

Norms and Standards for funding of Public Schools:

Provides the criteria for funding of public schools in order to address the past imbalances in the provision of education and facilities. The more disadvantaged schools receive more funding.

Regulations for discipline of learners in Public Schools:

It states which offences are considered to be serious enough to warrant expulsion of learners from Public Schools. It also regulates the procedure to be followed by the School Governing Body, the District Office and the Head Office when dealing with recommendations for expulsions and the time frames thereof.

Regulations for financial records of Public Schools:

To ensure that all Public Schools have proper financial systems to handle and control their finances and the finances transferred to them by the Department, and also to ensure accountability by the School Governing Body.

Regulations for the examinations: Irregularities and the Examination Board:

To regulate matters relating to the conducting of exams, to define the nature of examination irregularities by departmental officials and candidates, and also to establish the Provincial Examination Board and the Irregularities Committees.

Governance of Public Schools:

The regulations for the election of the members of the Governing Bodies ensures participation of stakeholders at school level in school matters – for example determination of payment of school fees, admission policy for the school and the issues around finances, discipline and general management of the school.



SECTION B

2. DEPARTMENT'S PROGRAMME PERFORMANCE OVERVIEW

2.1. PROGRAMME PERFORMANCE

Budgeting and financial management involve a process of policy formulation, developing current and future plans and deciding on the best strategy to deliver services to the public. Monitoring and evaluating performance and reporting on it in the annual report completes the process and also informs future planning. The integration of strategic planning, budgeting and monitoring service delivery performance enhances the link between the services that the department provides and the benefits and costs of such services.

This section provides details of what the Department has achieved with its allocated resources and to what extent it has thus reinforced accountability and transparency.

For 2004/05 all provincial departments of education adopted a uniform budget and programme structure and have also customised their strategic and performance plans to reflect a minimum set of information to be contained within these plans. The sector further agreed on a minimum set of measurable objectives against which it would be measured.

2.2. VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Under Expenditure R'000
	4,511,788	4,617,650	4,399,506	218,144
Executive Authority	MEC for Education – Ms M.A. Tsopo			
Administering Dept	Free State Department of Education			
Accounting Officer	Superintendent-General of Education – Mr. M.S Rakometsi			

2.3. AIM OF THE VOTE

The aim of the vote is to support the vision of the Department, which is "To be a Department that improves the quality of life of all Free State citizens by providing quality life-long education and training".

The aim of the Vote reflects the social and economic outcomes or results that the Department wishes to achieve and should be consistent with the aim as contained in the Appropriation Bill.

2.4. SUMMARY OF PROGRAMMES

The education sector adopted a uniform budget and programme structure that reflects the minimum number of programmes. These programmes and their contents are encapsulated in definitions that explain what are to be included under every programme and sub-programme. The activities of the Department of Education are organised in the following eight programmes:

Programme	Sub-programme
PROGRAMME 1 Administration	1.1 Office of the MEC 1.2 Corporate Services 1.3 Education Management 1.4 Human Resource Development
PROGRAMME 2 Public Ordinary School Education	1.1 Public Primary Schools 1.2 Public Secondary Schools 1.3 Professional Services 1.4 Human Resource Development 2.5 In-school Sport and Culture
PROGRAMME 3 Independent School Subsidies	3.1 Primary Phase 3.2 Secondary Phase
PROGRAMME 4 Public Special School Education	4.1 Schools 4.2 Professional Services 4.3 Human Resource Development 4.4 In-school Sport and Culture
PROGRAMME 5 Further Education and Training	1.1 Public Institutions 1.2 Youth Colleges 1.3 Professional Services 1.4 Human Resource Development 5.5 In-college Sport and Culture
PROGRAMME 6 Adult Basic Education and Training	1.1 Public Centres 1.2 Subsidies to Private Centres 1.3 Professional Services 6.4 Human Resource Development
PROGRAMME 7 Early Childhood Development	1.1 Grade R in Public Schools 1.2 Grade R in Community Centres 1.3 Pre-Grade R 1.4 Professional Services 7.5 Human Resource Development
PROGRAMME 8 Auxiliary and Associated Services	1.1 Payments to SETA 1.2 Conditional Grant Projects 1.3 Special Projects 1.4 External Examinations

2.5. ACHIEVEMENTS

The Score Card depicting achievements of Budget Vote of the 2004/05 financial year.

This Score Card is a summary of the performance report on the commitments arising from the Budget Vote of the 2004/05 financial years.

Administration		
1.	Special focus on the development of employees at the lowest level	Sixty bursaries of R 5 500 were offered to lower level employees.
2.	Acceleration of the elimination of un-and under-qualified educators within the MTEF period	In 2004, 138 bursaries were allocated to un-qualified educators and 391 bursaries allocated to under-qualified educators. For the 2005 academic year the department allocated a further 51 bursaries to un-qualified educators and 91 to under-qualified educators. The National Department of Education will pay for a further 291 under-qualified educators to study for NPDE.
3.	Deployment of managers	Three phases of redeployment were completed. In the first phase 21 officials on Chief Director, Director, Chief Education Specialist and Deputy Director level were redeployed. This included the redeployment of a Director to the newly established e-Education and IRRISS Directorate and a new manager to the ABET Sub-directorate including a Private Public Partnership Directorate (PPP) and Management Accounting directorate. In the second phase 17 officials on Director, Chief Education Specialist, Deputy Director, First Education Specialist and Assistant Director level were redeployed. In the third phase 91 School Management Developers were allocated new schools and four were redeployed to other Districts.
4.	Filling several critical vacant posts, especially the eight accountant posts	Critical posts filled include the appointment of 4 Directors and 8 Management Accountants.
5.	Compilation of database of educators in excess and their re-skilling	Database completed. 4 700 unemployed educators, which include 2 169 ABET educators have been recorded. Twenty unemployed but qualified educators have been identified as suitable for re-skilling as ICT educators and will shortly assume their duties at the e-Lapa Schools and the Education Resource Centres.
6.	Participation of 12 officials in the United States Leadership Training Programme in the US	Twelve officials and educators participated in the programme, which ran from April to June 2004. Nine new participants left on 15 April 2005 to participate in the 2005 training programme.
7.	Establishment of effective systems for implementation of PDMS and IQMS	A Performance Management System has been implemented for public servants and office based educators and the IQMS for school based educators.

8.	Improving equity in terms of employment of persons with disabilities and addressing male/female ratio at management level	The male/female ratio at senior management level has improved from 72% male and 28% female at the beginning of the previous financial year to 62% male and 38% female, which is better than the target of 30% female by end of March 2005 set by DPSA. 83% of senior managers are black and 17% are white. The number of persons with disabilities improved from 0.5% to 1.03%. The Department is working towards representatively of 90,5% black, 9,5% white, 52% male, 48% female and 2% persons with disabilities.
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Public Ordinary Schools

9.	Extending the incentive scheme to well-performing primary schools	Fifty well-performing primary schools and 50 well-performing secondary schools were identified for the awarding of incentives of R 100 000 and R 150 000 respectively.
10.	Establishment of SGB structures locally, at District and Provincial levels	The Department finalized the Draft Regulations to facilitate the establishment of SGB structures. The Draft Regulations are in the process of being published in the Provincial Gazette for public comment. The Department further approved the Code of Conduct for SGBs and is considering publishing the Code of Conduct as regulations.
11.	Eliminating the remaining 14 failing schools	Failing schools have been reduced to 11. Three of these schools however did not write the Grade 12 exams.
12.	Offering Winter and Spring classes	4 270 Learners attended Easter- and Winter break classes and 7 941 attended Spring break classes.
13.	Supplementing interventions by focused monthly visits to schools	Monitoring visits to schools by senior management from Head Office have been conducted to schools in all districts.
14.	Targeting matriculation pass rate of 85% with 25% endorsement rate	The pass rate dropped slightly from 79,9% to 78,7%. However, the number of learners who passed Grade 12 increased by 571 as more learners registered for Grade 12. The pass rate is 7,3% above the national pass rate, compared to the 6, and 6% of 2003. The exemption rate fell slightly from 22,8% to 22,2%. It is still 3,5% above the national average.
15.	Implementing interventions focusing on primary feeder schools to failing schools	School visits by district management and senior management from Head Office have been extended to include primary schools.
16.	Reviewing the effectiveness of Section 21 schools	An investigation was completed and a report with findings and recommendations tabled at the end of September 2004. An action plan was developed for implementation in 2005/06.

Vulnerable Children (Broadening Access and Poverty Alleviation)		
17.	Implementing the first phase of the Learner Transport Programme, i.e. transporting learners walking a round trip of more than 21 km	A pilot project was launched in Thabo Mofutsanyana on 6 October 2004 and in Lejweleputswa on 21 January 2005. Currently 1 434 learners are transported on 139 routes in Thabo Mofutsanyana. In Lejweleputswa 42 routes are operated and 406 learners transported.
18.	Expanding the hostels project for farm school learners	Seven out of ten hostels are currently operational. A total of 1011 learners are accommodated in hostels. Negotiations for opening more hostels are taking place.
19.	Supporting orphans	<p>The strategy to alleviate the plight of orphans was based on 4 pillars:</p> <p>Feeding orphans during school hours at schools. This was done as part of the NSNP.</p> <p>The delivery of food parcels for orphans to take home. Delivery of food parcels for 23 475 orphans started in February and continued till March 2005. Food parcels are delivered on a bi-monthly basis.</p> <p>Assisting with school fees. All schools with orphans received R50 per learner towards schools fees. An amount of R1,6 million has been transferred to affected schools.</p> <p>The Free State Department of Education decided to fund the 2 poorest quintiles with R 516,00 per learner, which is above the adequacy rate of R 475,00 as set by the National Department of Education. Parents of learners in schools in these quintiles are requested not to levy school fees. 40% of learners, i.e. 275 350 learners, were thus funded above the national adequacy level as from the 2005 school year.</p> <p>At national level, a process has started to amend the South African Schools Act, the National Norms and Standards for School Funding and the Exemption Regulations to allow for non-fee paying schools. This process will only be finalized for possible implementation with effect from 1 January 2006.</p> <p>Collaboration with other Departments. Bilaterals were held with all sister departments at provincial level, as well as municipalities and other stakeholders, to ensure an integrated approach to supporting orphans.</p>
20.	Expanding the National School Nutrition Programme (NSNP)	The number of learners who are fed through the NSNP increased by approximately 75 000 (approximately 47%). The target of 287 000 could however not be reached. The Business Plan submitted for 2005/06 is aimed at feeding 287 000 learners.

Early Childhood Development

21.	Increasing the number of ECD sites by approximately 200 per year	The Department subsidised 218 new ECD classes with effect from January 2005. At the moment, Grade R is presented through 285 Community-based Sites, 87 Free-standing Sites and 293 subsidised classes at 210 public schools.
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Inclusive Education

22.	Inclusive Education. Establishment of full service schools and Resource Centres	The following three schools have been identified for conversion into Full Service Schools: Letlotlo in Thabo Mofutsanyana Maboloka in Motheo Leboneng in Lejweleputswa Learners with special education needs in public ordinary schools have increased from 17 406 in 2004 to 18 687 in 2005. The number of learners in the province's 20 special schools decreased slightly from 4 852 in 2004 to 4 717 in 2005. Of these learners the majority (1 616) are mildly mentally handicapped followed by severely mentally handicapped learners (998). The province also has 386 deaf learners in special schools and 55 who are blind and 185 who are partially sighted.
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Further Education and Training Colleges

23.	Offering more and responsive programmes at Further Education and Training (FET) Colleges including introducing three new FET programmes and learnerships	<p>1 076 Learnership contracts have been signed for the following learnerships at the four FET Colleges:</p> <p>Flavius Mareka:</p> <ul style="list-style-type: none"> • CDW, with LGWSETA • Manufacturing, engineering & related activities, with MERSETA • Ski Tech, with CHIETA SETA • Project Rave, with W&R SETA • Hair Care, with Services SETA • ECD, with ETDP SETA <p>Goldfields FET College:</p> <ul style="list-style-type: none"> • Farm Worker NQF 1, with PAETA • ECD, with ETDP SETA <p>Maluti FET College:</p> <p>LED, with LGW SETA NC:IT Support, with ISETT SETA NC: Servicing Vehicles, with MERSETA Horticulture – Farm Worker, with PAETA</p> <p>Motheo FET College:</p> <p>LED Officers, with LGW SETA Wood Machining & Cabinet Making; Furniture Production; Wood Finishing, with FIETA Aircon, Refrigeration & Ventilation, with MERSETA Project Rave (Generalist), with W&R SETA</p>
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Adult Basic Education and Training (ABET)		
24.	Aligning FET activities with ABET activities	<p>FET Colleges are offering the following ABET programmes:</p> <p>Goldfields FET College: A Computerized ABET NQF 4 with ETDP SETA, Grade 12 Upgrading Programme for adult learners</p> <p>Flavius Mareka FET College: ECD NQF4 with ETDP SETA, Grade 12 Upgrading Programme for adult learners</p> <p>Maluti FET College: Grade 12 Upgrading Programme for adult learners</p> <p>Motheo FET College: Grade 12 Upgrading Programme for adult learners</p> <p>A checklist for identifying ABET Centres that could be used as FET College satellites in areas where there are no College campuses has been drafted.</p>
25.	Expanding the reach of ABET programmes	<p>Aggressive mobilisation of communities around ABET issues has started in all districts. Interacted with other Departments to establish ABET centres and to expand the reach of ABET. The Department of Agriculture established an ABET centre.</p> <p>In order to make ABET classes more accessible day classes were offered from the beginning of 2005. Currently 6 943 learners attend day classes at 67 ABET centres.</p>
26.	Changing how ABET centres are run and re-looking the Conditions of Service of ABET educators	<p>The Conditions of Service for ABET educators are currently handled by the National Department of Education and have not yet been finalized. The Free State Department of Education in the mean time decided to address the problems with payment of salaries by paying ABET educators through the PERSAL system with effect from April 2005.</p>
27.	Establishing effective mechanisms and strategies to attract more learners and reduce the dropout rate.	<p>The strategy for reducing the drop out-rate in ABET centres included the implementation of skills development programmes that are linked to FET colleges and that are more relevant to the needs of some ABET learners. All FET Colleges are offering ABET programmes</p> <p>Three SETAs implemented skills development programmes in ABET centres in 2004. 280 Learners participated in the skills programme offered by the ETDP SETA, ESETA and PAETA. A fourth SETA, THETA is also now offering a skills development programme.</p>

e-Education		
28.	Sending learners and educators to attend ICT exhibitions in London	19 Educators, 30 learners and 6 office-based officials went to London in January 2005, visited best practice schools regarding the use of ICT in learning and teaching, established partnerships with 10 twinning schools and exhibited their web based material at the international BETT exhibition. Lessons learnt were brought back for feeding into the Free State Model of Best Practice that is currently being tested.
Infrastructure Development		
29.	Speeding up programmes to provide water, sanitation, electricity and telephone services to schools and providing additional facilities and renovations to approximately 260 schools	177 schools were provided with toilets, 93 schools were provided with water and 44 schools were provided with electricity.
30.	Reducing platooning schools to 19	Platooning schools were reduced from 35 to 21 by completing one school, Lieketseng in Virginia, adding additional classrooms to 7 schools that ran double sessions and merging 6 schools with other schools.
31.	Spending an average of R46 million on renovations and additional facilities with more than 60% of these interventions forming part of the Rural Education Strategy	A budget of R 35,6 million was allocated to additional facilities of which R 32,9 million was spent during 2004/05. A budget of R 42,6 million was allocated for renovations of which R 27,2 million was spent during 2004/05. The expected spending of R 46 million was exceeded by R 14,1 million. More than 60% of these interventions were in rural areas.
32.	Continuing the programme of mobile units to assist with the elimination of unsafe and unacceptable structures	R 2,085 million was spent on eliminating 14 unsafe classrooms at 10 farm schools.
33.	Investigating the Public Private Partnership option to eliminate backlogs in infrastructure	The Department appointed a coordinator for PPP. A Feasibility Study is under way. The scope of work has been finalized and approved. This will eliminate platooning schools by 2007/8.

2.6 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT 2004/05

The Free State Department of Education provides education services to 675 765 learners, excluding ECD, at 2 092 schools across the Province. The Free State is mainly rural and as such more than 60% of schools are farm schools. This situation plays a critical role in the development of policy guidelines, plans and implementation strategies.

The Department is concerned about the negative growth in the Free State population. In the 1996 census the Free State accommodated 6.5% of the population of South Africa. In the 2001 census the Free State accommodated 6% of the population of South Africa with the outflow mainly to Gauteng Province.

Consistent with this, learner numbers have also shown a steady decline from 792 063 in 1996 to 675 765 as indicated above. The demographic patterns and decline in learner numbers have a distinct impact on the operations and strategies implemented by the Department regarding the deployment of all its resources.

The Free State Province is the second poorest province in the country. Unemployment (34% as indicated in the Free State Development Plan) and poverty (63% of the population in terms of the Poverty Eradication Strategy: 1999) are rife, particularly in the previously disadvantaged communities. The Province is divided into five magisterial districts ranging from urban to extremely underdeveloped rural districts.

Its economy is not highly industrialised with some emphasis on mining, agriculture, manufacturing, services and other areas. The State is a major contributor of employment opportunities and economic development. There is no strong private sector compared to highly industrialised provinces, so education plays a significant role in the social upliftment of communities.

A study conducted by the National Department of Education shows that 33% of our learners (223 002) fall in the poorest category, compared to all learners in the country, exceeded only by the Eastern Cape where 34% of learners fall in the poorest category. Poverty alleviation programmes, economic development and job creation initiatives thus form a central part of the strategy of the Department to fulfil its mandate.

2.7 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT 2004/05

The impact of the external environment manifests itself in challenges in the organisational environment.

Scrutiny of the budget of the education sector as a whole will reveal that allocation to education has declined in the past few years. The funding of new and extended activities remains a challenge. One main problem area was also to provide adequate funding to maintain infrastructure and improve asset management.

Our resource strategy has been under review to deal with the pressures within the operational environment. This strategy related to the redeployment challenges as regards educators, as well as the redistribution of learning and teaching support material. Closure of non-viable farm schools furthermore remained on the agenda, as "taking learners to where education is" is more effective than "taking quality education to the learners."

The completed risk assessment in support services provided a stage for a focused approach in dealing with the inherent risks in the Department.

From an educational view the adequate resourcing of public schools, Inclusive Education, Early Childhood Development and Further Education and Training as part of the drive to improve access to quality education for all learners in the Free State remains a serious challenge. In terms of the revised curriculum that must be implemented it is foreseen that at least R1 000 per learner will be needed to fund the implementation of new, quality outcomes-based learning and teaching support material. The Province can, however, not afford to provide sustainable funding to institutions.

2.8 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2004/05 FINANCIAL YEAR

Description of major policy developments and legislative changes that have taken place during the 2004/5.

2.8.1 Development of educators

Educators are developed in terms of the Department's approved skills development plan. The focus

has been on under- and unqualified educators as well as on scarce subjects such as Maths and Science. Owing to the need for a responsive FET sector, re-skilling of educators duly received attention. Detailed objectives and targets are provided in the performance report per programme.

2.8.2 Improving management and governance at education institutions

The Department has focused extensively on improving management and governance at educational institutions and has focused at all levels to make such institutions quality assets for communities. Initiatives undertaken in this regard included conducting workshops for school management teams and governing body members on matters related to financial, people and conflict management. The establishment and revision of policy guidelines relating to financial and supply chain management within the Department received urgent attention to address inherent risk areas.

2.9 DEPARTMENTAL RECEIPTS, EXPENDITURE AND OTHER SPECIFIC TOPICS

2.9.1 Departmental receipts

As indicated in the accounting policy of the Department, the approach to revenue collection is not to maximise revenue, as it would directly impact on the accessibility of education, which is a constitutional requirement. The focus was therefore mainly on the recovery of costs to the Department, where possible. As regards debt management, the Department has failed to manage debt at an acceptable standard. This is mainly due to the changes in systems for the past three financial years where balances had to be transferred manually and leading to the lack of debt management. As most of the backlogs in financial accounting have been addressed, this will be resolved in the next financial year.

The revenue budget for own revenue was exceeded for the 2004/5 financial years by R8,323 million. The main reason being that losses to the amount of R6,066 million written off, are reflected as revenue for previous years.

Departmental Revenue	Actual Collection 2003/04 R'000	Budgeted Collection 2004/05 R'000	Actual Collection 2004/05 R'000	% Deviation from target
Current revenue	16,915	9,730	18,053	(8,323)
Tax revenue	0	0	0	
Non-tax revenue	16,915	9,730	18,053	(8,323)
Capital revenue	0	0		
Departmental revenue	16,915	9,730	18,053	(8,323)

2.9.2 Issues requiring ongoing attention

The following issues receive ongoing attention in the Department as they affect the performance of the revenue function:

Improved revenue management regarding recovery of costs

Improved risk management regarding revenue

2.10 DEPARTMENTAL PAYMENTS

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

Programmes	Voted for 2004/05 R'000	Rollovers and adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	% Deviation from Voted
1 Administration	326,012	1,882	1,496	325,545	315,074	4,3%
2 Public Ordinary School Education	3,599,471	81,309	(261)	3,677,585	3,511,016	4,6%
3 Independent School Subsidies	21,655			21,655	21,646	0%
4 Public Special School Education	132,293	1,693	261	134,347	133,227	,8%
5 FET	128,978	1,829	5,062	130,807	135,449	,3%
6 ABET	89,060	703	828	89,712	45,759	49,5%
7 Early Childhood Development	30,404	1,900	(410)	32,304	29,509	7,5%
8 Auxiliary and Associated Services	183,915	16,546	(6,976)	205,695	170,613	11,8%
9 Theft and Losses					37,213	100,0%
Total	4,511, 788	105,862	0	4,617,650	4,399,506	4,7%

2.10.1 Specific challenges and responses

The following are the most significant challenges affecting the Department as a whole:

Challenge 1: Implementation of Supply Chain Management
The Regulations in terms of The Public Finance Management Act, 1999: Framework for Supply Chain Management as published in Gazette No. 25767 of 25 December 2003 have significant implications, pointing to a paradigm shift being implemented in procurement and asset management
Response to Challenge 1
Implementation Strategy for Supply Chain Management
Challenge 2: Improved cash flow management
The accuracy of cash flow predictions for the Department as a whole is within a variance of 2%; this should however improve to within 2% per programme. Inaccurate cash flow predictions indicate inadequate implementation of plans.
Response to Challenge 2
<p>Appointment of accountants in districts</p> <p>Appointment of Director: Management Accounting</p> <p>Establishment of theme teams</p> <p>Improvement of supply chain management</p>

2.10.2 Issues requiring ongoing attention

The following issues receive ongoing attention in the Department as they affect its expenditure:

- Management of Conditional Grants
- Payment of suppliers within 30 days of service delivery
- Adherence to normative measures in expenditure management

2.11 DEPARTMENTAL TRANSFER PAYMENTS

Various transfers are made to different institutions as indicated below

TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Adjusted Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Motheo District Municipality	3,400	-	-	3,400	3,613	106.3%	3,711
Northern Free State District Council	2,068	-	-	2,068	1,718	83.1%	1,764
Thabo Mofutsanyana District Council	1,816	-	-	1,816	2,944	162.1%	3,023
Lejweleputswa District Municipality	3,841	-	-	3,841	1,713	44.6%	1,759
Xhariep District Municipality	56	-	-	56	607	1,083.9%	624
Total	11,181	-	-	11,181	10,595	94.76%	10,881

Transfers disclosed are in respect of Regional Services Levies. It should further be noted that the amount spent by municipalities will not be audited.

The material variances in percentage spending in all instances are due to the new Standard Chart of Accounts that was introduced with the BAS system. In previous years the budget made provision for one line item for RSC Levies. It was difficult to project accurately which amounts would be paid to each of the municipalities as it was part of the one total amount budgeted in previous years for payments to municipalities.

TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriation Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
SETA	3,617	-	-	3,617	3,617	100%	3,388

TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2003/04
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
PUBLIC CORPORATIONS									
Transfers									
Bloemwater	534	-	-	534	432	80.9%	-	432	-
Eskom	3,397	-	-	3,397	1,425	41.9%	-	1,425	-
Sedibeng Water	822	-	-	822	463	56.3%	-	463	-
TOTAL	4,753	-	-	4,753	2,320	48.8%	-	2,320	-

TRANSFERS TO NON-PROFIT ORGANISATIONS

NON-PROFIT ORGANISA-TIONS	TRANSFER ALLOCATION			TRANSFER			2003/04
	Appropriation Act	Roll overs	Adjust-ments	Total Availa-ble	Actual Transfer	% of Available funds Trans-ferred	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
ECD Sites	18,777	-	-	18,777	16,564	88.2%	5,039
FET Institutions	15,705	-	1,080	16,785	16,678	99.4%	12,094
Literacy and Numeracy	-	-	-	-	18	(100.0%)	-
MST Thintana Hubs	520	-	-	520	520	100.0%	580
Public ABET Centres	318	-	-	318	-	0.0%	390
Public Ordinary Schools	171,309	-	41,958	213,267	193,720	90.8%	127,124
Public Special Schools	15,982	-	-	15,982	15,596	97.6%	15,310

(continues)

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION			TRANSFER			2003/04
	Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Public Works, Roads & Transport	33,700	-	30,933	64,633	64,527	99.8%	23,100
Professional Working Groups	-	-	-	-	1,055	(100.0%)	1,239
Sports associations & Federations	5,465	-	-	5,465	5,162	94.5%	5,450
Warehouses	-	-	2,000	2,000	1,947	97.4%	4,303
Free State Education Trust	-	-	-	-	-	0.0%	3,600
Vodacom	-	-	-	-	-	0.0%	500
	261,776	-	75,971	337,747	315,787		198,729
Subsidies							
Independent Ordinary Schools	21,655	-	-	21,655	21,646	100%	19,708
Total	283,431	-	75,971	359,402	337,433	6.1%	218,437

STATEMENTS OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Appropriation Act	Roll-Overs	Adjustments	Total Available	Actual Transfer	% Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Claims against the State	545	-	-	545	542	99.4%	395
Employment Social Benefits	21,275	-	(172)	21,103	9,672	45.8%	995
Employment Social Bursaries	1,000	-	-	1,000	994	99.4%	21,615

(continues)

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Appropriation Act	Roll-Overs	Adjust Ments	Total Available	Actual Transfer	%Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Payment/refund of remuneration	301	-	-	301	159	52.8%	603
Gifts and Donations	366	-	-	366	200	54.6%	44
	23,487	-	(172)	23,315	11,567	49.6%	23,652
Subsidies							
Clothing for learners	222	0	23	245	212	86.5%	218
Pocket money for learners	138	-	21	381	325	85.3%	350
Total	23,487	-	(151)	23,696	11,892	50.2%	24,002

Specific challenges and responses

The following are the most significant challenges affecting the Department as whole:

Challenge 1: Implementation of Supply Chain Management

The Regulations in terms of The Public Finance Management Act, 1999: Framework for Supply Chain Management as published in Gazette No. 25767 of 25 December 2003 have significant implications, pointing to a paradigm shift being implemented in procurement and asset management

Response to Challenge 1

Implementation Strategy for Supply Chain Management

Challenge 2: Improved cash flow management

The accuracy of cash flow predictions for the Department as a whole is within a variance of 2%; this should however improve to within 2% per programme. Inaccurate cash flow predictions indicate inadequate implementation of plans.

Response to Challenge 2

Appointment of accountants in districts

Appointment of Director: Management Accounting

Establishment of theme teams

Improvement of Supply Chain Management

Issues requiring ongoing attention

The following issues receive ongoing attention in the Department as they affect its expenditure:

- Management of Conditional Grants
- Payment of suppliers within 30 days of service delivery
- Adherence to normative measures in expenditure management

2.12 CONDITIONAL GRANTS

Name Of Department	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act/ Provincial Grant	Roll Overs	Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
National Education Department School Nutrition Programme	49,100	-	-	49,100	49,100	49,149	94.0%	-	-
National Education Department early childhood Development	-	1,737	-	1,737	1,737	1,000	57.6%	6,573	4,836
National Education Department HIV/AIDS	7,715	77	-	7,792	7,792	7,337	94.2%	10,035	9,958
National Treasury Infrastructure Grant	52,598	2,078	-	54,676	54,676	48,311	88.4%	42,585	42,526
National Treasury Infrastructure Grant (Floods)	-	13,298	-	13,298	13,298	13,297	100.0%	52,103	38,803

(continues)

Name Of Department	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act/ Provincial Grant R'000	Roll Overs R'000	Adjust-ments R'000	Total Avail-able R'000	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department R'000	Division of Revenue R'000	Amount spent by department R'000
Provincial Treasury Infra-structure Grant	70,000	59	-	70,059	70,059	65,315	93.2%	-	-
Total	179,413	17,249	-	196,662	196,662	181,409	92.2%	111,296	96,125

Specific challenges and responses

Challenge 1: Implementation of Supply Chain Management

The Regulations in terms of The Public Finance Management Act, 1999: Framework for Supply Chain Management as published in Gazette No. 25767 of 25 December 2003 have significant implications, pointing to a paradigm shift being implemented in procurement and asset management

Response to Challenge 1

Implementation Strategy for Supply Chain Management

Challenge 2: Improved cash flow management

The accuracy of cash flow predictions for the Department as a whole is within a variance of 2%; this should however improve to within 2% per programme. Inaccurate cash flow predictions indicate inadequate implementation of plans.

Response to Challenge 2

Appointment of accountants in districts

Appointment of Director: Management Accounting

Establishment of theme teams

Improvement of Supply Chain Management

Issues requiring ongoing attention

The following issues receive ongoing attention in the Department as they affect its expenditure:

- Management of Conditional Grants
- Payment of suppliers within 30 days of service delivery
- Adherence to normative measures in expenditure management

2.13 PROGRAMME PERFORMANCE

The programme performance of provincial departments must be in accordance with their strategic plans tabled in Legislature. National and provincial departments in the social services cluster have customised their strategic plans for the 2003/04 financial year and therefore report against the targets set out in these plans.

2.14 SERVICE DELIVERY ACHIEVEMENTS

Programme 1: Administration

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO O.A: To ensure that the population of compulsory school-going age in the Province attends schools.	PM 0.A: Percentage of the population aged 6 to 14 attending schools.	Establishment Of Information Systems	87.9%	97%	0	9.1
MO O.B: To make FET progressively available to youth and adults above compulsory school-going age.	PM 0.B: Percentage of the population aged 15 to 17 attending schools and other educational institutions.	Establishment of information systems	85.1%	85%	0	0.1
MO O.C: To build a society that is well educated.	PM 0.C.a: Average highest GET or FET level attained by adults in the population. PM 0.C.b: Adult literacy rate.	Establishment of information systems	85%	85%	0	0

Programme 1: Administration (R305,782, 000)

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

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 1.A: To bring about effective management at all levels of the system.	PM 1.A.a: Percentage of schools with Section 21 status.	16%	23,4%	31.5%	0	8.1
	PM 1.A.b: Percentage of recurrent non-personnel funding being channeled through the School Funding Norms.	97%	97%	47%	0	50
MO 1.B: To realize an optimal distribution of financial, physical and human resources across the system.	PM 1.B.a: Average real per learner allocation for recurrent non-personnel items using funding supplied via the School Funding Norms.	R260	R287	R383	R96	33.4
	PM 1.B.b: Percentage of non-Section 21 schools with all LTSMs & other required materials delivered on day one of the school year.	100%	100%	100%	0	0
MO 1.C To ensure that the flow of learners through the system is optimal	PM 1.C: Years input per Senior Certificate/FETC graduate.	Establishment of information systems	4 Years	4 Years	0	0

Sub-Programme 1.1: Office of the MEC

Sub-Programme objective: To provide for the functioning of the Office of the MEC for Education

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To establish structures to ensure good governance:	The extent to which Advisory Councils and relevant Bodies are functional.	-	4 council Meetings p.a. in accordance with the constitution and reports submitted	4	0	0
	The extent to which sustainable posts are timeously created.	-	Structure reviewed and finalised 30 November	30/09/2005	0	0
	The extent to which the budget reflects determined priorities.	-	100%	100%	0	0
To determine and establish policies and priorities for the FSDE.	The extent to which priorities support the National and Provincial mandates within legislative requirements.	-	60%	70%	0	10
To determine the Public Service Delivery Improvement Plan.	The extent to which Batho Pele principles are prioritised.	-	Courtesy Access Service Standards Redress	Service delivery plan developed	0	0
To monitor the impact of the Free State Development Plan in the Department.	The extent to which the quality of education provided is improved.	-	100% achievement of strategic targets	100%	0	0
To ensure accountability	The extent to which interaction with SGB's and communities is effected.	-	Meet SGBs in each district at least once a year 100%	At least once a year	0	0
	The extent to which public queries and concerns are addressed by the Department in a timely manner.	-		80% within 14 days after the date of complaint		

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To ensure the FSDOE is kept abreast with international developments	The extent to which partnerships with stakeholders are functional and contributing to the achievement of strategic objectives.	-	Education Development Trust launched Partnerships established in FET	Education development trust launched and PPP on organisational structure	0	0

Sub- Programme 1.2: Corporate Services

Sub-Programme objective: To provide management services that are not education specific for the education system

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To ensure that economic development and job creation projects/ initiatives are enhanced.	The extent to which the number of job creation projects are increased.	237 projects	245 projects	759 tenders allocated	514	210
To reduce losses due to poor asset and inventory management	The extent to which asset registers are accurate, complete and updated	Partly achieved Phase 1 & 2 of asset reclassification is completed, Inventory, Sub and Sub-Inventory Controllers have been appointed Decentralisation of stock-taking	100% by 31 March 2004	100% by 31 March 2004	0	0
	The extent to which losses are reduced	R174 million	R165,300,000	R6,068,470	0	-96

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To improve Human Resource Management practices at all levels	The extent to which all vacant funded educator and public servant posts are permanently filled in a timely manner within budget limitations	Filled within 3 months 86: 14	Filled within 3 months 85,5: 14,5	Vacancies filled in critical posts 85: 15 Budget split	0	0
	The extent to which a strategy has been developed for the prioritization of appointment of educators who have completed their studies and remain unemployed.	Data acquired and evaluated.	Strategy developed and implemented.	Strategy developed and implemented	0	0
	The extent to which the distribution of posts is stabilized at schools.	80% of posts	80% of posts	80% of posts	0	0
	The extent to which identified Batho Pele principles are adhered to	Standards set and adhered to.	Standards set and adhered to.	Standards set and adhered to.	0	0
To promote sound labour relations and good discipline.	Timeous finalisation of disciplinary cases within two months	60%	100%	145 misconduct cases not finalised within 2 month period.	0	0
To provide legal services throughout the department	Timeous response to legal processes within stipulated timeframes	60%	80%	Timeously attended to, except in two instances where information could not be obtained to brief State Attorneys	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To improve access to Information, Communication and Technology (ICT)	The extent to which all Districts/ Directorates/ schools are linked electronically to all relevant systems and/or programmes eg LOGIS / Vulindlela etc	ICT Plan Developed	60% Implemented and reviewed	60% Implemented and reviewed	0	0
	Provision of e-Mail/ Internet connection to Officials		250 users connected 200 schools (25%)	250 Access to E-mail 200 lines installed to	0	0
To promote Communication with stakeholders including the business sector.	The extent to which communication with stakeholders takes place	-	MEC district visits in January/ February Two bilateral meetings with each union in a year	30%	0	0
To improve risk management and the internal control environment to prevent corruption	The extent to which Responsibility Managers provide a representation letter on compliance with internal control as well as review of risks to the Chief Financial Officer by 31 March each year (Adherence to Risk Management Policy)	-	100%	100%	0	0
	The extent to which cases are completed per year and zero tolerance is shown	-	Backlogs exist due to shortage of staff	Backlogs exist due to shortage of staff	0	0
	The extent to which the internal audit section is functioning efficiently and effectively		Co sourced Service which is functioning effectively	Co sourced Service which is functioning effectively	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To ensure sound financial management in terms of relevant legislation	Submission of compliance certificates by responsibility managers	60%	100%	100%	0	0
	The extent of adherence to all statutory requirements as well as normative measures and minimum standards for month end closure.	60%	70%	70%	0	0

Sub-Programme 1.3: Education Management

Sub-Programme Objective: To provide education management services for the education system

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
MO 1.3.1.A To improve access to quality education and training in urban and rural areas	PM 1.3.1 The extent to which all ABET Centres, ECD sites and home-based sites are correctly registered and monitored according to set criteria	100%	100%	75%	25	25
MO 1.3.1. To improve access to quality education and training in urban and rural areas	PM 1.3.1.2 The extent to which learning programme including cross-cutting issues such as HIV/AIDS, environmental education and values in education with inputs from all relevant projects are developed	1 exemplar per Learning Area for grade 6 and foundation phase per school	1 exemplar per Learning Area for grade 7,9 per school	100%	0	0

(continues)

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 1.3.1.3 The extent to which guidelines are developed for C2005 in relation to NCS and RNCS implementation including guidelines for assessment, classroom management, planning and preparation and for monitoring and support	100%	100%	100%	0	0
	PM 1.3.1.4 The extent to which assessment and all other relevant aspects of the curriculum are adjusted where necessary for LSEN learners	100%	100%	100%	0	0
	PM 1.3.1.5 The extent to which Provincial Learning Areas and Subject Committees are functioning effectively in all learning areas and subjects	Necessary policies developed	Necessary policies developed	30%	0	0
	PM 1.3.1.6 Extent to which national and provincial curriculum policies are developed collaboratively	100%	100%	100%	0	0
	The extent to which cumulative record cards (profiles) are designed and produced for all learners in the system.	Grade 1 supplied with profiles	Grade 1,2,3 supplied	N/A	0	0

(continues)

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
	The extent to which the number of failing schools is decreased (Holistic Intervention Programme)	50%	100%	11	0	0
	The extent to which the Provincial Education Library is established and provides access to information to all employees	100%	100%	1000 employees used the education library	0	0
	The extent to which Education Resource Centres render services efficiently, also to the satellite ERCs and provide access to services and information to all their clients	2 ERC's established and fully operational. Third ERC will be in place after the signing of lease agreement with De Beers Mines.	2 ERC's to be established and 1 satellite ERC per District.	4 centres established	+2	100

Sub-Programme 1.4: Human Resource Development**Sub-Programme objective: To provide human resource development for office based staff**

Measurable Objective	Performance measure	2003/04 Actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
Provide Human Resource Development for office based (educators and non educators) staff.	Number of employees that attend training and development programs (both 1% and non 1% funded)	10% of Employees	10% of Employees	356	0	0

Specific challenges and responses

Challenge 1: Demographic patterns and decline in learner numbers

The demographic patterns and decline in learner numbers impact on:

- The establishment of posts and stability in schools
- Efficient utilisation of resources

Response to Challenge 1

- Development of a Human Resource Strategy
- Closure of non-viable farm schools
- Hostel strategy

Challenge 2: Infrastructure backlogs

Eliminating backlogs in the supply of basic amenities such as water, electricity and sanitation and the elimination of platooning schools remain challenges within the framework of limited funding.

Response to Challenge 2

- Collaboration with the Department of Public Works Roads and Transport
- Collaboration with the Department of Local Government and Housing
- Collaboration with National Treasury (PPP)

Challenge 3: Lack of co-ordination between priorities for implementation of RNCS

Late changes to implementation and other plans by the national Department. Districts and provinces plan a year in advance, so when the national Department changes its plans at short notice, districts struggle to release district personnel from previously planned district activities.

Response to Challenge 3

Adaptation of programmes to accommodate the national plans.

Challenge 4: (Proposed implementation plan with regard to the White Paper on e-education)

According to the draft White Paper, all schools must be ICT-enabled by 2013. This has significant implications for the budget and HRM, e.g. the current rate of roll-out of admin PCs should be doubled while the establishment of centres should be increased by more than 800% per annum. Installation and support services cannot be handled by the existing staff component.

Response to Challenge 4

- Alternative means of funding e-education should be considered
- Alternative solutions for maintenance of equipment should be considered

(continues)

Challenge 5: (Limited options with regard to connectivity)
High installation and running costs
<p>Response to Challenge 4</p> <p>Alternative options such as wireless technology are being investigated. The speedy implementation of an e-rate for schools could curb some of the costs.</p>

PROGRAMME 2: Public Ordinary School Education

Programme objective: To provide public ordinary education for Grades 1 to 12 in accordance with *The South African School's Act, 1996*.

Sub-Programme 2.1: Public Primary Phase

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

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.1.A To provide spaces for learners in the public primary ordinary schools in accordance with policy.	PM2.1A Number of spaces provided in the public primary phase	550585	Determined in terms of learners admitted.	437 249	0	0
MO 2.1 B To provide educators at the public primary ordinary schools in accordance with policy	PM2.1B.b: L:e ratio in the public primary ordinary schools	35:1	35:1	35:1	0	0
MO 2.1.C: To put the basic physical infrastructure for primary ordinary schooling in place in accordance with policy.	PM 2.1.C.a Number of new schools completed:	3 (2)	4 (1)	2	2	-50
	PM 2.1.C.a Number of new classrooms completed: (Reducing platooning and overcrowding)	36	35	40	+5	14

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM2.1 C.b: L: C ratio in the public primary ordinary schools	40:1	40:1	40:1	0	0
	PM 2.1.C.c Number of new toilets built (number of seats)	104	474	100	374	-79
	PM 2.1.C.d Percentage of capex budget spent on maintenance	14%	11,8%	98%	0	86.2
	PM 2.1 C.e Number of new halls completed	0	4	0	0	0
	The extent to which schools / educational institutions / offices are renovated and upgraded Renovation and Upgrading of facilities and institutions:					
	PM 2.1.C f: Number of schools renovated	15	22	22	0	0
	PM 2.1 C.g Number of schools supplied with water	20	20	20	0	0
	PM 2.1 C.h Number of schools supplied with toilets	30	30	30	0	0
	PM 2.1 C.I Number of schools supplied with strong rooms	7	3	9	6	200

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 2.1 C.m Number of schools supplied with electricity	40	40	40	0	0
	PM 2.1 C.n Number of schools converted for disabled	3	4	5	1	20
	PM 2.1 C.o Number of schools with unacceptable structures renovated	9	15	15	0	0
	PM 2.1 C.p Number of schools maintained through the Letsema Programme	50	50	50	0	0
	PM 2.1 C.q Number of schools prepared for computer installations	30	30	30	0	0
	PM 2.1 C.r Number of schools supplied with mobile classrooms	10	20	20	0	0
	2.1 C.s Number of Hostels renovated in accordance with small schools policy	4	2	1	1	-50
	PM 2.1.C.t Spend 100% of Renovations Budget	100%	100%	85%	0	-15
	The extent to which schools / educational institutions/ offices are maintained in relation to the request and available budget.					

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 2.1.C.v Spend 100% of Maintenance Budget.	100%	100%	90%	0	-10
	PM 2.1.C.w Number of new media Centres completed	4	6	0	6	-100
	PM 2.1.C.x Number of new Laboratories completed	0	0	0	0	0
	PM .1.C.y Number of new administration blocks completed	3	16	0	16	-100
	PM 2.1.C.z1 Number of new Sportsfields completed	0	0	0	0	100
	PM 2.1.C.z2 Spend 100% of Capital Budget.	100%	100%	0	0	-100
	PM 2.1 C.z9 Number of schools with unacceptable structures renovated	9	15	0	15	-100
	2.1 C.z13 Number of Hostels renovated in accordance with small schools policy	4	2	1	1	-50
	PM 2.1.C.z14 Spend 100% of Renovations Budget	100%	100%	85%	0	-15
	The extent to which schools/ educational institutions / offices are maintained in relation to the request & available budget.					

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 2.1.C.z16 Spend 100% of Maintenance Budget.	100%	100%	90%	0	-10
M.O 2.1.F To develop the educator corps	PM2.1.F Average hours of development activities per educator in the primary phase	80 Hours	80 Hours	80 Hours	0	0
MO 2.1 G To provide Learners and Educators with basic Learning, Teaching, and Support Materials (LTSM) in accordance with curriculum needs.	PM2.1.G.a Amount allocated for Textbooks (LSM)	R56 408 732	R122 950 093	R135,081,500	0	8.1
	PM2.1.G.e Number of Resource Centres in Public Ordinary schools	3	4	4	0	0
MO 2.1 H To ensure that the flow of learners through the public primary school is optimal	PM2.1.H.a Repetition rate in the Foundation Phase	7,09	29.7	29.7	0	0
	PM2.1.H.b Repetition rate in the Intermediate Phase	3,48	17.28	17.28	0	0
	PM2.1.H.c: Drop-out rate in the Foundation Phase	12,19%	3.	3.38%	0	0
	PM2.1.H.d Drop-out rate in the Intermediate Phase	17,19	-	3.25%	-	-
	PM2.1.H.e Percent age of under-aged learners in public primary ordinary schools	1,21%	-	34 102	-	-

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.1.I To ensure that learners attain the highest possible educational outcomes.	PM 2.1.I.a Percentage of learners in Grade 3 attaining acceptable outcomes in numeracy, literacy and life skills (Systemic Evaluation)	Popularise the Grade 3 main study report with/to key stakeholders Hold inter-directorate workshop to infuse lessons from the 2001/2 Grade 3 main study into improvement programmes of the department (September 2003)	Field test Grade 3 main study Train data collectors for the Grade 6 main study Hold Grade 3 main study Code and score field test tasks Participate in finalisation of Grade 3 main study report	60%	0	0
	PM 2.1.H.b Percentage of learners in Grade 6 attaining acceptable outcomes in numeracy, literacy and life skills (Systemic Evaluation)	Factor lessons from the 2001/2 Grade 3 main study report into the materials refinement in preparation	Field test Grade 6 main study Train data collectors for the Grade 6 main study Hold Grade 6 main study	38 220	0	0
To improve access to Information, Communication and Technology (ICT)	The extent to which the number of primary schools with two computers is increased	250	300	100	200	-200
	The extent to which educators are trained to utilize ICT at schools	400 per annum	400 per annum	55 educators visited London expo and schools	0	0
	The provision of core library collections to 24 primary schools	24 schools	24 schools	25 schools	1	4.1

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	The extent to which LTSM and multi-media resources are screened evaluated and selected.	100%	100%	100%	0	0
	The extent to which library based resources are integrated into classroom practice	50% of educators	70% of educators	688	0	0
	The extent to which hostels are provided for primary farm school learners	1 hostel per district	1 hostel per district	2 hostels	1	100
	Provision of computer centres to primary schools	55	70	14	56	-80
	The extent to which implementation of national policies in terms of GETC and FETC are monitored in all public special schools (Systemic Evaluation)	Number of selected special schools	Number of selected special schools	52 schools evaluated	0	0
	Educators trained and accredited as Facilitators / Coach	12	93	675	582	625
	Educators trained and accredited as presenter/ Technical asst	12	75	525	450	600
	Educators trained and accredited as Administrators,	12	40	233	193	482
	All primary, secondary and farm schools participate in youth projects.	720 schools	500 schools	31	469	-93

Sub-Programme 2.2: Public Secondary Phase

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

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.2.B To provide educators at the public secondary phase in accordance with policy	PM2.2.B.a Number of educators provided at the public secondary ordinary schools	1:33	1:33	1:33	0	0
	PM 2.2.B.b L:E ratio in the public secondary ordinary schools	33:1	33:1	33:1	0	0
MO 2.2.C To put the basic infrastructure for secondary schooling in place in accordance with policy.	PM2.2.C.a Number of new classrooms built	0	37	28	9	-24
	PM2.2.C.b: L:C ratio in public secondary ordinary schools	35:1	35:1	35:1	0	0
	PM2.2.C.c Number of new toilets built	15	15	28	13	86
	PM2.2.C.d Percentage of capex budget spent on maintenance	14%	11,8%	15% (R8 million)	0	3.2
	The extent to which schools / educational institutions / offices are renovated and upgraded					
	Renovation and Upgrading of facilities and institutions:					
	PM 2.2.C j Number of schools renovated	15	23	21	2	9

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 2.2 C.k Number of schools supplied with water	0	0	348	348	100
	PM 2.2 C.l Number of schools supplied with toilets	0	0	32	32	100
	PM 2.2 C.m Number of schools supplied with strong rooms	5	7	3	4	-57
	PM 2.2 C.n Number of schools supplied with electricity	10	10	10	0	0
	PM 2.2 C.o Number of schools converted for disabled	2	6	0	6	-100
	PM 2.2 C.p Number of schools with unacceptable structures renovated	0	0	27	27	100
	PM 2.2 C.q Number of schools maintained through the Letsema Programme	50	50	50	0	0
	PM 2.2 C.r Number of schools prepared for computer installations	70	70	70	0	0
	PM 2.2 C.s Number of schools supplied with mobile classrooms	10	30	27	3	-10
	PM 2.2.C.i Spend 100% of Renovations Budget	100%	100%	85%	0	15

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	The extent to which schools/educational institutions/offices are maintained in relation to request and available budget.					
	PM 2.2.C.k Spend 100% of Maintenance Budget.	100%	100%	90%	0	-10
	The extent to which basic infrastructure at schools and education institutions are developed through new buildings and additional facilities: (Capital Projects)					
	PM 2.2.C.a Number of new schools completed: (Reducing platooning and overcrowding)	6 (3)	1(1)	4	3	300
	PM 2.2 C.b Number of new classrooms completed.	134	54	40	14	-26
	PM 2.2.C.c Number of new toilets completed (number of seats)	268	474	100	374	-79
	PM 2.2 C.d Number of new halls completed	5	6	5	1	-17
	PM 2.2.C.e: Number of new media Centres completed	4	6	5	1	-17
	PM 2.2.C.f Number of new Laboratories completed	8	7	5	2	-29
	PM 2.2.C.g Number of new Administration blocks completed	6	1	3	2	200

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 2.2.C.h Number of new Sports fields completed	4	5	5	0	0
	PM 2.2.C.i Spend 100% of Capital Budget.	100%	100%	98%	0	-2
	PM 2.1.D.c Number of ordinary full service schools per 100 000 learners at public primary ordinary schools.	3	4	4	0	0
MO 2.2.E To foster a culture of effective learning and teaching.	Pm2.2.E.a Percentage of learner days lost due to learner absenteeism in public ordinary secondary schools	4,9%	Informa- tion reviewed and obtained every 6 months	40 days	0	0
	PM2.2.F.a Amount allocated for text-books (LSM) for Senior Phase (Grade 8-12)					
	PM2.2.F.b Amount allocated for stationery for Senior phases (Grade 8-12)	R28 649 755	R36 086 567	R25,261 000	0	-31
	PM2.2.F.c Number of Resource centres in public ordinary secondary schools	3	4	4	0	0
MO 2.2.F To develop the educator corps.	PM2.2.G.a Average hours of development activities per educator in the secondary phase	80 hours	80 Hours	80 Hours	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.2.G To ensure that the flow of learners through the secondary phase is optimal.	PM2.2.G.b Repetition rate in the secondary phase	17,58	15%	12.5%	0	-2.5
	PM2.2.G.c Drop-out rate in the secondary phase	2,94%	2%	1.5%	0	-0.5
	PM2.2.G.d Percentage of over-aged learners in the public secondary ordinary schools	12,6%	10%	8% (78854)	0	-2
MO 2.2.H To attain the highest possible educational outcomes amongst learners (Systemic Evaluation)	PM2.2.H.a Percentage of learners in Grade 9 attaining acceptable educational outcomes.		Refine- ment of instru- ments for the Grade 9 in study	75% (41748)	0	0
	PM 2.2.H.e the extent to which learners are successful at the end of grade 9	68%	90%	80%	0	-10
MO 2.2.I (i) To improve access to and quality of formal education at learning institutions in terms of school effectiveness and educator professionalism in the secondary school (grades 8-12)	PM 2.2.G.a The extent to which learners are successful at the end of grade 12	69%	74%	78%	0	4
	PM2.2. Increase in the pass ratio of grade 12 results	10%	6%	1%	0	5
	PM2.2. Percentage of schools with a grade 12 pass rate of less than 40%	21%	26.5%	11	0	-
	The extent to which the number of secondary schools with two computers are increased	180 51%	250 (71%)	250 (71%)	0	0
	The extent to which educators are trained to utilize ICT at school	40%	60%	60%	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.2 I (ii) To improve access to and quality of formal education at learning institutions in terms of school effectiveness and educator professionalism in the secondary phase	The extent to which the public ordinary secondary schools are provided with school library core collections	24 schools	24 schools	25 schools	1	5
To improve access to Information Communication Technology (ICT)	Provision of computer centres to secondary schools	170	200	14	186	93
	The extent to which LSM and multi-media resources are screened, evaluated and selected	100%	100%	FET, ABET & Multi Media catalogue.	0	0

Sub-Programme 2.3: Professional Services

Sub-Programme objective: To provide educators and learners in public ordinary schools with departmentally managed support services.

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.3.A To provide professional support to all educators	PM 2.3.2 The extent to which learning and teaching in GET and FET schools, with special focus on poorly performing schools and training of educators in curriculum specific issues (including aspects such as assessment, methodologies and classroom management) is supported	All sites visited or workshops on a half yearly basis	All sites visited or workshops on a quarterly basis	100%	0	0

(continues)

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
To improve access to and quality of formal education at learning institutions in terms of school effectiveness and educator professionalism	P.M 2.3.3 The extent to which schools are supported and monitored by Learning Facilitators and Learning Facilitators Administrative Coordinators	65%	100%	100%	0	0
	P.M 2.3.4 The extent to which OBE/RNCS/C2005/ NCS policies and guidelines are implemented in all schools	100%	100%	100%	0	0
	P.M 2.3.5 The extent to which national policies in terms of GETC and FETC are implemented and monitored in all public schools	100%	100%	100%	0	0
	P.M 2.3.6 Improve the average hours of developmental activity per educator in primary and secondary phases	Possible 60 hours for foundation phase teachers	Possible 70 hours for intermediate phase teachers	70 hours	0	0
	National and provincial policies and guidelines in terms of GET and FET are implemented and monitored in all public schools	100%	100%	100%	0	0

(continues)

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
MO 2.3.B To improve access to and quality of formal education at learning institutions in terms of school effectiveness and educator professionalism (Whole School Evaluation)	The extent to which national policies are implemented and monitored in terms of GETC and FETC in all public schools	External evaluation of 70 schools Training of principals and district support staff on (integrated quality management system?)	External evaluation of 80 schools Training of principals and district support staff on integrated quality management system	100%	0	0
To improve access to Information Communication Technology (ICT)	The extent to which Computer resource centers are established for clusters of towns	10	15	100%	0	0
	The extent to which Education Resource Centres are established and equipped	3	2	2	0	0
	Percentage improvement of schools monitored and supported by officials	75%	100%	80%	20%	
	The extent to which national guidelines on language are implemented and monitored in all public schools	100%	100%	100%	0	0

Sub- Programme 2.4: Human Resource Development

Sub-Programme objective: To provide Departmental services for the professional and other development of educators and non-educators in public ordinary schools

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
To provide departmental services for the professional and further development of educators and non educators in public ordinary schools.	Number of employees that attend training and development programmes (both 1% and non 1% funded)	10% of Employees	2687	2687	0	0
	PM2.1.F Average hours of development activities per educator in the primary schools	20 Feeder schools 71 Dysfunctional schools	80 hours	80 hours	0	0

Specific challenges and responses

Challenge 1: Dealing with infrastructure backlog and maintenance within a limited budget

The needs are much greater than can be afforded to address

Response to Challenge 1

Determine strategy to deal with backlogs within partnership with other departments

Challenge 2:

Lack of space or school library building converted to classrooms, storerooms and computer centres

The demands of the new curriculum and the needs of the school create problems and owing to limited access and under-utilisation of multi-media centres, schools opt to convert available space

Response to Challenge 2

Different school library models have been suggested. Advocacy campaigns undertaken among all stakeholders

(continues)

Challenge 1: Poor attendance of afternoon workshops (ELITS)

Long distance travelled by educators to workshops hampers progress.

Response to Challenge 1

An agreement was reached to organise training during school holidays. However, this arrangement sometimes does not work because all officials in the Department target to engage the same educators for training. The situation is aggravated when scheduled training clashes with RNCS training.

Challenge 2

Shortages of resources.

Response to Challenge 2

Schools are guided to improvise and to make use of public libraries and recycled material. Resource pools to be developed. Education resource material is established at some schools.

Challenge 3

Inaccessibility of public schools on private property (farm schools). It is difficult to train teachers at these schools properly owing to distances and transport costs. The Free State has more of these schools than any other province (1 057). Teachers at these schools are teaching across different grades and different Learning Areas.

Response to Challenge 3

Districts have improvised and strategies were developed to support these teachers as effectively as possible.

Challenge 4: Multi-level teaching, continuous assessment and class sizes

A great deal of ongoing training is needed for teachers to be able to handle classes with learners at various levels. OBE recognises the uniqueness of every learner - teachers can no longer teach to the average. This problem is accompanied by the difficulty of individual and continuous assessment of large classes. The management of assessment in OBE ideally needs smaller classes, even if the actual OBE approach can be applied to large classes. Assistants or team teaching could alleviate this situation.

Response to Challenge 4

Training modules were developed, all teachers were trained and possible initiatives to address multi-level scenarios were suggested.

PROGRAMME 3: Independent Schools

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

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
MO 3.A To support independent schooling, especially if catering for poorer communities, as a complement to public schooling.	PM3.A.a Average real per learner subsidy	R1 781	R1 937	R1 937	0	0
	PM3.A.b Percentage of independent school learners receiving a state subsidy	100%	100%	100%	0	0

Sub-Programme 3.1: Primary Schools

Sub-Programme objective: To support independent schools in Grades 1-7

Measurable Objective	Performance measure	2003/04 Actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
To improve access and quality of formal education at independent grade 1-7 learning institutions	All independent schools are registered before they start operating	All functional schools registered	All functional schools registered	100%	0	0
	Checklist for compliance to registration regulations completed annually	100% Completed	100% Completed	44 schools (100%)	0	0
	Evaluation completed before first payment is due at the end of March	100% Completed	100% Completed	44 schools (100%)	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
	Subsidy level correctly determined according to fee structure implemented at school	100% Completed	100% Completed	44 schools (100%)	0	0
	Evaluation completed before first payment is due at the end of May	100% Completed	100% Completed	100%	0	0
	100% Visits to each sub-directorate, school within 14 days after tenth school day of each quarter	100% Completed	100% Completed	44 schools (100%)	0	0
	100% Payments deposited into school bank accounts before six weeks after the start of each quarter	Completed on time for every quarter	Completed on time for every quarter	100%	0	0
	100% Subsidy cancelled at schools not meeting criteria for subsidy	Cancellations approved before first subsidy payment	Cancellations approved before first subsidy payment	4 schools (100%)	0	0

Sub-Programme 3.2: Secondary Schools**Sub-Programme objective: To support independent schools in grades 8-12**

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To improve access and quality of formal education at independent grade 8-12 learning institutions	All independent schools are registered before they start operating	All functional schools registered	All functional schools registered	18 schools (100%)	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	Checklist for compliance to registration regulations completed annually	100% Completed	100% Completed	38 schools (100%)	0	0
	Subsidy level correctly determined according to fee structure implemented at school	100% Completed	100% Completed	38 schools (100%)	0	0
	Evaluation completed before first payment is due at the end of May	100% Completed	100% Completed	38 schools (100%)	0	0
	Evaluation completed before first payment is due at the end of May	100% Completed	100% Completed	38 schools (100%)	0	0
	100% Visits to each subsidizes school within 14 days after tenth school day of each quarter	100% Completed	100% Completed	38 schools (100%)	0	0
	100% Payments deposited into school bank accounts before six weeks after the start of each quarter	Completed on time for every quarter	Completed on time for every quarter	18 schools (100%)	0	0
	100% Subsidy cancelled at schools not meeting criteria for subsidy	Cancellations approved before first subsidy payment	Cancellations approved before first subsidy payment	4(100%)	0	0

Specific challenges and responses

Challenge 1: Subsidy formula has not been adjusted since 1998

This is a national process that has been raised at the relevant forums.

PROGRAMME 4: Public Special School Education

Programme objective: To provide compulsory public education in special schools in accordance with *The South African Schools Act, 1996* and *White Paper 6 on Inclusive Education*

Sub-Programme 4.1: Schools

Sub-programme objective: To provide specific public special schools with resources

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 4.1.A a To provide spaces in special schools in accordance with policy and the principles of Inclusive Education	PM 4.1.A Number of learners in special schools. (Percentage of learners - mild and moderate who are removed from special schools to mainstream schools.	10%	20%	20%	0	0
	The extent to which special schools are converted to resource centres	3 special schools	4 special schools	4 special schools	0	0
	The extent to which primary schools are converted to full service schools	3 primary schools	4 primary schools	4 primary schools	0	0
MO 4.1.A b To provide spaces for out-of- school disabled children to return to learning in public special schools.	PM4.1.A.b Percentage increase in the number of disabled children in public special schools	-	60%	60%	0	0

Sub-Programme 4.2: Professional Services

Sub-Programme objective: To provide educators and learners in public special schools with departmentally managed support services.

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
To provide professional support to all educators in schools	The extent to which learning and teaching is supported in GET and FET by training and informing educators in curriculum specific issues (including aspects such as assessment, methodologies and classroom management)	100%	100%	100%	0	0
To improve access to and quality of formal education at learning institutions in terms of school effectiveness and educator professionalism	The extent to which Implementation of national guidelines on language policy are monitored in all special schools	60%	100%	100%	0	0
	The extent to which Implementation of national policies in terms of GETC and FETC are monitored in all public special schools	100%	100%	100%	0	0

Sub-Programme 4.3: Human Resource Development

Sub-Programme objective: To provide Departmental services for the professional and other development of educators and non-educators in public special schools

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
To provide departmental services for the professional and other development of educators and non-educators in public special schools.	Number of employees that attend training and development programs (both 1% and non1% funded)	10% of Employees	2680	213	2467	92

Specific challenges and responses

Challenge 1: Funding and sourcing
Previously disadvantaged special schools
Response to Challenge 1 <ul style="list-style-type: none"> • An audit and needs analysis focusing on physical, material and human resources in special schools has been done • A submission recommending steps to rectify inadequacies was placed on route
Challenge 2: Poverty and funding
Children from poor homes who live far from schools cannot afford transport or boarding
Response to Challenge 2 <p>Districts need to provide bus transport for learners who live far from schools. In some cases boarding needs to be subsidised.</p>
Challenge 3: Inaccessibility of buildings and schools
Learners with physical disabilities cannot access mainstream schools
Response to Challenge 3 <p>Adaptation of building to ensure accessibility to learners</p>
Challenge 4: Lack of special schools
Absence of special schools in Xhariep and Motheo (Botshabelo) and the need for a second special school in Phuthaditjhaba. These areas have learners with high levels of needs. Many learners are out of the system because of a shortage of schools.
Response to Challenge 4 <p>Trompsburg and Botshabelo were identified as areas in need of special schools. Specifications for these schools were communicated to Physical Planning who needs to prioritise special schools in these areas.</p>
Challenge 5: Secure care centre
The Province is in need of a Secure Care Centre. Learners in conflict with the law are kept in prisons, which violates their rights.
Response to Challenge 4 <p>Building of a Secure Care facility. A rollout plan has been submitted for consideration.</p>

PROGRAMME 5: Further Education and Training

Programme objective: To provide further education and training at public Further Education and Training (FET) colleges in accordance with The Further Education and Training Act

Sub-Programme 5.1: Public Institutions

Programme objective: To provide specific public FET colleges with resources

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 5.1.A To provide spaces in FET institutions in accordance with policy.	PM5.1.A.a Percentage of adults enrolled in FET institutions.	25% of 2 56 380 (64 095)	30% of 2 56 380 (76 914)	24919	51995	-67.6
	PM 5.1.A.b Number of full-time equivalent enrolments in FET institutions.	8 490.5	9 198.5	12 877.65	+3679	39.9
	Number of Sub-Campuses established where there are no FET Institutions		4	5	1	25
MO 5.1.B To promote the participation of historically marginalised groups in public FET institutions	PM 5.1.B.a Percentage of students who are girls or women.	10%	20%	9 903	0	0
	PM 5.1.B.b Percentage of educators who are African.	10%	30%	10%	0	20
	The extent to which learnerships are provided to learners, including out-of-school youth.	300 learners	500	603	103	20.6
	FET information management systems are established at all four (4) FET Colleges	2	4	2	2	-50
	Partnership with Business and Industry fully established so as to ensure the implementation of skills development for women, girl learners and the disabled	3 Partner-ships	4 Partner-ships	4 Partner-ships	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	Skills programme and learnerships targeting 10% women, girl learners and the disabled fully implemented at all the four FET Colleges	5%	20%	30%	0	10
	FET Advocacy campaigns targeting at women, girl learners and the disabled in all the 5 Districts in the Province conducted	2 districts	4 districts	4 districts	0	0
MO 5.1.C To provide relevant and responsive quality FET learning opportunities.	PM5.1.C.a Percentage of student's success rate per level	53,5% (Average)	51,8% (Average)	53,5% (Average)	0	3.28
To enhance learners skills and reliance.	Learnerships are provided to 200 learners, including out-of-school youth to ensure enhancement of skills and self-reliance	200 learners	300 learners	300 learners	0	0
	Four (4) Student Support Service Units established at the four FET Colleges to ensure the development of learning skills and self-reliance	—	2	2	0	0

Sub-Programme 5.2: Public Youth Colleges

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
M.O.To promote the participation of out-of-school youth in learnerships and skills programmes	1000 youth participating in learnerships and skills programmes in 2006/07	400 (youth)	500 (youth)	603	+103	20.6

Sub-Programme 5.3: Professional Services

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
M.O.5.3.1 Learning Facilitation To promote and enhance the competence and the professional skills of educators at FET Colleges.	PM 5.3.1 The extent to which workplace skills plan is developed and implemented	50 %	70%	70%	0	0
MO 5.3.1.b To promote and enhance the competence and the professional skills of educators at FET Colleges.	PM 5.3.1.b Number of employees that attend training and development programmes (both 1% and non 1% funded)	91	90	179	+89	+98.88
M.O.5.3.2 College Management Development. To promote the establishment of a leadership development and management trainings at FET Colleges.	PM5.3.2 Number of senior and middle management members who are capacitated	20%	50%	10%	0	-40

Sub-Programme 5.3.1: Learning Facilitation

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM5.3.1.A 200 Educators trained in relevant training as per outcomes of the needs analysis conducted	91 educators	50 educators	0	50	100

Sub-Programme 5.3.2: College Management Development

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM5.3.2.A 32 Senior and Middle Managers capacitated	10%	6	6	0	0
	Number of College Councils established	4 interim 14 (old)	—	4	+4	+100
	Number of Student Representative Councils established		4 (SRC's)	0	4	100

Sub-Programme 5.4: Human Resource Development

Sub-Programme objective: To provide Departmental services for the professional development of educators and non-educators in public FET colleges

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To provide Departmental services for the professional and other development of educators and non-educators in public FET colleges	Number of employees that attend training and development programs (both 1% and non1% funded)	10% of Employees	10% of Employees (268)	27	241	-90

Sub-Programme 5.5: In-College Sport and Culture

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 5.5.1 To promote the participation of learners in various Sporting activities at public FET Colleges.	The extent to which existing sports facilities at FET Institutions are renovated.	3	4	4	0	0
	Number of learners recruited for sports.	12 436	14 301	800	13501	-94.4
	Number of sporting codes accommodating learners with Special Educational Needs.	4	7	7	0	0

Specific challenges and responses

Challenge 1: Recruitment of girls and disabled learners in specialised fields, e.g. engineering
FET colleges have been given a mandate of skills development across the board, girls and disabled learners inclusively
Response to Challenge 1
Specific targets have been set and included in the Strategic Plan to ensure that a strategy will be developed
Challenge 2: Ensuring representivity at FET colleges
FET colleges should be able to attract learners from various racial backgrounds to be responsive to and flexible enough for both community and business and industrial needs
Response to Challenge 2
A recruitment and retention strategy needs to be developed by the FET college sector
Challenge 3: Infrastructure
To improve infrastructure of FET colleges requires R93 m for re-capitalisation
Response to Challenge 3
Negotiations are taking place at a national level on behalf of provinces

PROGRAMME 6: Adult Basic Education and Training

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

Sub-Programme 6.1: Public Centres

Programme objective: To provide specific public ABET sites with resources

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
M.O6.1A. To provide spaces in public ABET centres in accordance with policy	Number of ABET sites	199	239	38	201	84.1

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	PM 6.1.A.a Number of full-time equivalent enrolments in public ABET centres per output level	15965 learners	16920 learners	3557	13363	-78.9
	PM 6.1.A.b Percentage of illiterate adults in the province enrolled in public ABET centres programmes	5790 learners	5910 learners	1032	4878	-82.5
	Increased. (25 638, that is 10% of the provincial number of illiterates according to the 2001 Statistics SA census-total: 256 380)	5 796 learners	5 910 learners	1191	4719	-79.8
	PM 6.1.A.c Percentage success rate per output level	50% pass rate	50% pass rate	3%	0	-47
	The extent to which registered ABET level 4 learners accumulate credits in all learning areas with special emphasis on Mathematical Science, English and Natural Science.	61 learners	91 learners	45	46	-50.5
	ABET level 4 learners registration process is successful	6605 learners	7000 learners	1695	5305	-75.8
	Teaching and learning in ABET level 4 classes is effective	6605 learners	7000 learners	1695	5305	-75.8
	ABET level 4 learners' achievement is increased from 15% to 30%	61 learners	91 learners	45	46	-50.5
	The extent to which 28 public centres are provided to villages currently, without such facilities is increased	11 public centres	10 public centres	0 public centres	10	-100

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	The learner dropout rate is reduced.	7 500 learners	5 070 learners	2 644 learners	2426	-91.8
To make ABET accessible to learners with special education needs (ELSEN)	The extent to which 201 centres are effectively managed is improved	199	79 trained centre manager	79	0	0
	The extent to which 201 centres are efficiently and effectively governed.	199	79 trained CGBs	79	0	0
	One Public ABET centre for learners with special education needs is established in Thabo Mofutsanyana district	0	1	0	1	-100

Sub-Programme 6.2: Expanded Public Works Programme Objectives

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 6.2 To link ABET programmes with Expanded Public Works Programme Objectives	Align ABET with FET programmes	N/A	25 centres (Awaiting National Directive)	Survey conducted for 25 centres	0	0
	Align ABET programmes with the Expanded Public Works Programme (EPWP).	N/A	N/A	N/A (Awaiting National Directive)	N/A	N/A
	Train ABET learners in skills development programmes.	N/A	804	444	360	-44.8
	• THETA		90	90	0	0
	• ESETA		104	104	0	0
	• CETA		360	0	360	-100
	• PAETA		120	120	0	0
	• ETDP		130	130	0	0

Sub-Programme 6.3: Professional Services

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 6.3 To provide professional support to educators and non-educators at all ABET public centres	PM.6.3.A.a All ABET educators are trained in Outcomes Based Education	50% (1500)	100% (402)	100%	0	0
	PM.6.3.A.b ABET educators are effective in teaching	(1500)	(402)	(Due to 79 educators strike)	0	0
	PM.6.3.A.c All ABET educators are trained in OBA	50%	100%	100%	0	0
	PM.6.3.A.d ABET educators assess learners in line with OBA					
	PM.6.3.A.e 201 Centre Governing Bodies (CGB's) are trained on the ABET Act Of 2000	0%	0%	100%	0	0
	PM.6.3.A.f 201 ABET public centres are governed effectively	70%	80%	79	0	0
	PM.6.3.A.g Support program is implemented by all centres	20%	15%	100%	0	85
	PM6.3.A.h Centres achieve their learner targets Learner drop-out is reduced from 20% to 15%	15%	10%	47%	0	37

Sub-Programme 6.3.2: Centre Management Development

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO:6.3.2 To enhance the management of the public ABET centres	PM 6.3.2: 196 Centre Managers manage public ABET centres in line with the ABET Act and ABET regulations of 2003	0	100%	201	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	All public ABET centres implement and comply with financial directives and regulations	0	100%	201	0	0
	Facilities at centre managers' offices will be sufficient for effective management	50 Centres	50 Centres	50 Centres provided with photo-copying machines	0	0

Sub-Programme 6.3.3: Education for Learners with Special Education Needs

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO:6.3.3 To make ABET accessible to learners with special education needs (ELSEN)	One Public ABET centre for learners with special education needs is established in Thabo Mofutsanyana district	-	-	0	0	0

Sub-Programme 6.3.4: Examinations and Assessment

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO:6.3.4 To increase the number of learners achieving the General Education and Training Certificate (GETC)	ABET Level 4 learners registration process is successful	100%	100%	5305 learners	0	0
	Teaching and learning in ABET Level 4 classes is effective	30%	45%	5305 learners	0	0
	ABET Level 4 learners' achievement is increased for 15% to 30%	30%	45%	136 learners	0	0

Sub-Programme 6.4: Human Resource Development

Sub-Programme objective: To provide Departmental services for the professional development of educators and non-educators in public ABET sites.

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To provide departmental services for the professional and other development of educators in public ABET sites	Number of employees that attend training and development programs (both 1% and non 1% funded)	10% of employees	10% of employees	0	0	100

Specific challenges and responses

Challenge 1: Conditions of service

Clear policy on the conditions of service has not been finalised and is still in draft format, causing discontentment and low morale among educators. Educators are de-motivated as their present working conditions are unsatisfactory, resulting in high educator turnover and creating instability in the system.

Response to Challenge 1

The ABET Sub-directorate is liaising with National to expedite the process of finalising the conditions of service for educators.

The ABET section provides continuous training for new educators.

Challenge 2: High drop-out rate

Learners register at the beginning of the year and leave in groups in the course of the year, particularly in winter. Other learners drop out because they are seasonal farm workers. This creates a high failure rate and has a negative effect on planning, particularly in appointing educators.

Response to Challenge 2

Motivational talks and programmes are being conducted continually
Educators should have effective and relevant learning programmes for the learners.
The introduction of sports, arts and cultural activities and skills development programmes is suggested.

Challenge 3: Low numbers of registered learners

Most illiterate people are reluctant to register in ABET centres, undermining the national objective of breaking the back of illiteracy.

Response to Challenge 3

Advocacy and mobilisation programmes within communities

(continues)

Challenge 4: High failure rate

This is caused by the high drop-out rate, since the majority of learners do not sit for the examinations. It is also caused by the high turnover of educators, since there is no continuity in tuition and limited contact sessions. Hence, many learners do not benefit from the present ABET system.

Response to Challenge 4

Improvement of teaching standards by employing properly qualified educators for the learning area in which they are competent.

PROGRAMME 7: Early Childhood Development

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

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.A To maximise the number of learner years of pre-Grade 1 education.	PM 7.A Percentage of learners in Grade 1 who have received some formal pre-Grade 1 education.	Establish systems	40%	1191	0	0

Sub-Programme 7.1: Grade R in public schools

Sub- Programme objective: To provide specific public ordinary schools with resources required for Grade R

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.1.A To provide Grade R spaces in public ordinary schools in accordance with policy, but specifically White Paper 5.	PM 7.1.A Percentage of 5 year olds in publicly funded school Grade R.	Data System established	Data updated & recorded	1191	0	0
	The extent to which the Number of ECD sites at primary schools are increased	227	427	427	0	0

Sub-Programme 7.2: Grade R in community centres

Sub-Programme objective: To provide specific public ordinary schools with resources required for Grade R.

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.2.A To provide Grade R spaces in education-funded community based sites in accordance with policy, but specifically White Paper 5.	PM 7.2.A Number of learners in education-funded community-based ECD sites.	9975	8550	8550	0	0
	7.2. B Number of community based ECD sites increased.	465	465	465	0	0
	The extents to which basic resources required in community based ECD sites (not responsibility of this branch but needs inclusion for budgeting purposes) are provided.	285	285	285	0	0

Sub-Programme 7.3: Pre Grade R

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.3 To maximise the number of learner's years of Pre-Grade R education.	PM 7.3.A Birth to Pre-Grade R curriculum is available and functioning in 1650 sites	0%	20%	0	0	100
	PM 7.3.B Percentage of learners in Grade R who have received some formal Pre-Grade R education.	Collect Data	5%	0	0	100
	PM 7.3.C: Number of learners exposed to quality recognized programmes is increased from 1485 to 49500	Systems put in place	2475	0	2475	100

Sub-Programme 7.4: Professional Services

Sub-Programme objective: To provide educators and learners at ECD sites with Departmental management support services

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To provide educators and learners in ECD sites Departmentally managed support services	The extent to which funding mechanisms are designed and implemented	100%	100%	100%	0	0
	The extent to which all qualifying ECD sites are monitored for subsidy payment	100%	100%	100%	0	0
	The extent to which norms and standards are developed for basic resources required in community based ECD sites	100%	100%	0	0	-100
	The extent to which all ECD sites are correctly registered according to set criteria and monitored where relevant	100%	100%	100%	0	0
	The extent to which guidelines are developed for RNCS implementation in Grade R	20%	100%	100%	0	0
	The extent to which consultation takes place on policy development	100%	100%	0	0	-100

Sub-Programme 7.4.1: Learning Facilitation

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.4.1 To provide educators and learners in ECD sites with curriculum support services to increase service delivery.	PM7.4.1.A Fully established and resourced ECD sub-directorate	1.5 resourced	50% resourced	New structures approved but not implemented	0	0
	PM 7.4.B Quarterly site visits and workshops	285	712	Workshops held for 285 sites	0	0

Sub-Programme 7.4.2: School Management Development

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.4.2 To provide Management structures in ECD sites with support services to improve systems.	PM 7.4.3 Community based management committees trained.	160	285	285 committees trained in basic management and 160 committees trained on SGB manual	0	0

Sub-Programme 7.4.3: Education for Learners with Special Needs

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.4.3 To provide educators and management structures in ECD sites with support	PM 7.4.3.A Community –based sites informed and supported.	285	285	0	285	-100

Sub-Programme 7.4.4: Examinations and Assessment

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
MO 7.4.4 To provide professional support to practitioners at ECD sites	PM 7.4.4.A Learner assessment and support increased from 285 to 1200.	285	730	0	730	-100

Sub-Programme 7.5: Human Resource development

Sub-Programme objective: To provide Departmental services for the professional and other development of educators in ECD sites

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To provide departmental services for the professional and other development of educators and non-educators in ECD sites	285 Community-based educators trained to reach an REQV 13 qualification	285 enrolled	305 enrolled	305	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	The extent to which Bursaries are accessed by Grade R educators		20	Prac-titioners selected	0	0
	Skills programmes @ 80 hours per educator = 5 – 7 days		300	0	300	-100
	The extent to which learnerships are accessed by unqualified and under-qualified learners (officials)		50	60 Learner-ships to be imple-mented educators identified	+10	20

Specific challenges and responses

Challenge 1: Lack of national policy impacts on implementation

The absence of national policy places greater demands on staff to address problems in schools

Response to Challenge 1

Have raised the issue nationally, but try to assist schools as far as possible

Programme 8: Auxiliary and Associated Services

Programme objective: To provide education institutions as a whole with training and support

Measurable Objective	Performance measure	2003/04 actual	2004/05 target	2004/05 Actual	Deviation from Target	
					Units	%
	10% of the 1% Skills Development Budget for the financial year paid to the ETDP SETA	100%	100% by June 2004	100% by June 2004	0	0

Sub- Programme 8.2.2: HIV/AIDS

Programme objective: To provide for special departmentally managed intervention projects in the education system as a whole

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To educate Learners in Life Skills and HIV/AIDS and to give Care & Support to those Learners who are infected and affected by HIV/AIDS	1. ADVOCACY					
	Number of Advocacy workshops for new Principals, SGBs, SMTs	635 Foundation Phase Schools	Identified schools with new Principals	100%	0	0
	Number of Orientation Meetings for parents	150	200	220 schools 4663 parents	0	0
	Number of District based initiatives involving NGO's & FBO's	Ongoing	Ongoing	70%	0	0
	2. TRAINING					
	2.1 Master Trainers (DoE Officials)					
	Number of MT trained in Life Skills & HIV/AIDS	116 (ECD)	40 (GET)	45 (GET)	5 (GET)	12.5
	Number of MT trained in Citizenship & Conflict Resolution	-	-	54	+54	100
	Number of MT trained in Basic Counseling Skills	16	40	86	46	115
	Number of MT trained in Project Management	18	18	18	0	0
	Number of MT trained in Facilitation Skills	-	40	54	14	35
	Number of MT trained in Peer Education	-	25	83	58	232
	Number of MT trained in Soul Buddyz Clubs	75	-	125	125	+100
	Number of ABET officials trained in L/S	N/A	N/A	N/A	N/A	N/A
	Number of Traditional Healers trained in L/S	N/A	N/A	N/A	N/A	N/A

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	Number of PWA's trained in Facilitation Skills	63	N/A	N/A	N/A	N/A
	Number of SMD's and Physical Planners trained as MT's in the Management of the Impact of HIV/AIDS in schools.	-	120	644 schools 3244 delegates	524	436
	Number of MT trained in the Management of the Impact of HIV/AIDS	-	60	-	60	-100
	2.2 Educator Training					
	Number of Educators trained in Life Skills & HIV/AIDS for Curriculum based implementation	1 500 (ECD)	-	1550 educators	1550 educators	-100
	Number of delegates for Educator Conference	N/A	N/A	N/A	N/A	N/A
	Number of Grade 7 Educators trained in the "No apologies" programme	230 educators	350 educators	3 067 educators	2717	776
	Number of educators trained in implementation of Soul Buddyz Clubs	-	200 educators	3 067 educators	2867	143
3. MONITORING EVALUATION AND SUPPORT						
	Number of meetings held with trained educators to address needs of educators as implementers	50	50	56	6	12
	Number of monitoring and support visits to schools	100%	100%	100%	0	0
	The extent to which the level of implementation of the programme in schools is ascertained through external evaluation	N/A	N/A	N/A	N/A	N/A

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	4. FREE STATE LIFE SKILLS EDUCATION FORUM					
	Number of Provincial Consultative Meetings annually	1 meeting	1 meeting	1 Provincial meeting	0	0
	Number of Provincial Seminars annually	2 meetings	N/A	N/A	0	0
	Number of District Based Seminars annually	-	5 meetings	4 Seminars	1	-20
	5. PEER EDUCATION					
	Number of MT Selected & Trained from NGO's for Peer Education	60	N/A	N/A	N/A	N/A
	Number of MT from NGO's trained in a Refresher Course in Peer Education	-	40	25 NGO Master Trainers	15	-37.5
	Number of Educators Selected & Trained to become coordinators of Learner Peer Education	-	360	288 educators	72	-20
	Number of District-Based Life skills Forum Meetings annually	-	10	13	3	30
	Number of Gr. 10 Learners Selected & Trained as Peer Supporters	-	1500	1400 learners	100	-7.1
	Number of District-Based Peer Education Seminars held annually for Motivation & Support	-	10 (2 per district)	6 seminars	4	-40
	6. CARE & SUPPORT FOR LEARNERS INFECTED & AFFECTED BY HIV/AIDS					
	Number of Master Trainers trained as facilitators in Care & Support – NGO's	60	N/A	N/A	N/A	N/A
	Number of MT from NGO's in a Refresher Course	80	N/A	N/A	N/A	N/A

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	Number of Public Schools informed on Care & Support and referral system	1 3500	1000	910 18 588 educators	90	-9
	Number of schools receiving follow-up & support visits	-	500	500 schools	0	0
	Number of Educators trained in basic Counselling Skills	45	200	743 educators	543	271

Sub-Programme 8.3: Special Projects

Sub-Programme objective: To provide for special departmentally managed intervention projects in the education system as a whole

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To Provide Effective Management On Feeding Of 287 000 Learners In The 5 Districts	Number Of Learners That Benefit From The NSNP	N/A	287 000 Learners	234 534 Learners Benefitted	52 466	-18.28
Introduction Of Cooked Meals In Pilot Schools	15981 Learners Participate In A Pilot Study Of Cooked Meals In 22 Schools	N/A	16,235	16,235	0	0
To Provide Orphans With Food Parcels	Number Of Orphans Receiving Food Parcels Learners Were Provided With 21475 Food Parcels	N/A	21 475	23 475	2000	9.31
To Provide Accommodation For Learners In The Hostels	Number Of Farm School Learners In Hostels	N/A	1011	1011	0	0
To Provide Transport For Farm School Learners	Number Of Learners That Are Transported In The Farm Schools	N/A	364	1840	+1476	405

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To improve access to and quality of formal education at learning institutions in terms of school effectiveness and educator professionalism	Effective participation in donor-funded projects occur (Flemish, Danish, Canadian, USA, Cuban, Swiss) in terms of delivery for departmental officials, educators and learning institutions	Business plans addressed 100%	Business plans addressed 100%	234 534 Learners Benefitted	0	0
	A Flagship Science Centre is established in partnership with other institutions	100%	100%	16,235	0	0
	The extent to which all other partnership projects contribute to effective learning and teaching	100%	100%	23 475	0	0
	Values in Education					
MO:C To promote Values in Education	The extent to which young South Africans understand and respect our heritage and National Symbols	60%	70%	1840	0	0
	The extent to which young South Africans understand the basic tenets of Southern African Development Community, the African Union and the New Partnership for African Development (NEPAD)	60%	70%	70%	0	0
	Number of schools provided with copies of the Constitution and offered opportunity to debate the Values contained in the Constitution	70%	80%	15	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	The extent to which resolutions on Anti-Racism, Anti-Sexism and Good Practice are implemented in Institutions of learning	60%	80%	80%	0	0
	The extent to which there is mutual understanding and celebration of different racial, linguistically, religious and cultural differences	50%	60%	-	0	0
	Number of schools provided with guidelines.	60%	100%	1 903	0	0
	The extent to which patriotism is enhanced	50%	60%	-	0	0
	Number of Moral Regeneration Movements established at institutions of learning	40%	70%	600	0	0
To educate employees on HIV and AIDS	The extent to which employees contribute positively to reducing the further spread of the pandemic	30%	45%	45%	0	0
	The extent to which a safe, open and supportive environment to living with HIV and AIDS is created and sustained.	50%	60%	60%	0	0
	The extent to which Management's commitment is sustained	80%	90%	90%	0	0
	The extent to which the Constitution and all relevant acts are understood and implemented	70%	80%	80%	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	The extent to which alternative placement mechanisms are put in place before any dismissal is resorted to.	50%	60%	60%	0	0
	The extent to which sensitive issues that affect productivity, attendance and life in general (well being are handled at a lower level (peer level) before they impact negatively on the workforce/work causing distress or dismissal.	70%	80%	50%	0	-30
	The extent to which Policy is communicated and implemented.	70%	80%	80%	0	0
	The extent to which the programme is advocated to all levels for effectiveness and sustainability	70%	80%	50%	0	-30
	The extent to which the impact is measured to those employees trained	40%	50%	0	0	0

To ensure that gender equity is reflected in all policies and practices of the Department

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
To ensure that gender equity is reflected in all policies and practices of the Department	The extent to which education sector policies are in compliance with the law.	30%	60%	100%	0	40
	Forums held with stakeholders and young girls	40%	80%	100%	0	20

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Units	%
	Education sector policies in compliance with the law	100%	100%	100%	0	0
	Educators per District trained in mainstreaming Gender in the classroom	10%	40%	40%	0	0
	Gender violence addressed and understood from the survivor's perspective	10%	40%	100%	0	60
	Guidelines endorsed by HEDCOM and CEM	100%	100%	100%	0	0
To uphold the principles of human rights, human dignity and sexual responsibility	Heightened awareness of relationship between gender, gender violence and HIV/AIDS	30%	60%	60%	0	0
	Commemoration held in different Districts					
	Forums held with stakeholders and young girls					
To enhance coordination of gender equity activities with gender focal persons	Improved co-ordination of Gender mainstreaming in the Districts	40%	80%	80%	0	0

Sub-Programme 8.4: Examinations**Sub-Programme objective: To provide for departmentally managed examination services**

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Unit	%
To provide for Departmentally managed examination services	The extent to which examinations (including Grade 12 end of year, supplementary and common examinations, ABET level 4 and the GETC are conducted according to relevant national policy and provincial guidelines in terms of entries, timetabling, distribution, marking, remarking, moderation, certification and payment.	100%	100%	100%	0	0

(continues)

Measurable Objective	Performance measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Deviation from Target	
					Unit	%
	The extent to which Provincial examination papers for Grade 12 and Grade 12 supplementary examinations are developed 3 months prior to commencement of examinations.	100%	100%	100%	0	0
To provide recognition to schools and candidates for their performance	The extent to which schools and candidates receive recognition for their performance at a successful Well Done Function	50 schools and 100 candidates	50 schools and 100 candidates	50 schools and 100 candidates	0	0

Education Resource Centres (ERCs)**Challenge 1: Filling vacant posts**

Filling all ERC posts on the approved structure of the Department

Response to Challenge 1

Appointment of contract workers as an interim measure

Challenge 2: Signing of the lease agreement with De Beers Mines

To finalise outstanding legal issues related to the signing of the lease agreement and ensure that facilities in Koffiefontein can be used as an ERC for Xhariep District

Response to Challenge 2

Facilitate meetings between the legal section of the Department of Education and that of De Beers Mines

2.15 Capital investment, maintenance and asset management plan

2.15.1 Capital projects

What building projects have been completed

COMPLETED PROJECTS				
TYPE OF PROJECT	DISTRICT	LOCATION	SCHOOL NAME	COMPLETION DATE
NEW SCHOOL	Lejweleputswa	Virginia	Lieketseng Primary	13 July 2004
	Motheo	Bloemfontein	Unity Primary	4 April 2005
ADDITIONAL FACILITIES	Thabo Mofutsanyana	Harrismith	Sasamala Secondary	19 April 2004
	Thabo Mofutsanyana	Phuthadithjaba	Clubview Secondary	22 April 2004
	Thabo Mofutsanyana	Phuthadithjaba	Bodibeng Primary	22 May 2005
	Northern Free State	Kroonstad	Kananelo Secondary	16 July 2004
	Northern Free State	Sasolburg	Refengkgotso Primary	30 August 2004
	Thabo Mofutsanyana	Phuthadithjaba	Bluegumbosch Secondary	19 October 2004
INCENTIVES 03/04 - Laboratory	Xhariep	Jagersfontein	Boaromelo Secondary	19 August 2004
	Thabo Mofutsanyana	Bethlehem	Ntsu Secondary	30 March 2005
	Lejweleputswa	Verkeerdevelei	Refihletse Secondary	5 October 2004
	Motheo	Botshabelo	Senakangwedi Secondary	19 September 2004
	Northern Free State	Sasolburg	Pele-ya-pele Secondary	14 September 2004
INCENTIVES 03/04 - Media Centre	Xhariep	Trompsburg	Trompsburg Middle	26 August 2004
	Lejweleputswa	Hertzogville	Senzile Combined	30 September 2004
INCENTIVES 02/03 - Hall	Northern Free State	Kroonstad	Kananelo Secondary	16 July 2004
INCENTIVES 03/04 - Hall	Xhariep	Jacobsdal	Ikanyegeng Combined	7 December 2004
	Lejweleputswa	Henneman	Kheleng Secondary	14 October 2004
	Northern Free State	Zamdela	Nkgopoleng Secondary	16 February 2005
	Motheo	Botshabelo	Setshaba se Maketse Secondary	11 January 2005
INCENTIVES 03/04 - Sport Fields	Xhariep	Petrusburg	Ipetleng Secondary	22 September 2004
	Thabo Mofutsanyana	Phuthadithjaba	Mampoi Secondary	13 September 2004
	Lejweleputswa	Odendaalsrus	Rearebetswe Secondary	22 February 2004
	Motheo	Bultfontein	RT Mokgopa High	8 September 2004
	Northern Free State	Kroonstad	Kananelo Sec	30 July 2004

The close down of facilities are not handled by Physical Resources Planning

PROJECTS CURRENTLY UNDER CONSTRUCTION				
TYPE OF PROJECT	DISTRICT	LOCATION	SCHOOL NAME	EXPECTED COMPLETION DATE
NEW SCHOOL	Motheo	Bloemfontein	Lourierpark Prim	August 2005
	Northern Free State	Deneysville	JJ Khubeka Prim	August 2005
	Thabo Mofutsanyana	Bluegumbosch	Disasterpark Prim	August 2005
	Thabo Mofutsanyana	Fouriesburg	Tshepano III Prim	November 2005
	Thabo Mofutsanyana	Senekal	Tumisang Prim	September 2005
	Northern Free State	Vredefort	S.S. Paki Secondary	May 2005
	Lejweleputswa	Virginia	Marematlou Secondary	August 2006
	Lejweleputswa	Bothaville	Hlaboloha Prim Phase I	March 2006
	Lejweleputswa	Welkom	Mokgwabong Prim Phase I	October 2005
	Lejweleputswa	Odendaalsrus	JC Mothumi Sec Phase I	January 2006
ADDITIONAL FACILITIES	Motheo	Thaba Nchu	Tawana Prim	April 2005
	Thabo Mofutsanyana	Phuthadithjaba	Diqhobong Prim	September 2005
	Thabo Mofutsanyana	Harrismith	Qwabi Prim	June 2005
	Thabo Mofutsanyana	Harrismith	Nhlakanipho Interm	August 2005
	Thabo Mofutsanyana	Harrismith	Pulamadiboho Prim	August 2005
	Motheo	Thaba Nchu	Polokehong II Prim	June 2006
	Motheo	Thaba Nchu	Rakanang Prim	June 2006
	Motheo	Thaba Nchu	Thubisi Prim	April 2006
INCENTIVES 02/03 - Hall	Lejweleputswa	Bothaville	Mamellang Thuto Sec	August 2005
INCENTIVES 03/04- Hall	Thabo Mofutsanyana	Phuthadithjaba	Kgolathuto Secondary	April 2005
INCENTIVES 04/05- Hall	Lejweleputswa	Bultfontein	Rainbow High	August 2005
INCENTIVES 03/04 – Media Centre	Northern Free State	Frankfort	Tsebo-Ulwazi Sec	April 2005
	Thabo Mofutsanyana	Witsieshoek	Beacon Sec	May 2005
INCENTIVES 04/05 – Media Centre	Xhariep	Springfontein	Springfontein High	August 2005
	Lejweleputswa	Virginia	Reatlehile Sec	August 2005
	Thabo Mofutsanyana	Bethlehem	Ntsu	November 2005
INCENTIVES 04/05 – Laboratory	Lejweleputswa	Bothaville	Diphetocho Sec	August 2005
	Thabo Mofutsanyana	Harrismith	Intabazwe Sec	September 2005
INCENTIVES 04/05 – Sportfields	Lejweleputswa	Henneman	Kheleng Sec	August 2005

The Department cannot attend to the renovation backlog owing to the lack of funds and capacity.

Capital projects are usually dealt with over more than one financial year and provision for these projects have been made in the MTEF budget.

The R32,36 million received for renovations for 2004/05 was utilised for the provision of toilets, water, electricity, replacing unacceptable structures and other critical conditions at schools. An additional amount of R 10,3 million was added towards the renovation and rehabilitation of sanitation during January 2005, when the rollover funds was received and extra funds became available.

2.15.2 Asset Management

Major maintenance projects have been undertaken during the financial year. Approximately R900 000 was spent on Tempe Warehouse Phase I: Refurbishment of offices and a new entrance.

Physical infrastructure

1. Key characteristics and statistics relating to the Department's current asset holding

The Department of Public Works Roads and Transport is responsible for the immovable properties in the Free State Province in terms of the Free State Land Administration Act, 1998 (Act. No 1 of 1998). This function is divided into (i) Land Affairs and (ii) accommodation matters which include municipal services. The Property Administration Section of the Directorate Works and Physical Planning (Department of Education) manages \pm 4000 education properties on behalf of the Department of Public Works Roads and Transport. The Property Administration Section makes use of a manual register which indicated the following information:

Town, site number, physical address, size, description (school, hostel, sportfields, vacant etc.) file, reference number, owner, title deed number, land surveyor plan number remarks for additional information, additional accommodation / land that are leased / utilised for educational purposes, public schools (mainly farm schools) that are situated on private property.

Although this register is functional much information is outstanding in respect of information with regard to new town establishment that taking place in Qwa-Qwa / Thaba Nchu as well as in respect of rural areas in these regions. Although most of the site numbers in connection with other education properties in the Free State Province are recorded there are some that must be still confirmed for correctness. In some other cases the correct title deed land surveyor plan number, description and ownership should still be finalised and obtained. Additional accommodation / land are also not completely recorded yet. Information regarding agreements, which have been signed for public schools on private property, is also not yet complete recorded. The Directorate Works and Physical Planning are presently busy with an investigation to computerise the Immovable Property Register in co-operation with the Department of Public Works (National) and the Provincial Department of Public Works Roads and Transport.

2. Adequacy of the information systems of the Department used for the auditing and management of immovable and major movable assets

The Property Administration Section of the Directorate Works and Physical Planning (Department of Education) uses a manual register to manage \pm 4000 education properties. Although this register is functional, certain information is lacking in respect of several properties. The IT of the Department of Education is however in an advanced stage of gathering statistics of several aspects of properties for example:

Management used this information on a regularly basis with regard to policy matter and decision making processes.

2.15.3 Maintenance

Details of expenditure on normal maintenance of property assets

67% of the small capital budget and 62% of the day-to-day maintenance budget was spent during

2004/05. The 67% was spent on provision of water, toilets, electricity, mobile classrooms, attending to unacceptable structures; emergencies, etc.

Progress in addressing maintenance backlogs

Due to lack of funding and capacity preventative maintenance does not receive the required attention as backlogs in infrastructure need to receive first priority.

The only maintenance that was attended to was day-to-day maintenance, which is attended to as requests are reported by the schools. Through Letsema programmes schools receive material to perform small maintenance through voluntary labour from the community.

What measures to keep on track

The Department is currently investigating the possibility of investing in more sophisticated maintenance management systems to assist in backlog analysis, costing and general facilities management.



SECTION C

3. HUMAN RESOURCE MANAGEMENT

3.1 SERVICE DELIVERY

Table 3.1.1. Main services provided and standards

MAIN SERVICE	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Administration	Learners	Business	Consultation	Delivery of quality education
Public Ordinary	Parents	Religious bodies	Access	Establishment of Governing Bodies
School Education	Educators	Higher education Institution	Redress	Provision of resources in terms of greatest area of need District meetings with principals, educators, parents District visits to schools

Table 3.1.2. Consultation Arrangements with the customers

TYPE OF ARRANGEMENT	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	ACTUAL ACHIEVEMENT
District visit	Principals educators parents officials	Community organisations	Better understanding of Departmental Strategic direction
Visits to schools by Senior Management	Educators learners	School Governing Body	Visible support provided to schools Improved Grade 12 results

Table 3.1.3. Service Delivery Access Strategies

TYPE OF ARRANGEMENT	ACTUAL ACHIEVEMENT
Admission policy for learners, compulsory and free education up to Grade 8	High rate of enrolment of learners at institutions.
Public Offices operating from 07:30 – 16:00	Offices accessible to the public

Table 3.1.4. Service Information Tool

TYPES OF INFORMATION TOOL	ACTUAL ACHIEVEMENTS
Departmental magazines, newsletters	Clear understanding of Department policies and achievements
Circulars	Institutions are able to cope with ongoing transformation challenges in education
Print and electronic media	More informed and knowledgeable stakeholders in education

Table 3.1.5. Complain Mechanism

TYPE OF ARRANGEMENT	ACTUAL ACHIEVEMENT
Toll-free number on Service Delivery and Anti-Corruption	Number of reported cases of fraud and corruption equals to 84 and toll-free equals to 21.
Transformation Service Delivery Unit established in some Directorates	Clear service standards established in terms of dealing with complaints/compliments

3.2 EXPENDITURE

Table 3.2.1. PERSONNEL COST BY PROGRAMME 2004/05

PROGRAMME	TOTAL EXPENDITURE R'000	PERSONNEL EXPENDITURE R'000	TRAINING EXPENDITURE R'000	PROFES- SIONAL AND SPECIAL SERVICE R'000	PERSONNEL COST AS A PERCENT OF TOTAL EXPEN- DITURE	AVERAGE PERSONNEL COST PER EMPLOYEE R'000	NO OF EMPLOYEES
Administration	315,074	185,081	7,036	101,580	59%	123	1506
Adult Basic Education & Training	45,759	39,863	1,601	5,599	87,1%	949	42
Auxiliary & Associated service	170,1365	6,833	3,617	30,746	0%	190	36
Early childhood development	29,509	10,807	5	995	37%	117	92
Further education & training	135,449	112,258	205	211	83%	181	619
Independent school subsidies	21,646	0	0	0	0,0%	0	0
Public ordinary school education	3,511,016	3,133,161	18,322	143,704	89%	118	26,500
Public special school education	133,227	110,310	536	5,409	83%	126	873
Theft & losses	37,213	0	0	0	0,0%	0	0
Total	5,893,045	3,598,313	31,322	288,244	61%	121	29,668

TABLE 3.2.2 Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Personnel Expenditure	Number of Employees
Lower skilled (Levels 1-2)	184,415	5.1	67	3,598,313	2,744
Skilled (Levels 3-5)	327,446	9.1	71	3,598,313	4,597
Highly skilled production (Levels 6-8)	2,518,819	70.0	131	3,598,313	19,285
Highly skilled supervision (Levels 9-12)	554,140	15.4	184	3,598,313	3,011
Senior management (Levels 13-16)	14,394	0.4	464	3,598,313	31
Total	3,598,313	100	121	3,598,313	29,668

TABLE 3.2.3. - Salaries, Overtime, Home Owner's Allowance and Medical Assistance by programme, 2004/05

PROGRAMME	SALARY		OVERTIME		HOME OWNER'S ALLOWANCE		MEDICAL ASSISTANCE		TOTAL PERSONNEL
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MEDICAL ASSETS AS A % OF PERSONNEL COSTS	
Administration	172,796	93,4%	1,317	0,8%	2,138	1,2%	8,830	4,8%	185,081
Adult basic education & training	39,492	99,1%	0	0,0%	77	0,2%	294	0,7%	39,863
Auxiliary & associated services	6,340	92,8%	168	2,6%	62	1,0%	263	3,8%	6,833
Early childhood development	10,240	94,8%	0	0,0%	79	0,8%	488	4,5%	10,807
Further education & training	107,291	95,6%	0	0,0%	1,013	0,9%	3,954	3,5%	112,258
Public ordinary school education	2,931,857	93,6%	473	0,0%	31,906	1,1%	168,925	5,4%	3,133,161
Public special school education	103,603	93,9%	0	0,0%	1,080	1,0%	5,627	5,1%	110,310
Total	3,371,619	93,7%	1,958	0,1%	36,355	1,1%	188,381	5,2%	3,598,313

TABLE 3.2.4 Salaries, Overtime, Home Owner's Allowance and Medical Assistance by salary bands, 2004/05

PROGRAMME	SALARY		OVERTIME		HOME OWNER'S ALLOWANCE		MEDICAL ASSISTANCE		TOTAL PERSONNEL
	AMOUNT (R'000)	SALARIES AS A % OF PERSONNEL COST	AMOUNT (R'000)	OVERTIME AS A % OF PERSONNEL COST	AMOUNT (R'000)	HOA AS A % OF PERSONNEL COST	AMOUNT (R'000)	MEDICAL ASSER AS A % OF PERSONNEL COST	
Lower Skilled Levels 1-2	176,705	64.9%	31	0%	986	0.6%	5,792	3.4%	184,415
Skilled Levels 3-5	303,644	71.7%	404	0.1%	2,710	0.8%	20,688	6.4%	327,446
Highly skilled production Levels 6-8	2,354,595	75.2%	708	0%	26,602	1.1%	136,914	5.4%	2,518,819
Highly skilled supervision Levels 9-12	522,684	72%	815	0.1%	6,057	1.1%	24,584	4.3%	554,140
Senior management Levels 13-16	13,991	56.3%	0	0%	0	0%	403	2.6%	14,394
Total	3,371,619	73.8%	1,958	0.2%	36,355	3.6%	188,381	5.2%	3,598,313

3.3 EMPLOYMENT AND VACANCIES

TABLE 3.3.1 Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration, Permanent	12	1	0.0	0
Programme 1 Administration, Permanent	2,340	1,505	35.7	20
Programme 2 Public ord school educ, Permanent	30,540	26,466	13.4	1,020
Programme 2 Public ord school educ, Temporary	34	34	0.0	0
Programme 4 Public spec school educ, Permanent	1,030	870	15.5	11
Programme 4 Public spec school educ, Temporary	2	3	-50.0	0
Programme 5 Further educ & training, Permanent	1,202	619	48.5	16

(continues)

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 6 Adult basic educ & train, Permanent	63	42	33.3	12
Programme 7 Early childhood dev, Permanent	86	77	10.5	5
Programme 7 Early childhood dev, Temporary	15	15	0.0	2
Programme 8 Auxiliary & ass services, Permanent	56	36	35.7	0
Total	35,390	29,668	16.2	1,086

TABLE 3.3.2. -Employment and vacancies by salary bands, 31 March 2005

Salary band	Number of Post	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 102), Permanent	3,440	2,744	20.2	142
Skilled (Levels 3-5), Permanent	5,756	4,559	20.8	221
Skilled (Levels 3-5), Temporary	38	38	0.0	2
Highly skilled production (Levels 6-8), Permanent	22,745	19,272	15.3	572
Highly skilled production (Levels 6-8), Temporary	13	13	0.0	0
Highly skilled supervision (Levels 9-12), Permanent	3,355	3,011	10.3	149
Senior management (Levels 13016), Permanent	32	31	3.1	0
Total	35,390	29,668	16.2	1,086

TABLE 3.3.3 Employment and vacancies by critical occupation, 31 March 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration related, Permanent	71	48	32.4	5
All artisans in the building, metal, machinery, etc. Permanent	3	1	66.7	0
Artisan, project and related superintendents, Permanent	1	1	0.0	0
Auxiliary and related workers, Permanent	1	1	0.0	0

(continues)

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Building and other property caretakers, Permanent	6	0	100.0	0
Bus and heavy vehicle drivers, Permanent	223	220	1.3	59
Cleaners in offices, workshops, hospitals, etc., Permanent	10	9	10.0	5
Cleaners in offices, workshops, hospitals, etc., Temporary	1,798	1,562	13.1	81
Client informed clerks (switchboard, reception inform clerks), Temporary	19	14	26.3	0
Communication and information related, Permanent	10	2	80.0	0
Computer Programmers, Permanent	5	2	60.0	0
Computer system designers and analysts, Permanent	2	0	100.0	0
Farm hands and labourers, Permanent	81	47	42.0	0
Farming, forestry advisors and farm managers, Permanent	1	1	0.0	0
Finance and economics related, Permanent	42	23	45.2	0
Financial and related professional, Permanent	48	26	45.8	1
Financial clerks and credit controllers, Permanent	185	111	40.0	1
Food services aids and waiters, Permanent	11	10	9.1	0
General legal administration & related professional, Permanent	3	0	100.0	0
Head of department/chief executive officer, Permanent	3	3	0.0	0
Household and laundry workers, Permanent	1,119	1,037	7.3	0
Human resources & organisation development & related prof, Permanent	50	24	52.0	0
Human resources clerks, Permanent	251	192	23.5	0
Human resources related, Permanent	54	40	25.9	0
Inspectors of apprentices, works and vehicles, Permanent	57	30	47.4	0
Librarians and related professionals, Permanent	10	2	80.0	0
Library mail and related clerks, Permanent	97	61	37.1	0
Light vehicle drivers, Permanent	40	30	25.0	0
Logistical- recording and transport clerks, Permanent	38	21	44.7	4
Material recording and transport clerks, Permanent	250	188	24.8	0
Messengers, porters and deliverers, Permanent	52	19	63.5	0
Motor vehicle drivers, permanent	1	1	0.0	0

(continues)

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Motorised farm and forestry plant operators, Permanent	4	3	25.0	1
Other admin & related clerks and organisers, Permanent	1,780	1,458	18.1	0
Other admin & related clerks and organisers, Permanent	19	19	0.0	0
Other administrative, policy and related officers, Permanent	77	47	39.0	0
Other information technology personnel, Permanent	17	6	64.7	1
Other occupations, Permanent	28,345	24,016	0.0	0
Other occupations, Temporary	19	19	0.0	921
Printing and related machine operators, Permanent	45	19	57.8	2
Professional nurse, Permanent	11	11	0.0	0
Quantity surveyors & related proof not class elsewhere, Permanent	2	1	50.0	0
Rank: Education specialist: senior (o), Permanent	0	0	0.0	2
Rank: Education therapist: senior (o), Permanent	0	0	0.0	1
Rank: Education therapist, Permanent	0	0	0.0	2
Rank: Education General foreman, Permanent	1	0	100.0	0
Rank: General foreman, Permanent	1	0	100.0	0
Rank: Education therapist., Temporary	179	115	35.8	0
Rank: Education specialist: first (o), Permanent	45	14	68.9	0
Rank: General foreman, Permanent	1	0	100.0	0
Secretaries & other keyboard operating clerks, Permanent	127	86	32.3	0
Security guards, Permanent	179	115	35.8	0
Security officers, Permanent	45	14	68.9	0
Senior managers, Permanent	24	31	-29.2	0
Social work and related professionals, Permanent	2	1	50.0	0
Trade labourers, Permanent	151	96	36.4	0
Total	35,390	29,668	16.0	1,086

3.4 JOB EVALUATION

Table 3.4.1 Job Evaluation 1 April 2004 to 31 March 2005

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 102)	3,340	1	0	1	0	0	0
Skilled (Levels 305)	5,794	1	0	1	0	0	0
Highly skilled production (Levels 608)	22,796	2	0.01%	2	0.01%	0	0
Highly skilled supervision (Levels 9012)	3,355	1	0.03%	0	0	1	0
Senior Management Service Band A	24	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	35,289	5	0.01%	4	0.01%	1	0

TABLE 3.4.2 Profile of employees whose salary positions were upgraded owing to their posts being upgraded, 1 April 2004 to 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	0
Male	1	0	0	0	0
Total	4	0	0	0	0
Employees with a disability	0	0	0	0	0

TABLE 3.4.3 Employees whose salary exceeds the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director	0	0	0	0
Assistant Director	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2004/06				
Percentage of total employment			0.03%	

TABLE 3.4.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Total Number of Employees whose salaries exceeded the grades determined by Non job evaluation in 2004/05					

5.5 EMPLOYMENT CHANGES

TABLE 3.5.1 Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on April 2004	Appointments and transfers into the department	Terminations transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	2,727	190	239	8.8
Lower skilled (Levels 1-2), Temporary	17	0	4	23.5
Skilled (Levels 3-5), Permanent	4,559	302	415	9.1
Skilled (Levels 3-5), Temporary	38	1	4	10.5
Highly skilled production (Levels 6-8), Permanent	18,813	930	2,143	11.4
Highly skilled production (Levels 6-8), Temporary	13	0	1	7.7
Highly skilled supervision (Levels 9-12), Permanent	3,011	17	85	2.8
Senior Management Service Band A, Permanent	19	1	1	5.3
Senior Management Service Band B, Permanent	7	0	0	0.0
Senior Management Service Band C, Permanent	4	0	0	0.0
Senior Management Service Band D, Permanent	1	0	0	0.0
Total	29,209	1,441	2,892	9.9

TABLE 3.5.2. Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005

Occupation:	Number of employees per band as on April 2003	Appointments and transfers into the department	Terminations transfers out of the department	Turnover rate
Administrative related, Permanent	29	6	2	6.9
All artisans in the building, metal, machinery, etc., Permanent	1	0	0	0.0
Artisan, project and related superintendents, Permanent	1	0	0	0.0
Auxiliary and related workers, Permanent	1	0	0	0.0
Building and other property caretakers, Permanent	312	0	18	5.8
Bus and heavy vehicle drivers, Permanent	6	0	1	16.7
Cleaners in offices, workshops, hospitals, etc., Permanent	1441	70	98	6.8
Cleaners in offices, workshops, hospitals, etc., Temporary	16	0	4	25.0
Client inform clerks (switchboard, receipt inform clerks), Permanent	13	1	0	0.0
Communication and information related, Permanent	2	0	0	0.0
Educationist, Permanent	148	0	3	2.0
Farm hands and labourers, Permanent	54	0	3	5.6
Farming, forestry advisors and farm managers, Permanent	1	0	0	0.0
Finance and economics related, Permanent	11	2	0	0.0
Financial and related professionals, Permanent	21	1	0	0.0
Financial clerks and credit controllers, Permanent	115	4	7	6.1
Food services aids and waiters, Permanent	22	0	1	4.5
Head of department/chief executive officer, Permanent	2	0	0	0.0
Household and laundry workers, Permanent	980	115	140	14.3
Human resources & organisation development & related professionals, Permanent	18	1	0	0.0
Human resources clerks, Permanent	186	7	6	3.2

(continues)

Occupation:	Number of employees per band as on April 2003	Appointments and transfers into the department	Terminations transfers out of the department	Turnover rate
Human resources related, Permanent	28	0	0	0.0
Inspectors of apprentices, works and vehicles, Permanent	29	0	1	3.4
Language practitioners interpreters & other communicators, Permanent	1	0	119	11,900.0
Legal related, Permanent	1	0	0	0.0
Librarians and related professionals, Permanent	2	0	0	0.0
Library, mail and related clerks, Permanent	60	3	0	0.0
Light vehicle drivers, Permanent	28	0	1	3.6
Logistical support personnel, Permanent	27	0	2	7.4
Material recording and transport clerks, Permanent	189	6	3	1.6
Messengers, porters and deliverers, Permanent	19	2	3	15.8
Motor vehicle drivers, Permanent	3	0	0	0.0
Motorised farm and forestry plant operators, Permanent	11	0	2	18.2
Other admin & related clerks and organisers, Permanent	1,462	14	48	3.3
Other admin & related clerks and organisers, Temporary	21	0	1	4.8
Other administrative policy and related officers, Permanent	41	1	1	2.4
Other information technology personnel, Permanent	5	2	0	0.0
Other occupations, Permanent	23,493	1,197	2,265	9.6
Other occupations, Temporary	22	1	4	18.2
Printing and related machine operators, Permanent	19	0	0	0.0
Professional nurses, Permanent	8	1	0	0.0
Quantity surveyors & related proof not class elsewhere, Permanent	1	0	0	0.0
Rank: Education specialist: first (o), Permanent	3	0	1	33.3

(continues)

Occupation:	Number of employees per band as on April 2003	Appointments and transfers into the department	Terminations transfers out of the department	Turnover rate
Rank: Head of department (s), Permanent	1	0	0	0.0
Rank: Principal (P2), Permanent	3	0	0	0.0
Rank: Principal (P3s3t3ss3), Permanent	2	0	1	50.0
Rank: Principal: deputy (s), Permanent	2	0	0	0.0
Rank: Teacher(s), Permanent	2	0	130	6,500.0
Rank: Unknown, permanent	5	0	0	0.0
Secretaries & other keyboard operating clerks, Permanent	83	6	8	9.6
Security guards, Permanent	109	0	5	4.6
Security officers, Permanent	13	0	0	0.0
Senior managers, Permanent	20	1	0	0.0
Social workers and related professionals, Permanent	1	0	0	0.0
Trade labourers, Permanent	115	0	14	12.2
Total	29,209	1,441	2,892	9.9

TABLE 3.5.3 Reasons Why Staff is leaving The Department

Termination Type	Number	% of total	% of total employment
Death, Permanent	260	9.0	0.9
Death, Temporary	1	0.0	0.0
Resignation, Permanent	406	14	1.4
Resignation, Temporary	2	0.1	0.0
Expiry of contract, Permanent	1,908	66	6.5
Expiry of contract, Temporary	1	0.0	0.0
Dismissal: operational changes, Permanent	41	1.4	0.1
Discharged owing to ill health, Permanent	24	0.8	0.1
Dismissal: misconduct, Permanent	12	0.4	0.0
Retirement, Permanent	217	7.5	0.7
Retirement, Temporary	1	0.0	0.0
Other, Permanent	5	0.5	0.1
Other, Temporary	4	0.1	0.0

(continues)

Termination Type	Number	% of total	% of total employment
Total	2,892	100	9.9
Total number of employees who left as a % of the total employment			

TABLE 3.5.4 Promotion by critical occupation

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related, Permanent	29	5	17.2	18	62.1
All artisans in the building metal machinery etc.	1	0	0	1	100.0
Artisan, project and related superintendents	1	0	0	1	100.0
Auxiliary and related workers	1	0	0	1	100.0
Building and other property caretakers	312	0	0	233	74.7
Bus and heavy vehicle drivers	6	0	0	5	83.3
Cleaners in offices, workshops, hospitals, etc	1,457	0	0	1,172	80.4
Client inform clerks (switchboard, reception, information clerks)	13	0	0	10	76.9
Communication and information related	2	0	0	0	0.0
Educationist	148	0	0	35	23.6
Farm hands and labourers	54	0	0	29	53.7
Farming forestry advisors and farm managers	1	0	0	0	0.0
Finance and economics related	11	3	27.3	9	81.8
Financial and related professionals	21	0	0	17	81.0
Financial clerks and credit controllers	115	1	0.9	103	89.6
Food services aids and waiters	22	0	0	18	81.8
Head of department/chief executive officer	2	0	0	0	0.0
Household and laundry workers	980	0	0	813	83.0

(continues)

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Human resources & organisational development & related professionals	18	7	38.9	11	61.1
Human resources clerks	186	5	2.7	162	87.1
Human resources related	28	2	7.1	17	60.7
Inspectors of apprentices works and vehicles	29	0	0	27	93.1
Language practitioners interpreters & other commun	1	0	0	0	0.0
Legal related	1	0	0	0	0.0
Librarians and related professionals	2	0	0	1	50.0
Library, mail and related clerks	60	0	0	52	86.7
Light vehicle drivers	28	0	0	21	75.0
Logistical support personnel	27	3	11.1	20	74.1
Material recording and transport clerks	189	4	2.1	165	87.3
Messengers porters and deliverers	19	0	0	14	73.7
Motor vehicle drivers	3	0	0	2	66.7
Motorised farm and forestry plant operators	11	0	0	5	45.5
Other admin & related clerks and organisers	1,483	3	0.3	1,251	84.4
Other administrative policy and related officers	5	3	7.3	36	720.0
Other occupations	23,556	244	1	1	0.0
Printing and related machine operators	19	0	0	19,671	103,531.6
Professional nurses	8	0	0	18	225.0
Quantity surveyors & related proof not class elsewhere	1	0	0	7	700.0
Rank: Education specialist: first (o)	3	0	0	1	33.3
Rank: Head of department (s)	1	0	0	0	0.0
Rank: Principal (p2)	3	0	0	0	0.0

(continues)

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Rank: Principal (p3s3t3ss3)	2	0	0	0	0.0
Rank: Principal: deputy (s)	2	0	0	0	0.0
Rank: Teacher (s)	2	1	50	0	0.0
Rank: Unknown	5	0	0	9	180.0
Secretaries & other keyboard operating clerks	83	0	0	0	0.0
Security guards	109	0	0	68	62.4
Security officers	13	0	0	113	869.2
Senior managers	20	0	0	13	65.0
Social workers and related professionals	1	0	0	0	0.0
Trade labourers	115	0	0	1	0.9
Total	29,209	281	1.0	24,151	82.7

TABLE 3.5.5 Promotion by salary band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Level 102), Permanent	2,773	0	0.0	2,217	79.9
Lower skilled (Level 102), Temporary	17	0	0.0	12	70.6
Skilled (Levels 305), Permanent	3,417	7	0.2	2,856	83.6
Skilled (Levels 305), Temporary	31	0	0.0	8	25.8
Highly skilled production (levels 608), Permanent	19,992	169	0.8	16,512	82.6
Highly skilled production (Levels 608), Temporary	11	0	0.0	8	72.7
Highly skilled supervision (Levels 9012), Permanent	2,941	105	3.6	2,538	86.3
Highly skilled supervision (Levels 9012), Temporary	0	0	0.0	0	0

(continues)

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Senior management (Levels 13,16), Permanent	27	0	0.0	0	0
Total	29,209	281	1.0	24,151	83.0

3.6 EMPLOYMENT EQUITY

5.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male					Female				
	African	Blacks	Coloured	Indian	White	African	Coloured	Indian	White	Black
Legislators, senior officials and managers, Permanent	14	16	2	0	1	6	0	1	3	7
Professionals, Permanent	7,735	7,964	222	7	1,151	12,019	329	7	2,771	12,355
Professionals, Temporary	0	0	0	0	0	0	0	0	19	0
Clerks, Permanent	499	518	19	0	16	1,130	64	1	363	1,195
Clerks, Temporary	1	1	0	0	0	2	1	0	15	3
Service and sales workers, Permanent	122	122	0	0	5	3	0	0	0	3
Craft and related trades workers, Permanent	15	16	1	0	14	2	0	0	0	2
Plant and machine operators and assemblers, Permanent	57	57	0	0	2	2	5	0	0	7
Elementary occupations, Permanent	1,227	1,305	78	0	67	1,350	82	0	220	1,432
Elementary occupations, Temporary	2	3	1	0	0	10	0	0	0	10
Other, Permanent	0	0	0	0	0	4	0	0	1	4
Total	9,672	10,002	323	7	1,256	14,528	481	9	3,392	15,018
Employees with disabilities	2	2	0	0	0	2	0	0	1	2

3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male					Female				
	African	Coloured	Indian	Black	White	African	Coloured	Indian	White	Black
Top management, permanent	3	0	0	3	0	0	0	0	0	0
Senior Management, Permanent	13	2	0	15	1	6	1	1	4	8
Professionally qualified & experienced specialist, permanent	1,491	64	6	1,561	648	835	30	2	500	867
Skilled technical and academically qualified workers, permanent	5,982	168	1	6,152	518	10,575	295	5	2,551	10,882
Skilled technical and academically qualified workers, Temporary	0	0	0	0	0	0	0	0	10	0
Semi-skilled and discretionary decision making, Permanent	1,603	62	0	1,665	83	2,590	132	1	298	2,723
Semi-skilled and discretionary decision making, Temporary	3	1	0	4	0	8	1	0	24	2
Unskilled and defined decision making, permanent	577	26	0	603	6	507	22	0	4	529
Unskilled and defined decision making, temporary	0	0	0	0	0	4	0	0	0	4
Not available, permanent	0	0	0	0	0	3	0	0	1	3
Total	9,672	323	7	10,002	1,256	14,528	481	9	3,392	15,018

3.6.3 Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male					Female				
	African	Coloured	Indian	Black	White	African	Coloured	Indian	White	Black
Senior Management	0	0	0	0	0	0	0	0	1	0
Professionally quali-fied & experienced specialized and middle management, Temporary	9	0	0	9	1	5	0	0	2	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents, permanent	240	4	0	244	41	506	6	1	190	513
Semi-skilled and discretionary decision making, permanent	98	1	0	99	13	149	4	0	52	153
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	0	1	0
Unskilled and defied decision making, permanent	76	0	0	76	2	105	0	0	11	105
Total	423	5	0	428	57	765	10	1	257	776
Employees with disabilities										

3.6.4 Promotions for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male					Female				
	African	Coloured	Indian	Black	White	African	Coloured	Indian	White	Black
Professionally qualified and experienced	1,265	49	4	1,318	479	597	17	1	240	615
Skilled technical and academically qualified workers, permanent	5,282	146	2	5,430	387	9,057	250	2	1,646	9,309
Skilled technical and academically qualified workers, temporary	0	0	0	0	0	0	0	0	8	0
Semi-skilled and discretionary decision making, Permanent	777	17	0	794	57	1,701	65	0	248	1,766
Semi-skilled and discretionary decision making, temporary	0	0	0	0	0	2	0	0	6	2

(continues)

Occupational Bands	Male					Female				
	African	Coloured	Indian	Black	White	African	Coloured	Indian	White	Black
Unskilled and defined decision making, Permanent	1,011	60	0	1,071	12	1,059	72	0	5	1,131
Unskilled and defined decision making, temporary	2	1	0	3	0	7	2	0	0	9
Total	8,337	273	6	8,616	935	12,423	406	3	2,153	12,832
Employees with disabilities	2	0	0	2	0	2	0	0	1	2

3.6.5 Terminations for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialist, Permanent	30	1	0	17	15	0	0	13	76
Skilled technical and academically qualified workers, permanent	390	19	0	84	611	13	0	373	1,490
Skilled technical and academically qualified workers, temporary	0	0	0	0	0	0	0	1	1
Semi-skilled and discretionary decision making, Permanent	134	5	0	18	185	6	0	60	408
Semi-skilled and discretionary decision making, temporary	0	0	0	0	0	0	0	4	4
Unskilled and defined decision making, Permanent	111	3	0	4	127	4	0	5	254
Unskilled and defined decision making, temporary	0	0	0	0	2	1	0	0	3
Total	666	28	0	123	940	24	0	456	2,237
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.6.6 Disciplinary action for the period 1 April 2004 to 31 March 2005

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary Action	142	9	0	9	109	3	0	2	274

3.6.7 Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior officials, and managers	0	0	0	0	0	0	0	0	36
Short courses & skills	0	0	0	0	0	0	0	0	0
Formal studies	0	0	0	0	0	0	0	0	0
Professionals (Educators)	0	0	0	0	0	0	0	0	454
Short Courses & Skills	0	0	0	0	0	0	0	0	0
Formal studies	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	51280
Short courses & Skills	0	0	0	0	0	0	0	0	0
Formal Studies	0	0	0	0	0	0	0	0	0
Service and sales workers – not applicable	0	0	0	0	0	0	0	0	0
Elementary occupations and clerks (Salary levels 1-6)	0	0	0	0	0	0	0	0	325
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 PERFORMANCE REWARDS

TABLE 3.7.1 Performance rewards by race, gender and disability 1 April 2004 to 31 March 2005

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost
African					
Male	545	9,670	5.6	3.171	5.818
Female	573	14,526	3.9	2.233	3.897
Asian					
Male	1	9	11.1	13	12.825
Female	0	7	0.0	0	0
Coloured					
Male	39	323	12.1	166	4.252
Female	58	481	12.1	291	5.009

(continues)

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost
White					
Male	114	1,256	9.1	1.301	11.415
Female	429	3,391	12.7	2.648	6.172
Blacks Female	633	15,016	4.2	2.539	4.011
Blacks Male	585	10,000	5.9	3.339	5.708
Employees with a disability	3	5	60.0	9	3.083
Total	2,980	29,668	5.9	29.668	5.576

TABLE 3.7.2 Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

Beneficiary Profile					
Salary bands	Number of beneficiaries	Number of employees	% of total within salary	Total Cost (R'000)	Average cost per employee
Lower skilled (levels 1-2)	443	2758	16.1	1.033	2.332
Skilled (levels 3-5)	509	3195	15.9	1.559	3.063
Highly skilled production (levels 6-8)	513	20558	2.5	3.137	6.115
Highly skilled supervision (levels 9-12)	284	3126	9.1	3.896	13.718
Total	1749	29637	5.9	9625	5503

Table 3.7.3 Performance rewards by critical occupations, 1 April 2004 to 31 March 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	12	29	41.4	277	23,083
All artisans in the building metal machinery etc	1	1	100	14	14,000
Building and other property caretakers	50	312	16	193	3,860
Bus and heavy vehicle drivers	1	6	16.7	7	7,000
Cleaners in offices workshops hospitals etc.	306	1,457	21	1,023	3,343

(continues)

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total Cost (R'000)	Average cost per employee
Client inform clerks(switch receipt inform clerks)	7	13	53.8	32	4,571
Farm hands and labourers	7	54	13	27	3,857
Finance and economics related	8	11	72.7	197	24,625
Financial and related professionals	9	21	42.9	101	11,222
Financial clerks and credit controllers	61	115	53	494	8,098
Food service aids and waiters	2	22	9.1	9	4,500
Household and laundry workers	173	980	17.7	761	4,399
Human resources & org development & relate prof	11	18	61.1	165	15,000
Human resources clerks	111	186	59.7	1,081	9,739
Human resources related	9	28	32.1	155	17,222
Inspectors of apprentices works and vehicles	11	29	37.9	143	13,000
Language practitioners interpreters and other communications	1	1	100	10	10,000
Library mail and related clerks	23	60	38.3	146	6,348
Light vehicle drivers	6	28	21.4	39	6,500
Logistical support personnel	16	27	59.3	160	10,000
Material recording and transport clerks	85	189	45	631	7,424
Messengers porters and deliverers	9	19	47.4	38	4,222
Motorised farm and forestry plant operators	2	11	18.2	6	3,000
Other admin & related clerks and organizers	439	1,483	29.6	2,966	6,756
Other administrative policy and related officers	23	41	56.1	284	12,348
Other information technology personnel	2	5	40	32	16,000
Printing and related machine operators	11	19	57.9	49	4,455
Professional nurse	1	8	12.5	17	17,000

(continues)

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within occupation	Total Cost (R'000)	Average cost per employee
Quantity surveyors & related prof not class elsewhere	1	1	100	21	21,000
Total	1,398	5,174	27	9,078	6,494

TABLE 3.7.4 Performance related rewards (cash bonus) by salary band, for senior Management Service

Salary Band	Beneficiary Profile			Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	8	24	42.1	2,025	162	2,1
Band B	4	5	80	1,725	69	3
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
Total	12	31	50	1,925	231	2,3

3.8 FOREIGN WORKERS

TABLE 3.8.1 Foreign workers by salary band, 1 April 2004 to 31 March 2005

Salary Band	1 April 2003		31 March 2004		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	1	2.8	0	0	-1	0
Highly skilled production (level 6-8)	29	80.6	30	83.3	1	0
Highly skilled production (levels 9-12)	6	16.7	6	16.7	0	0
Senior Management (levels 13 –16)	0	0.0	0	0	0	0
Total	36	100.0	36	100	0	0

TABLE 3.8.2 Foreign workers by major occupation, 1 April 2004 to 31 March 2005

Major Occupation	1 April 2003		31 March 2004		Change	
	Number	% of total	Number	% of total	Number	% change
Elementary occupations	1	2.8	0	0	1	2.8

(continues)

Major Occupation	1 April 2003		31 March 2004		Change	
	Number	% of total	Number	% of total	Number	% change
Rank : Head of Department (c)	35	97.2	0	0	35	97.2
Rank: Lecture (c)	0	0.0	36	0	36	100.0
Total	36	100	36	100	0	0

3.9 LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2004 TO 31 DECEMBER 2004

TABLE3. 9.1 Sick leave, 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employees	Estimated cost (R'000)
Lower skilled (Levels 1-2)	11,193.5	84.9	1,387	7.6	8.1	1,561
Skilled (Levels 3-5)	16,059.5	81.9	1,932	10.6	8.3	3,078
Highly skilled production (Levels 6-8)	93,165	76.9	13,267	72.5	7.0	31,168
Highly skilled supervision (Levels 9-12)	11,222	79.9	1,678	9.2	6.7	6,202
Senior management (Levels 13-16)	98	94.9	9		10.9	184
Not available	127	94.5	20	0.1	6.4	36
Total	131,865	78.5	18,293	100.0	7.2	42,229

Table3. 9.2 Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employees	Estimated cost (R'000)
Lower skilled (Levels 1-2)	113	100	7	6.9	16.1	16
Skilled (Levels 3-5)	719	100	15	14.7	47.9	135
Highly skilled production (Levels 6-8)	2,017	99.9	65	63.7	31.0	683

(continues)

Salary Band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employees	Estimated cost (R'000)
Highly skilled supervision (Levels 9-12)	662	100	15	14.7	44.1	354
Total	3,511	99.9	102	100	34.4	1,188

TABLE 3.9.3 Annual Leave, 1 January 2004 to 31 December 2004

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	35,398.73	16	2,225
Skilled (Levels 3-5)	23,651.6	12	1,987
Highly skilled production (Levels 6-8)	40,707.61	5	7,892
Highly skilled supervision (Levels 9-12)	18,424.24	12	1,594
Senior management (Levels 13-16)	591.84	9	31
Not available	120	6	19
Total	118,894.02	9	13,748

Table 3.9.4 Capped leave, 1 January 2004 to 31 December 2004

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employees at 31 December 2003
Lower skilled (Levels 1-2)	1,152	7	74
Skilled (Levels 3-5)	2,340	4	82
Highly skilled production (Levels 6-8)	22,517	3	72
Highly skilled supervision (Levels 9-12)	3,603	4	93
Senior management (Levels 13-16)	14	4	91
Not available	62	9	0
Total	29,688	3	76

TABLE 3.9.5 Leave payouts for the period 1 January 2004 to 31 December 2005

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Capped leave payouts on termination of service for 2003/04	5.313	1.442	3.687
Current leave payout on termination of service for 2003/04	2	10	200
Total	5.318	1.452	3.663

3.10 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 3.10.1 Steps taken to reduce the risk of occupational exposure

Units/Categories of employees identified to be at risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All Employees	Awareness
	Advocacy
	VCCT

TABLE 3.10.2 Details of Health Promotion and HIV/AIDS programmes

Question	Yes	No	Details, if yes
Distribution of awareness material	Yes		Health Pamphlets are distributed
Distribution of Condoms	Yes		Monthly in all buildings of the FSDE
Awareness of HIV and AIDS National events	Yes		STI/CONDOM WEEK 8-17 Feb 2005

3.11 LABOUR RELATIONS

TABLE 3.11.1 Collective agreements, 1 April 2004 to 31 March 2005

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

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

TABLE 3.11.2 Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counseling	1	0.36%
Verbal warning		0.00%
Written warning	8	2.92%
Final written warning	58	21.17%
Suspended without Pay	34	12.41%
Fined	55	20.07%
Demotion	1	0.36%
Dismissal	36	13.14%
Not guilty	20	7.30%
Case withdrawn	61	22.26%
TOTAL	274	100

TABLE 3.11.3 *Types of misconduct addressed at disciplinary hearings*

Type of misconduct	Number	% of total
Assault	28	19.05%
Absenteeism	15	10.20%
Sexual Relationship	10	6.80%
Fraud	20	13.61%
Theft	1	0.68%
Alcohol abuse	4	2.72%
Mismanagement of funds`	16	10.88%
Negligence/poor performance	18	12.24%
Improper behaviour	13	8.84%
Misuse of state property	4	2.72%
False statement	2	1.36%
Insubordination	7	4.76%
Corruption	2	1.36%
Sexual Assault	1	0.68%
Harassment	1	0.68%
Rape	1	0.68%
Discrimination	1	0.68%
Late coming	1	0.68%
Illegal Strike	1	0.68%
Bribery	1	0.68%
TOTAL	147	100%

TABLE 3.11.4 *Grievances lodged for the period 1 April 2004 to 31 March 2005*

Grievances	Number	% of total
Number of grievances resolved	18	35.3%
Number of grievances not resolved	33	64.7%
Total number of grievances resolved	51	100%

TABLE 3.11.5 *Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005*

Disputes	Number	% of total
Number of disputes won	18	21.4%
Number of disputes lost	11	13.1%
Number of cases in progress	55	65.5%
Total number of disputes lodged	84	

TABLE 3.11.6 *Strike actions for the period 1 April 2004 to 31 March 2005*

Total number of person working days lost	11725
Total cost of working days lost	Unknown – assume it is same as amount recovered
Amount recovered as a result of no work no pay	R2,824,792.26

TABLE 3.11.7 *Precautionary suspensions for the period 1 April 2004 to 31 March 2005*

Number of people suspended	6
Number of people whose suspension exceeded 30 days	6
Average number of days suspended	178
Costs of suspensions	R748,462.00

3.12 SKILLS DEVELOPMENT

TABLE 3.12.1 *Training needs identified 1 April 2004 to 31 March 2005*

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, Senior officials and Managers	0	29,253	0	30	6 bursaries	36
Professionals	0	0	0	387	7 bursaries	394
Technicians and Associate professionals	0	0	0	49,494	1,784 bursaries	51,278
Clerks	0	0	0	77	248 bursaries	325

TABLE 3.12.2 *Training provided 1 April 2004 to 31 March 2005*

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period				
			Learnerships	Bursaries	Skills programmes & other short courses	Other forms of training	Total
Legislators, Senior officials and Managers	Male	0	0	6	30	0	36
	Female	0	0				
Professionals	Male	0	0	7	387	0	394
	Female	0	0				

(continues)

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period				
			Learnerships	Bursaries	Skills programmes & other short courses	Other forms of training	Total
Technicians and Associate professionals	Male	0	0	1,784	49,494	0	51,280
	Female	0	0				
Clerks	Male	0	0	248	77	0	325
	Female	0	0				
Total	Male	0	0	2,045	49,988	0	52,033
	Female	0	0				

The different components did not submit the training provided per gender. OHRD then developed a format for reporting and circulated it to the different directorates for future reporting.

3.13 INJURY ON DUTY

The following tables provide basic information on injury on duty

TABLE 13.1 Injury on duty 1 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required Basic medical attention only	102	97.1
Temporary Total Disablement	0	0.0
Permanent disablement	3	2.9
Fatal	0	0.0
Total	105	100.0

3.14 UTILIZATION OF CONSULTANTS

Table 3.14.1 – Report on consultant appointments using appropriated funds

SER. NO.	PROJECT TITLE	NUMBER OF CONTRACTED CONSULTANTS	DURATION : WORKING DAYS	CONTRACT VALUE
ADULT BASIC EDUCATION TRAINING				
1	Developing manual for Governance training (ABET)	Not available	Not available	R 57 600.00

(continues)

SER. NO.	PROJECT TITLE	NUMBER OF CONTRACTED CONSULTANT	DURATION : WORKING DAYS	CONTRACT VALUE
2	Holistic Intervention - NFS (POSE)	Not available	Not available	R 54 600.00
3	Employee Wellness (ADMIN)	Not available	Not available	R 11 400.00
4	TST Reports and short listing for Employee Wellness (ADMIN)	Not available	Not available	R 68 189.10
Total		Not available	Not available	R 191 789.10
INCLUSIVE EDUCATION				
1	Bully project	1	2	R6,000-00
2	Learners Conference	1	3	R30,000-00
3	Inclusive Education	1	29	R285,000-00
Total Number of projects		3	34	R321 000
SYRAC				
1	First aid Level 2 & 3. Number of attendants is 38	1	4	R22 440.00
2	Chess officiating 17 attendants	1	1	R1 190.00
3	Athletic officiating and coaching.40 attendants	1	4	R22 800.00
4	Volleyball umpiring course. 40 attendants	1	3	O
5	Foot-ball administration basic course. 37 attendants	1	3	R13 400.00
6	Outdoor Adventure course	3	5	R29 469.00
7	Recreation Management course	3	3	R10 000.00
8	Scouting course	10	3	R10 000.00
9	Public speaking courses	1	6	R14 000.00
10	TAEBO Workshop	5	3	R30 000.00
TOTAL		27	35	R153 299

TABLE 3.14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

SER. NO.	PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
ADULT BASIC EDUCATION AND TRAINING				
1	Developing manual for Governance training (ABET)	Not available	Not available	Not available
2	Holistic Intervention-NFS (POSE)	Not available	Not available	Not available

(continues)

SER. NO.	PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
3	Employee Wellness (ADMIN)	Not available	Not available	Not available
4	TST Reports and short listing for Employee Wellness (ADMIN)	Not available	Not available	Not available
INCLUSIVE EDUCATION AND SYRAC				
1	Indigenous games officiating – coaching. No. of attendants is 56 includes equipment.	100% HDI	3 Days	R27 800.00
2	Learn to Swim Instructors course. 25 attendants.	1 structure Free State aquatics 3 presenters	3 Days	Nil
3	Debate workshop	South African Debating council 4 presenters	4 Days	R12 000.00

TABLE 3.14.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

SER. NO.	PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS.	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUP THAT WORK ON THE PROJECT
1.	None	0%	0%	0
2.	None	0%	0%	0
3.	None	0%	0%	0



SECTION: D

REPORT OF THE AUDIT COMMITTEE

We are pleased to submit our report for the financial year ended 31 March 2005.

Audit Committee Members and Attendance:

The audit committee consist of the members listed hereunder and meets at least twice per annum as per its approved terms of reference. Seven meetings were held in respect of the 2005 financial year.

Name of Member	Number of meetings attended
JC Steyn (Chairperson – external member)	7
MB Monnane (CFO)	4
MS Rakometsi (Acting Superintendent General)	1
MM Sithole (Acting Deputy-Director General)	1
C Bauer (external member)	3

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13.

The committee 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, unless otherwise stated in this report.

The effectiveness of internal control

The Auditor-General could not place reliance on the system of internal control, as it is not effective. There is material non-compliance with prescribed policies and procedures. Significant control weaknesses have been reported by the Auditor General under emphasis of matter in the Audit Report as well as in the management letter. The effect of these instances has been included in the annual financial statements and the report of the Superintendent General also refers to some of these instances. There are still some unresolved outstanding issues from the previous year's Audit Report. These issues are mentioned in this year's Audit Report.

The Department has outsourced a full risk assessment up to control level for its megaprocesses. Recommendations were made to enhance the adequacy of existing control procedures. The effectiveness of existing control procedures was, however, not evaluated. This played a major role in the operational planning of the internal audit activity, which was established on 29 November 2004. It is envisaged that the risk assessment conducted as well as the establishment of the internal audit activity will play a major role in the improvement of internal control by management.

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

The Audit Committee places no reliance on abovementioned reports as the Committee was not able to verify the quality of such reports. The Audit Committee will, however, obtain assurances on these reports in future as it has been included in the operational planning of the internal audit activity.

Evaluation of Financial Statements

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

JC Steyn

Chairperson of the Audit Committee

09 December 2005



SECTION: E

ANNUAL FINANCIAL STATEMENT FOR DEPARTMENT OF EDUCATION FOR THE YEAR ENDED 31 MARCH 2005

DEPARTMENT OF EDUCATION VOTE 6

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2005

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**DEPARTMENT OF EDUCATION
VOTE 6**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

Report by the Accounting Officer to the Executive Authority and the Free State Legislature.

1. General review of the state of financial affairs

The Department had mixed results in terms of its financial management during the financial year under review, due to the challenges of implementing reforms in financial management.

Significant aspects of financial management changed during the year due to the simultaneous change from the Financial Management System for accounting purposes to the Basic Accounting System, as well as the change to a new Standard Chart of Accounts with a different economic classification of expenditure. The Department realised a significant achievement when it managed to adhere to month-end closure procedures in accordance with the national guidelines as from June 2004, despite having changed accounting systems. The impact of the new BAS system was however negatively felt in terms of debt management and slow processing of the online system whereby reports would be awaited for days after month-end and various transactions would take more than double the time to process than on the previous system. The Logis system on which procurement processes are accounted for as well as the asset register also failed our department with unacceptable long down times. Although the system was upgraded it was consistently plagued with downtime. In terms of debt management this was the third time in as many years that the Department had to manually transfer debt to a new system while also recording the history of debtors. The result is that debt could not be managed for the past years and the recoverability thereof is doubtful. (Refer to the Financial Statements for more disclosure in this regard.)

The Department experienced significant under spending in terms of the allocated budget for 2004/5. The total under spent amounted to R218,144 million. (Refer to the Financial Statements for more disclosure in this regard.)

A comprehensive investigation into the past management of finances is planned for the near future.

1.1 Important policy decisions and strategic issues facing the Department

The foreseen implementation of the revised Norms and Standards for School Funding is placing pressure on the budget, especially with the simultaneous impact of the Revised Curriculum 2005. The workload required for officials and educators to achieve the desired results in terms of continuous professional development remains a challenge and a cost to the Department.

The Revised Curriculum 2005, being resource based, has resulted in the fact that the budget for Learning and Teaching Support Material remains under pressure.

The recapitalisation of Further Education and Training (FET) still remains a focus area at a national level as well as in our Department. Funding needs are unaffordable to the Department and even the sustainability of funding the required activities as required by the President in terms of the State of the Nation Address, remains a challenge.

Learner Support Programmes are a major focus area in the Department in order to improve the quality of education as well as access to education. Programmes were rolled out in terms of School Nutrition as well as Transport and hostel accommodation for learners living in the previously disadvantaged as well as rural communities.

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Ensuring the effectiveness of funds spent on Adult Basic Education and Training (ABET), considering the dropout and throughput rate, remain a challenge. The remuneration of ABET educators is currently being reviewed at national level in order to improve the quality of the conditions of service for educators, as well as addressing the method of payment in order to address the risk of fraud. At provincial level, payment of ABET educators is already processed on a fixed day of the month, in order to improve processes of paying salaries for these educators.

Assurance regarding the appropriate spending of ring-fenced funding for Section 21 schools remains a concern. Funds must be shown to be spent for the purpose it was allocated.

1.2 Budget allocation

The total amount received by the Department for the 2004/05 financial year amounts to R4,617,650 million (2003/04: R4,133,580 million), which is made up as follows:

	2003/04 R'000	2004/05 R'000
Baseline amount	3,950,866	4,332,375
Conditional grants	77,942	179,413
Financial Management and Quality Enhancement	14,768	-
HIV/AIDS	7,590	7,715
Early Childhood Development	5,544	-
National Infrastructure	42,585	52,598
Flood Damage	7,455	-
Provincial Infrastructure Grant	-	70,000
National School Nutrition Programme	-	49,100
Funds rolled over from previous year	53,519	51,211
Financial Management and Quality Enhancement	4,390	904
Early Childhood Development	1,029	1,737
HIV/AIDS	2,445	77
Flood damage	44,648	13,298
Provincial Infrastructure	-	59
Infrastructure Grant	-	2,078
LTSM	-	22,245
Equipment	-	10,813
Literacy and Numeracy	882	-
Donation: South African Breweries	125	-
Funds suspended	51,253	54,651
Office of the Premier (Transfer of Personnel)	-	63
Public Works, Roads & Transport (Current Exp)	10,000	-
Office of the Premier (R293 Town Personnel)	-	-
Provincial Treasury (Personnel)	9,927	11,348
Provincial Treasury (Bank charges)	854	-
Provincial Treasury (Additional)	28,160	43,240
Flemish Support project	1,240	-
National Department of Education (FET Learner ships)	759	-
Donations	313	-
Total allocation	4,133,580	4,617,650

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Less: Spending Against the Vote	4,048,174	4,399,506
Under spending against the Vote	85,406	218,144
Less: Abnormal item (Additional Funding received for Backlogs of educators where budget could not be spent due to lack of timeous signing of agreement at national level)	-	43,240
Under spending of normal budget allocation	85,406	174,904

It is disappointing that the Department has not been able to sustain the improvement in its level of spending and reducing the amount of cash unspent at financial year-end, which in the 2001/02 financial year amounted to 6.16%, 2.56% (2002/03), 2.07% (2003/04) and now in the 2004/05 financial year amounted to 4.72% of the allocation. Should the Department have been in a position to timeously implement the payment of backlogs to educators, the percentage of cash unspent at year end would have been only 3.79%. The acceptable level of under spending in terms of Treasury Norms is 2%.

The spending on conditional grants was satisfactory, except where implementation of new policies that were dependent on national activities were hampered by national implementation problems. The spending on Capital Works funded by conditional grants improved, due to the fact that the Department of Public Works Roads and Transport is responsible for the monitoring and payment processes. The Department in turn transfers funds according to claims received.

2. Services rendered by the department

2.1 Services delivered within the programmes of the department are dealt with in detail in Part 2 of the Annual Report.

2.2 Tariff policy and Free Services

Tariffs on educational activities are mostly covered by the National Guidelines. When no National Guideline exist, tariffs are set to recover only the cost to the Department. This is to ensure that the Department does not artificially affect the cost, and therefore access, to its constitutional activities.

Tariffs for the recovery of private usage of departmental assets are set so as to recover the cost to the department.

Interest rates are set in line with the national prescriptions.

2.3 Inventories

The inventories on hand at year end in the main store are as follows:

Consumables	R 7,152,734
Capital items	R276,446,920

Consumables include inter alia:

Cleaning materials
Stationery

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Photocopying paper
Toilet paper

Inventory is valued at cost.

3. Capacity constraints

Capacity constraints are addressed on a continuous basis in terms of process reengineering, training and risk assessment. Major constraints are experienced in the Supply Chain Management Directorate, which will be addressed in the new financial year. The Regulations of the Public Finance Management Act regarding Supply Chain Management is an area where capacity needs to be improved for all internal and external stakeholders of the Department.

4. Utilisation of donor funds

Donor funds are utilised in achieving departmental objectives, speeding up implementation of key programmes and filling gaps where they exist.

Donor-funded projects are directed by approved Business Plans, Memoranda of Understanding and/or Service Level Agreements between the Free State Department of Education and the funding partners involved.

Projects focus on principles of redress and equity as well as urban renewal, rural development, nodal programmes and equal opportunities for all. Detail is available in Section 2 of the Annual Report.

5. Organisations to whom transfer payments have been made

Recipients of transfer payments are disclosed in detail in the financial statements in Annexure 1 C-H.

Accountability arrangements include certificates in terms of section 38(j) of the PFMA, financial statements to be provided, inspections of the institutions by the inspection unit and special conditions where certificates cannot be provided.

6. Public private partnerships (PPP)

The Department is currently in partnership with National Treasury, still conducting a viability study in terms of utilising PPPs to assist in addressing backlogs in capital works. The viability study will be completed by 31 July 2005, after which the procurement phase will commence.

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7. Corporate Public governance arrangements

7.1 Risk Management and Internal Control

A financial and risk management committee and an audit committee were established to perform a critical governance function. Every member of senior management of the Department recognises their overall responsibility in terms of the Public Finance Management Act for risk management. Every responsibility manager ensures that risks are properly identified, evaluated and managed. A risk management section has been established to assist responsibility managers.

A comprehensive register of risks was established. The Department currently manages 201 significant risks in the support services branch of the Department and 49 significant risks in the education branch. To ensure that the risks are addressed in a coordinated manner the following process is followed:

- ❑ The establishment of a control system is written into senior management performance agreements
- ❑ Cross-cutting issues are discussed and monitored in specific theme teams.
- ❑ Should there be more than 15 significant risks without control, the focus is placed on the 15 most significant risks in the performance agreement. The other risks will be addressed in the following year. This ensures that managers are able to manage the process and it ensures that the most significant issues are addressed first, which would have a major impact on the operations of the Department as a whole.
- ❑ Should there be less than 15 significant risks, major risks are also included.

The Fraud and Anti-corruption Unit has reviewed its mandate during the financial year. The internal audit function has been outsourced with the objective to appoint and capacitate auditors within a three year period after which the section will be in-house. Part of the objective of the outsourcing was to also utilise the opportunity to register as a training office with the SA Institute of Chartered Accountants. On registration the Department will then have the opportunity to provide internships to prospective internal auditors and certified financial accountants.

7.2 Human Resource Development and Employment Equity

The human resource strategy focuses on creating the conditions and opportunities for previously disadvantaged individuals to realise their full potential. Bursaries are provided to employees in terms of the approved Workplace Skills Plan.

There is continual monitoring and enforcement of the Employment Equity Plan as well as the Work Place Skills Plan.

7.3 The Environment, Health and Safety

The Department strives to conform to environmental, health and safety laws in its operations. Therefore specific projects are run in schools to raise awareness of learners as custodians of the earth and its resources.

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7.4 Code of Conduct

The Accounting Officer ensures by leadership and example that a work climate is created that encourages integrity in accordance with its codes of conduct.

7.5 Corporate Social Responsibility

The Department demonstrates its commitment to social responsibility through the provisioning of bursaries to previously disadvantaged learners, providing them with the opportunity to acquire Higher Education Qualifications. Furthermore, the Department also provides learnerships and in future possibly internships to assist specifically our youth in the Free State.

The setting of targets for Black Economic Empowerment projects and the achievement of these goals as well as ensuring that we support Free State Business which form the basis of our social responsibility framework.

7.6 HIV/AIDS

Due to the AIDS pandemic in South Africa and specifically in the Free State where the infection rate is high, the Department has initiated processes to ensure that our learners are being educated to support those affected and infected.

An employee wellness advocacy programme has been developed to educate employees regarding HIV and AIDS in the workplace, substance abuse and mental health in the workplace. This programme, in conjunction with the HIV and AIDS forum, is directed towards dealing with departmental challenges in a coordinated manner. Challenges facing the Department relate inter alia to absenteeism, morale and productivity, which form cornerstones for the provision of quality education.

8. Resolutions by the Provincial Public Accounts Committee

Resolution	Departmental Action
23/2003 – Recovery of debt must be finalised	Current debt management has improved but due to the change in systems for the third time in as many years, old debt has not been managed. The Department has approved a plan to deal with the old debt and to finalise the transfer of debt balanced to the BAS system.
Resolution 28/2004 – Performance contracts and evaluations of HODs	The HOD will support the systems implemented.
Resolution 29/2004 – Preventing unauthorised and fruitless and wasteful expenditure	The Department has policy guidelines in place and has reported to Treasury in terms of the new monitoring processes.

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Resolution 30/2004 – Accounting Officers to revisit control procedures for payment approval and processing	The Department has various control forms to lead staff when processing payments to assist in adherence to internal control.
Resolution 30/2004 – Internal audit to be correctly structured	Outsourced to a major auditing firm consortium.
Resolution 31/2004 – Logis utilisation as asset management system	Adhering.
Resolution 32/2004 –Control framework for recovery of debts	Strategy in place.
Resolution 36/2004 – Investigation into housing guarantees	In progress.

9. Performance information

The Department has set up the required structures to ensure that performance is managed. This includes a director for strategic planning and monitoring as well as the Human Resource Performance Management system. The Department also has an EMIS section collecting management information on schools.

Verification of management information is a mandate of internal audit. Independent Accounting Officers from other departments are usually invited to be part of the moderating committee of the Department during performance assessment validation processes. This has been a worthwhile effort to obtain an objective opinion as well as to learn from other departments in terms of their best practice.

10. Approval

The Annual Financial Statements set out on pages 10 to 59 have been approved by the Accounting Officer.



Mr M.S. Rakometsi
Superintendent General
31 May 2005

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE
FINANCIAL STATEMENTS OF VOTE 6 – DEPARTMENT OF EDUCATION
FOR THE YEAR ENDED 31 MARCH 2005**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages ..142.. to ..191.., for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. QUALIFICATION

3.1 Accounts receivable

- (a) All outstanding debts older than three years at 31 March 2005, totalling R31 147 289 (capital: R22 252 558 and interest: R8 894 731), were written off against the underspending of voted funds by means of a single journal entry.
- (i) In terms of the accounting policy, interest received is recognised upon receipt of the funds and no provision is made for interest receivable from the last receipt date to the end of the financial year. This is due to the fact that

the financial statements are prepared on the modified cash basis of accounting and not the accrual basis of accounting.

Due to the write-off of interest that had not accrued, thefts and losses as disclosed in note 6 to the financial statements is overstated and voted funds to be surrendered to the revenue fund as disclosed in note 15 and accounts receivable per note 13 are understated by R8 894 731 at 31 March 2005.

- (ii) Financial management practices regarding accounts receivable were found to be inadequate, as debtors were not followed up on a monthly basis. For example, monthly statements were not sent out regularly to recover debt. However, the department has practised credit control on an intermittent basis during the past few financial years.

It can thus not reasonably be assumed that the debts written off have prescribed in terms of the Prescription Act, 1969, and therefore should not have been written off. Furthermore, the accounting officer is still obliged to attempt to recover all monies due to the department in terms of section 38(1)(c)(i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). The department did not provide appropriate supporting documentation to verify that the debts had prescribed.

Consequently, thefts and losses due to debts written off as disclosed in note 6 to the financial statements is overstated and voted funds to be surrendered to the revenue fund as disclosed in note 15 and accounts receivable as disclosed in note 13 are understated by R22 252 558 at 31 March 2005.

- (iii) At year-end, the amounts written off had not yet been allocated to the specific debtors accounts in the debt subledger.

This office was not provided with appropriate supporting evidence that effective and appropriate steps had been taken to recover the individual debts, as required by the *Policy on the management of debtors, debt recovery and write-off of irrecoverable debt*. Due to the fact that the debts were not written off in accordance with the write-off policy, which was thus in contravention of Treasury Regulation 11.2, the write-off is considered to be irregular expenditure as defined in section 1 of the PFMA.

The department did not take into account the impact of the debts written off on recoverable revenue. It was not possible to quantify the effect of the write-off on recoverable revenue from the supporting documentation provided.

- (b) The department did not provide supporting documentation in respect of accounts receivable in the sum of R1 260 500, as required by section 41 of the PFMA. It was thus not possible to perform all the procedures and obtain all the explanations that we deemed necessary to verify these balances.

3.2 Leave entitlement

The liability for leave entitlement totalling R723 741 000 at 31 March 2005, per note 25 to the financial statements, could not be verified due to the following:

- (a) Leave records were found to be unsatisfactory, as not all leave taken by officials was captured on the Personnel and Salary System (PERSAL) and numerous leave transactions that had been captured were either not supported by authorised leave forms or were incorrectly classified on PERSAL. The deficient leave records are attributable to management policies and procedures not being adhered to and the lack of independent management monitoring and controlling. In the absence of reliable leave records, it was not possible to verify the completeness, accuracy and validity of the liability for leave entitlement at year-end.
- (b) The liability for leave entitlement was based on the summary report per total monetary value for vacation leave credits (report 7.11.13(01)) according to PERSAL. A variance of R32 307 531 was identified between the summary report per total monetary value for vacation leave credits (report 7.11.13(01)) and the report that details the monetary value for leave credits per employee (report 4.8.9(04)) drawn from PERSAL. This is due to the fact that the department printed the reports on 23 May 2005 and 27 June 2005, respectively. The department was unable to furnish a detailed report for the liability regarding leave entitlement per employee as at 31 March 2005, as this report was not printed during the year-end closing procedures and PERSAL does not have the functionality to print the necessary history reports after year-end.

3.3 Contingent liabilities

It was not possible to perform all the procedures and obtain all the explanations that we deemed necessary to verify the completeness, existence, accuracy and valuation of the contingent liability regarding housing loan guarantees in the sum of R76 887 312 at 31 March 2005, per note 22 to the financial statements, due to the following:

- (a) The contingent liability regarding housing loan guarantees, as disclosed in annexure 3 to the financial statements, was compiled based on the summary report of the housing loan guarantees issued per financial institution (report 7.11.15(01)), which was obtained from PERSAL.

Although the mentioned report contained sufficient information for the purposes of compiling the financial statements, it did not contain sufficient detail to identify housing loan guarantees issued by the department in respect of individual employees.

The total contingent liability regarding housing loan guarantees amounted to R76 887 312 according to report 7.11.15(01) and R76 590 489 according to the report detailing the housing loan guarantees issued per employee (report 4.8.19(4)). The variance of R296 823 is attributable to the fact that the department printed the reports on 26 April 2005 and 14 May 2005, respectively. The department was unable to furnish a detailed report for the contingent liability regarding housing loan guarantees issued per employee as

at 31 March 2005, as this report was not printed during the year-end closing procedures and PERSAL does not have the functionality to print the necessary history reports after year-end.

- (b) Despite requests for third-party confirmation of the contingent liability in respect of housing loan guarantees at 31 March 2005, certificates confirming the housing loan guarantees issued by the department could not be obtained for audit purposes.
- (c) The department did not provide supporting documentation in respect of housing loan guarantees totalling R56 281. Furthermore, no proof of ownership of the property under guarantee could be provided in respect of housing loan guarantees totalling R31 000. A housing loan guarantee amounting to R20 400 was also not released although the property under guarantee had been sold.

3.4 Commitments

- (a) Commitments totalling R46 605 601 at 31 March 2005, per note 23 to the financial statements, were based on the expenditure control report (commitments) (report RP0203BS) drawn from the Basic Accounting System (BAS). This report details the total commitment per account at year-end but does not provide detail regarding the particular order to which the commitment pertains. A variance of R9 523 725 was identified between the expenditure control report (commitments) (report RP0203BS) and the report that details the outstanding commitment per order (RR082) drawn from the Logistical Information System (LOGIS). This is due to the fact that the department printed the reports on 5 May 2005 and 11 October 2005, respectively. The department was unable to furnish a detailed report for the commitments per order as at 31 March 2005, as this report was not printed during the year-end closing procedures and LOGIS does not have the functionality to print the necessary history reports after year-end.
- (b) Insufficient procedures were in place to ensure that the commitments per account were completely recorded on BAS, as the department did not reconcile BAS and LOGIS on a regular basis during the year under review. In the absence of reliable records, it was not possible to verify the completeness, accuracy and validity of the commitments at year-end.
- (c) The commitments for current expenditure approved and contracted, as disclosed in note 23 to the financial statements, is understated by R56 816 357. This amount constitutes contracts entered into by the Department of Public Works, Roads and Transport for the construction of schools on behalf of the Department of Education. These projects had not been finalised by year-end according to the contract register obtained from the Department of Public Works, Road and Transport. The Department of Education budgeted for the cost of construction as current expenditure in respect of transfer payments. The understatement occurred as a result of the fact that the department did not maintain adequate records of the commitments, as required by section 40(1)(a) of the PFMA.

3.5 Irregular expenditure

The department did not recognise the following irregular expenditure totalling R33 469 295, as required by section 40(3)(b)(i) of the PFMA:

(a) Debt written off

As reported in paragraph 3.1(a) above, the department incurred irregular expenditure totalling R31 147 289 as a result of debts not written off in accordance with the write-off policy, which is in contravention of Treasury Regulation 11.2.

(b) Procurement

- (i) In 10 instances, purchases in excess of R30 000 up to and including R100 000 per case, totalling R656 480, were not supported by a minimum of five quotations, as required by the *Supply chain management policy guidelines* and condition 3.2.4 of the general standing delegated powers regarding procurement.
- (ii) Tenders totalling R242 716 were not awarded in compliance with paragraph 6.3.4 of the *Supply chain management policy guidelines*, as the lowest quotation was not accepted and reasonable and justifiable grounds for the deviation were not minuted.
- (iii) The department deviated from tender procedures in respect of a payment amounting to R111 997. Although the request for deviation was attached to the payment advice, it was not approved by the accounting officer or an appropriate delegated official as required by paragraph 6.8 of the *Supply chain management policy guidelines*.
- (iv) Orders in respect of payments made to two separate suppliers for catering services totalling R1 090 200 were split in order to avoid the necessary invitation of tenders, contrary to the *Supply chain management policy guidelines* and delegation 4 of the general standing delegated powers regarding procurement.
- (v) Payments totalling R220 613 were made for the rental of photocopy and fax machines in respect of which operating lease agreements had already expired. The department did not follow an appropriate procurement process for the rental of the photocopy and fax machines, but merely placed an order with the relevant service providers on a month-to-month basis.

Due to the fact that the goods and services were not procured in accordance with the *Supply chain management policy guidelines*, the expenditure is considered to be irregular expenditure as defined in section 1 of the PFMA.

3.6 Comparative figures

This office was unable to obtain reasonable assurance that the financial statements for the 2003-04 financial year were free of material misstatement, due to a lack of sufficient and acceptable audit evidence.

The department did not provide appropriate supporting documentation to verify the completeness, accuracy and validity of the comparative figures in the current year's financial statements.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Education at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the PFMA.

5. EMPHASIS OF MATTER

Without further qualifying the opinion expressed above, attention is drawn to the following matters:

5.1 Financial management

According to section 38(1)(a)(i) of the PFMA, the accounting officer must ensure that the department has and maintains an effective, efficient and transparent system of financial and risk management and internal control.

The following deficiencies in financial management and internal control were noted and are attributable to the fact that management policies and procedures were not always adhered to as well as management monitoring and control being inadequate:

(a) Expenditure management

The department did not provide sufficient evidence to verify that the availability of funds was always confirmed against the budget prior to payments being effected.

(b) Human resource management

- (i) Human resource management and compensation of employees rendering service in the Thabo Mofutsanyana and Northern Free State districts and at the department's head office in Bloemfontein were audited. Several significant control weaknesses were noted regarding the administration, approval and recording of leave, the authorisation and supervision of overtime, the authorisation and validity of appointments, qualification bonuses and basic backdated payments, and the accuracy and validity of allowances and deductions.
- (ii) Due to the extent of the department's human resources and the fact that compensation of employees represented 81,7% of total expenditure of voted funds, it is of particular concern that PERSAL and BAS were not reconciled on a regular basis.

(c) Administration and management of Adult Basic Education and Training (ABET) claims

Internal control systems and monitoring mechanisms regarding the administration, authorisation, accuracy and validity of periodical payments to ABET educators were inadequate.

In certain instances, the department could not provide appointment letters for educators receiving periodical payments, hours claimed by ABET educators exceeded the approved hours, and claim forms for periodical payments were not compared and validated against time registers.

Two special investigations were conducted regarding the administration and management of ABET claims. A report [PR 50/2005] in this regard was tabled in the Free State Legislature. The second audit investigation is in the reporting phase and the report will be tabled in the said legislature in due course.

(d) Inventory and asset management

- (i) Variances were noted between the physical stock count sheets and the inventory control sheet. Explanations and reconciliations for these variances could not be obtained.
- (ii) The accuracy of the inventory control sheet could not be confirmed, as the report was only printed on 20 April 2005 and included inventory purchased after year-end.
- (iii) The department did not provide this office with the final stock reports and documentation regarding the disposal of assets.
- (iv) Control systems and preventative mechanisms to safeguard inventory at the Hamilton store were inadequate and various inventory items appeared to be obsolete.
- (v) In numerous instances, asset serial numbers and descriptions differed from those recorded on LOGIS and assets physically verified could not be traced to LOGIS.
- (vi) Assets written off could not be traced to the asset register, as the asset register did not contain descriptions in respect of the assets written off, as required by Treasury Regulation 12.5.3.
- (vii) Asset serial numbers and costs were not always processed on LOGIS and assets were identified that did not have serial numbers.

(e) Management of losses

- (i) Loss control registration forms were not completed in respect of losses totalling R140 191.
- (ii) Losses were not reported timeously and proof could not always be provided that losses had been reported to the South African Police Service.

- (iii) Control systems and procedures to monitor losses were inadequate.
- (iv) Losses regarding criminal cases totalling R185 891 were written off during the year under review, due to the fact that the files were lost. The department was unable to furnish adequate evidence that the cases had been thoroughly investigated prior to being written off.

5.2 Non-compliance with laws and regulations

(a) Lack of supporting documentation

The department did not maintain full and proper records in terms of section 40(1)(a) of the PFMA and did not always submit information, returns, documents, explanations and motivations as required by this office in accordance with section 41 of the said act.

The department did not provide adequate supporting documentation regarding the compensation of employees, related allowances, the structure of senior management packages and payroll reports, the appointment and termination of employees, ABET claims, the liability for performance bonuses, leave balances, government housing, revenue, payments for goods and services, contingent liabilities, commitments, inventory balances at year-end, asset disposals, loss control, transfers and subsidies, recoverable revenue and the movement on the statement of changes in net assets.

(b) Internal audit

In terms of section 38(1)(a)(ii) of the PFMA, the accounting officer must ensure that the department has and maintains a system of internal audit under the control and direction of an audit committee, complying with and operating in accordance with sections 76 and 77 of the PFMA and Treasury Regulations.

The internal audit function was outsourced during November 2004 and the consortium only commenced with the implementation of an active internal audit function during February 2005.

(c) Certification of payroll reports

The department did not provide adequate supporting evidence to confirm that payroll reports were submitted by the respective paypoints to the chief financial officer within 10 days of the certification thereof, or that the accounting officer ensured that all paypoint certificates were received on a monthly basis as required by Treasury Regulation 8.3.5.

It was therefore not possible to confirm that payroll reports were certified in accordance with Treasury Regulation 8.3.4.

(d) Overtime compensation

Contrary to paragraph D.2(d) of chapter 1, part V of the Public Service Regulations, 2001, monthly compensation for overtime worked paid to certain officials constituted more than 30% of their monthly salaries.

(e) Fringe benefits

- (i) In accordance with Government Gazette No. 23727, notice no. 1410 of 2002, 0% interest was charged on outstanding employee debt totalling R2 904 465 at year-end.

The difference between the interest charged at 0% and the official interest rate for the outstanding periods of the loans was not disclosed as a fringe benefit, in accordance with paragraph 2(f) of the seventh schedule to the Income Tax Act, 1962 (Act No. 58 of 1962).

- (ii) The department included taxable benefits on the IRP5 certificates of certain employees in respect of deductions for housing rental. As the department does not own the properties in respect of which the rental is deducted, the rental cannot be deemed to be a taxable benefit granted by the employer.
- (iii) The department did not disclose a taxable benefit of R131 247 regarding the private use of a motor vehicle as required by paragraph 2(b) of the seventh schedule to the Income Tax Act, 1962 (Act No. 58 of 1962).

(f) Fruitless and wasteful expenditure

Incidences of fruitless and wasteful expenditure incurred during the year under review were not immediately reported to the provincial treasury in writing, upon discovery thereof, in accordance with section 38(1)(g) of the PFMA and Treasury Regulation 9.1.2.

(g) Payments to suppliers

Payments to suppliers amounting to R17 047 578 were not made within 30 days of date of receipt of invoice, as required by Treasury Regulation 8.2.3, due to management policies and procedures not being adequately followed.

(h) Contingent liabilities

According to section 66(2)(b) of the PFMA, only the MEC for Finance in a province may issue a guarantee that may bind the provincial revenue fund to any future financial commitment. Although the MEC for Finance delegated the authority to approve guarantees to the chief executive officer of the provincial treasury according to item no. 45 of the treasury delegations signed on 25 May 2004, and this authority was subdelegated to the accounting officers of provincial departments, all state guarantees issued by the department were approved by the deputy director: Human Resource Management.

The department could not provide evidence that the state guarantees issued since inception of the PFMA and approved by the deputy director had been ratified by the MEC for Finance or accounting officer.

(i) Transfer payments

- (i) Due to the fact that service level agreements regarding transfer payments for the primary school nutrition programme could not be submitted for audit purposes, it was not possible to confirm whether the accounting officer maintained appropriate measures to ensure that the transfer payments were applied for their intended purpose as required by Treasury Regulation 8.4.1, or whether the department enforced compliance with prescribed conditions prior to the transfer payments being effected in accordance with section 38(1)(k) of the PFMA.
- (ii) In terms of section 38(1)(j) of the PFMA, an accounting officer for a department, before transferring any funds to an entity within or outside government, must obtain written assurance from the entity that that entity implements effective, efficient and transparent financial management and internal control systems.

This office was not provided appropriate supporting evidence that the department obtained the required written assurance from the relevant entities before the transfer payments regarding infrastructure incentives and the primary school nutrition programme were effected.

(j) Inventory and asset management

Control systems and preventative mechanisms to safeguard inventory and assets were inadequate. Formally documented and approved policies regarding inventory and asset management were not in place during the year under review, as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.1.2.

(k) Financial misconduct reports

The department did not provide appropriate supporting documentation to confirm that the accounting officer had complied with reporting requirements regarding financial misconduct in terms of Treasury Regulation 4.3.

(l) Human resource plan

The department did not implement a formally approved human resource plan as required in terms of paragraph D1 of chapter 1, part III of the Public Service Regulations, 2001.

(m) Budget

- (i) This office was not provided with appropriate supporting evidence to verify that the strategic plan had been submitted to the Free State Legislature in accordance with the time frame stipulated in Treasury Regulation 5.2.1.
- (ii) The department's approved strategic plan for the period 2004-05 to 2006-07 did not include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities, multi-year projections of income and projected receipts from the sale of assets, and details of proposed information technology acquisitions or

expansions in reference to an information technology plan, as required by Treasury Regulation 5.2.2.

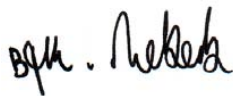
- (iii) In-year management and monitoring reports were not always submitted to the provincial treasury within the time frames stipulated in section 40(4)(c) of the PFMA.

6. LATE SUBMISSION

In terms of procedures agreed upon with the former acting accounting officer, informal audit queries were not issued during the audit. The late submission of adequate audit evidence by the department regarding the compensation of employees, human resource management, leave, lease commitments, recoverable revenue, inventory, accounts payable, fixed assets, contingent liabilities and revenue further delayed the completion of the audit process. The evidence was required to enable an appropriate audit opinion to be expressed. When the department submitted the supporting documentation, sufficient capacity was not available to perform the audit and alternative resources had to be sourced.

7. APPRECIATION

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



B J K van Niekerk *for* Auditor-General

Bloemfontein

9 December 2005



AUDITOR - GENERAL

**DEPARTMENT OF EDUCATION
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting, transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund, unless otherwise stated.

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the Provincial Revenue Fund. Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

**DEPARTMENT OF EDUCATION
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

Sale of capital assets

The proceeds from the sale of capital assets are recognised as revenue in the statement of financial performance on receipt of the funds.

Financial transactions in assets and liabilities

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

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

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

3. Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

**DEPARTMENT OF EDUCATION
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services were used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

**DEPARTMENT OF EDUCATION
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

Irregular expenditure

Irregular expenditure is defined as:

expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4. Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

6. Investments

Investments include Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

**DEPARTMENT OF EDUCATION
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

7. Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

8. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial Revenue Fund or another party.

10. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the modified cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

11. Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

DEPARTMENT OF EDUCATION
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2005

12. Contingent liability

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

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

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

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Provincial Revenue Fund.

15. Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Provincial Revenue Fund as and when the repayment is received.

16. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statement as this would involve reclassification of amounts dating back to the 2002/03 year-end.

**DEPARTMENT OF EDUCATION
VOTE 6**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

Appropriation per programme									
	2004/05							2003/04	
	Adjusted	Shifting		Final	Actual		Expenditure	Final	Actual
	Appropriation	of	Virement	Appropriation	Expenditure	Variance	as % of	Appropriation	Payments
	R'000	Funds	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payments	298,665	(1,428)	(2,146)	295,091	286,661	8,430	97.1%	266,869	258,689
Transfers and subsidies	8,030	-	2,000	10,030	9,249	781	92.2%	12,461	12,269
Payments for capital assets	22,841	1,428	-	24,269	19,164	5,105	79.0%	12,606	13,227
2. Public Ordinary School Education									
Current payments	3,430,882	(235)	(29,175)	3,401,472	3,276,865	124,607	96.3%	3,073,191	3,044,639
Transfers and subsidies	205,681	-	41,958	247,639	213,892	33,747	86.4%	169,509	169,420
Payments for capital assets	36,725	235	(5,552)	31,408	20,259	11,149	64.5%	54,672	48,894
3. Independent School Subsidies									
Transfers and subsidies	21,655	-	-	21,655	21,646	9	100.0%	19,709	19,708
4. Public Special School Education									
Current payments	116,487	(74)	(170)	116,243	115,719	524	99.5%	109,862	109,162
Transfers and subsidies	17,391	23	-	17,414	17,195	219	98.7%	15,811	15,343
Payments for capital assets	539	51	-	590	313	277	53.1%	2,313	3,419
5. Further Education and Training									
Current payments	107,365	-	5,062	112,427	112,469	(42)	100.0%	103,760	104,172
Transfers and subsidies	16,610	-	1,080	17,690	17,228	462	97.4%	12,597	10,762
Payments for capital assets	6,832	-	(1,080)	5,752	5,752	-	100.0%	5,005	896
6. Adult Basic Education and Training									
Current payments	89,274	(36)	643	89,881	45,462	44,419	50.6%	73,717	70,011
Transfers and subsidies	352	-	-	352	176	176	50.0%	1,007	599
Payments for capital assets	322	36	-	358	121	237	33.8%	512	276
7. Early Childhood Development									
Current payments	13,350	-	(410)	12,940	11,802	1,138	91.2%	13,893	11,432
Transfers and subsidies	18,899	-	-	18,899	17,672	1,227	93.5%	5,026	4,820
Payments for capital assets	55	-	-	55	35	20	63.6%	55	38
8. Auxiliary and Associated Services									
Current payments	62,006	(2,546)	(12,210)	47,250	37,579	9,671	79.5%	77,255	62,601
Transfers and subsidies	38,040	-	30,933	68,973	68,799	174	99.7%	7,321	4,353
Payments for capital assets	105,649	2,546	(30,933)	77,262	64,235	13,027	83.1%	96,429	83,444

**DEPARTMENT OF EDUCATION
VOTE 6**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

9. Thefts and Losses									
Current payments					37,213	(37,213)	(100%)		
Total	4,617,650	-	-	4,617,650	4,399,506	218,144	95.3%	4,133,580	4,048,174
Reconciliation with Statement of Financial Performance									
Departmental revenue received				8,323				6,635	
Local and foreign aid assistance received				3,354					
Actual amounts per Statements of Financial Performance (Total revenue)				4,629,327				4,140,215	
Local and foreign aid assistance					3,354				
Actual amounts per Statements of Financial Performance (Total expenditure)					4,402,860				4,048,174

Due to the implementation of the new Standard Chart of Accounts and the unavailability of the necessary information, it was not possible in all instances to reclassify previous year's figures accurately.

**DEPARTMENT OF EDUCATION
VOTE 6**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,688,587	(344)	-	3,688,243	3,598,313	89,930	97.6%	3,417,886	3,392,405
Goods and services	429,442	(3,975)	(38,406)	387,061	288,244	98,817	74.5%	300,661	268,301
Financial transactions in assets and liabilities	-	-	-	-	37,213	(37,213)	(100.0%)	-	-
Transfers and subsidies to:									
Provinces and municipalities	11,010	174	-	11,184	10,595	589	94.7%	-	-
Departmental agencies and accounts	3,617	-	-	3,617	3,617	-	100.0%	3,388	427
Public corporations and private enterprises	4,753	-	-	4,753	2,320	2,433	48.8%	-	-
Non-profit institutions	283,431	-	75,971	359,402	337,433	21,969	93.9%	240,053	236,847
Households	23,847	(151)	-	23,696	11,892	11,804	50.2%	-	-
Payments for capital assets									
Buildings and other fixed structures	136,915	2,928	(37,571)	102,272	81,317	20,955	79.5%	142,948	132,027
Machinery and equipment	36,048	1,368	6	37,422	28,562	8,860	76.3%	28,644	18,167
Total	4,617,650	-	-	4,617,650	4,399,506	218,144	95.3%	4,133,580	4,048,174

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 1 – ADMINISTRATION
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payments	2,689	431	-	3,120	2,808	312	90.0%	2,870	2,964
Transfers and subsidies	5	2	-	7	7	-	100.0%	-	-
Payments for capital assets	40	25	-	65	63	2	96.9%	200	-
1.2 Corporate Services									
Current payments	171,419	(2,559)	(10,522)	158,338	146,795	11,543	92.7%	127,945	131,011
Transfers and subsidies	1,748	(30)	2,000	3,718	3,369	349	90.6%	4,302	5,699
Payments for capital assets	19,345	1,409	-	20,754	16,530	4,224	79.6%	9,890	11,211
1.3 Education Management									
Current payments	122,028	700	8,376	131,104	134,736	(3,632)	102.8%	134,315	116,709
Transfers and subsidies	6,277	28	-	6,305	5,855	450	92.9%	5,550	5,450
Payments for capital assets	3,456	(6)	-	3,450	2,571	879	74.5%	2,516	2,016
1.4 Human Resource Development									
Current payments	2,529	-	-	2,529	2,329	200	92.1%	1,739	8,005
Transfers and subsidies	-	-	-	-	18	(18)	(100.0%)	2,609	1,120
1.5 Conditional Grants									
Current payments	-	-	-	-	(7)	7	100.0%	-	-
TOTAL	329,536	-	(146)	329,390	315,074	14,316	95.7%	291,936	284,185

Economic Classification	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	178,575	(237)	6,750	185,088	185,081	7	100.0%	181,913	164,768
Goods and services	120,090	(1,191)	(8,896)	110,003	101,580	8,423	92.3%	84,956	93,921
Transfers and subsidies to:									
Provinces and municipalities	486	135	-	621	615	6	99.0%	-	-
Public corporations and private enterprises	8	-	-	8	46	(38)	575.0%	-	-
Non-profit institutions	5,465	-	2,000	7,465	7,109	356	95.2%	12,461	12,269
Households	2,071	(135)	-	1,936	1,479	457	76.4%	-	-
Payments for capital assets									
Buildings and other fixed structures	2,300	850	-	3,150	2,046	1,104	65.0%	5,749	6,290
Machinery and equipment	20,541	578	-	21,119	17,118	4,001	81.1%	6,857	6,937
TOTAL	329,536	-	(146)	329,390	315,074	14,316	95.7%	291,936	284,185

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 2 – PUBLIC ORDINARY SCHOOL EDUCATION
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Public Primary Schools									
Current payments	1,969,167	485,409	(5,603)	2,448,973	1,895,673	553,300	77.4%	1,730,615	1,806,481
Transfers and subsidies	133,045	(5,080)	2,479	130,444	111,220	19,224	85.3%	74,652	74,563
Payments for capital assets	18,386	(48)	(2,479)	15,859	10,171	5,688	64.1%	33,950	30,619
2.2 Public Secondary Schools									
Current payments	1,296,921	(485,854)	(21,976)	789,091	1,214,544	(425,453)	153.9%	1,268,568	1,150,202
Transfers and subsidies	69,818	5,080	39,002	113,900	99,099	14,801	87.0%	77,572	77,572
Payments for capital assets	14,866	76	(3,079)	11,863	7,581	4,282	63.9%	18,958	17,242
2.3 Professional Services									
Current payments	79,665	597	(1,119)	79,143	93,722	(14,579)	118.4%	52,143	69,652
Transfers and subsidies	376	-	-	376	675	(299)	179.5%	-	-
Payments for capital assets	2,003	193	6	2,202	1,136	1,066	51.6%	1,506	912
2.4 Human Resource Development									
Current payments	25,848	-	-	25,848	18,322	7,526	70.9%	11,019	6,754
Transfers and subsidies	1,000	-	-	1,000	999	1	99.9%	17,285	17,285
2.5 In-school sport and culture									
Current payments	12,995	(373)	-	12,622	11,652	970	92.3%	10,846	11,550
Transfers and subsidies	46	-	-	46	26	20	56.5%	-	-
Payments for capital assets	52	-	-	52	47	5	90.4%	258	121
2.6 Conditional Grants									
Current payments	46,286	(14)	(477)	45,795	42,952	2,843	93.8%	-	-
Transfers and subsidies	1,396	-	477	1,873	1,873	-	100.0%	-	-
Payments for capital assets	1,418	14	-	1,432	1,324	108	92.5%	-	-
TOTAL	3,673,288	-	7,231	3,680,519	3,511,016	169,503	95.4%	3,297,372	3,262,953

Economic Classification	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,184,651	-	-	3,184,651	3,133,161	51,490	98.4%	2,937,195	2,935,104
Goods and services	246,231	(235)	(29,175)	216,821	143,704	73,117	66.3%	135,996	109,535
Transfers and subsidies to:									
Provinces and municipalities	9,913			9,913	9,150	763	92.3%	-	-
Public corporations and private enterprises	4,137			4,137	1,791	2,346	43.3%	-	-
Non-profit institutions	171,309		41,958	213,267	193,740	19,527	90.8%	169,509	169,420
Households	20,322			20,322	9,211	11,111	45.3%	-	-
Payments for capital assets									
Buildings and other fixed structures	31,280		(5,558)	25,722	16,874	8,848	65.6%	38,526	39,703
Machinery and equipment	5,445	235	6	5,686	3,385	2,301	59.5%	16,146	9,191
TOTAL	3,673,288	-	7,231	3,680,519	3,511,016	169,503	95.4%	3,297,372	3,262,953

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 3 – INDEPENDENT SCHOOL SUBSIDIES
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Primary Phase Transfers and subsidies	12,963	-	-	12,963	12,962	1	100.0%	13,683	13,682
3.2 Secondary Phase Transfers and subsidies	8,692	-	-	8,692	8,684	8	99.9%	6,026	6,026
TOTAL	21,655	-	-	21,655	21,646	9	100.0%	19,709	19,708

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies to: Non-profit institutions	21,655	-	-	21,655	21,646	9	100.0%	19,709	19,708
TOTAL	21,655	-	-	21,655	21,646	9	100.0%	19,709	19,708

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 4 – PUBLIC SPECIAL SCHOOL EDUCATION
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Schools									
Current payments	92,751	2	(30)	92,723	93,348	(625)	100.7%	89,397	87,429
Transfers and subsidies	17,337	23	-	17,360	16,964	396	97.7%	15,309	15,227
Payments for capital assets	162	4	-	166	143	23	86.1%	2,157	3,278
4.2 Professional Services									
Current payments	22,873	(76)	(69)	22,728	21,811	917	96.0%	20,131	21,094
Transfers and subsidies	54	-	-	54	231	(177)	427.8%	-	-
Payments for capital assets	377	47	-	424	170	254	40.1%	156	141
4.3 Human Resource Development									
Current payments	863	-	(71)	792	536	256	67.7%	334	639
Transfers and subsidies	-	-	-	-	-	-	-	502	116
4.4 In-school sport and culture									
Current payments	-	-	-	-	24	(24)	(100.0%)	-	-
TOTAL	134,417	-	(170)	134,247	133,227	1,020	99.2%	127,986	127,924

Economic Classification	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	110,030	(40)	-	109,990	110,310	(320)	100.3%	103,483	101,383
Goods and services	6,457	(34)	(170)	6,253	5,409	844	86.5%	6,379	7,779
Transfers and subsidies to:									
Provinces and municipalities	295	39	-	334	341	(7)	102.1%	-	-
Public corporations and private enterprises	430	-	-	430	369	61	85.8%	-	-
Non-profit institutions	15,982	-	-	15,982	15,596	386	97.6%	15,811	15,343
Households	684	(16)	-	668	889	(221)	133.1%	-	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	2,000	3,278
Machinery and equipment	539	51	-	590	313	277	53.1%	313	141
TOTAL	134,417	-	(170)	134,247	133,227	1,020	99.2%	127,986	127,924

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 5 – FURTHER EDUCATION AND TRAINING
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Public Institutions									
Current payments	106,802	-	5,460	112,262	112,264	(2)	100.0%	103,426	103,895
Transfers and subsidies	16,610	-	1,080	17,690	17,228	462	97.4%	12,095	10,300
Payments for capital assets	6,832	-	(1,080)	5,752	5,752	-	100.0%	5,005	896
5.2 Youth Colleges									
Current payments	563	-	(398)	165	205	(40)	124.2%	334	277
Transfers and subsidies	-	-	-	-	-	-	0.0%	502	462
TOTAL	130,807	-	5,062	135,869	135,449	420	99.7%	121,362	115,830

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	106,802	-	5,460	112,262	112,258	4	100.0%	102,971	99,970
Goods and services	563	-	(398)	165	211	(46)	127.9%	789	4,202
Transfers and subsidies to:									
Provinces and municipalities	254	-	-	254	258	(4)	101.6%	-	-
Non-profit institutions	15,705	-	1,080	16,785	16,678	107	99.4%	12,597	10,762
Households	651	-	-	651	292	359	44.9%	-	-
Payments for capital assets									
Buildings and other fixed structures	1,080	-	(1,080)	-	-	-	0.0%	1,000	896
Machinery and equipment	5,752	-	-	5,752	5,752	-	100.0%	4,005	-
TOTAL	130,807	-	5,062	135,869	135,449	420	99.7%	121,362	115,830

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 6 – ADULT BASIC EDUCATION AND TRAINING
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Public Centres									
Current payments	79,206	139	-	79,345	37,482	41,863	47.2%	62,604	61,311
Transfers and subsidies	322	-	-	322	80	242	24.8%	290	168
Payments for capital assets	140	(140)	-	-	(15)	15	100.0%	150	18
6.2 Subsidies to Private Centres									
Current payments	8,726	(175)	(236)	8,315	6,379	1,936	76.7%	10,635	7,611
Transfers and subsidies	30	-	-	30	96	(66)	320.0%	-	-
Payments for capital assets	182	176	-	358	136	222	38.0%	362	258
6.3 Professional Services									
Current payments	1,342	-	879	2,221	1,601	620	72.1%	478	1,089
Transfers and subsidies	-	-	-	-	-	-	0.0%	717	431
TOTAL	89,948	-	643	90,591	45,759	44,832	50.5%	75,236	70,886

Economic Classification	2004/05							2003/04	
	Adjusted	Shifting of		Final	Actual		Payment	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	74,497	(20)	-	74,477	39,863	34,614	53.5%	62,703	62,702
Goods and services	14,777	(16)	643	15,404	5,599	9,805	36.3%	11,014	7,309
Transfers and subsidies to:									
Provinces and municipalities	18	-	-	18	159	(141)	883.3%	-	-
Non-profit institutions	318	-	-	318	-	318	0.0%	1,007	599
Households	16	-	-	16	17	(1)	106.3%	-	-
Payments for capital assets									
Machinery and equipment	322	36	-	358	121	237	33.8%	512	276
TOTAL	89,948	-	643	90,591	45,759	44,832	50.5%	75,236	70,886

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 7 – EARLY CHILDHOOD DEVELOPMENT
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Grade R in Public Schools									
Current payments	11,210	-	-	11,210	10,621	589	94.7%	10,891	10,115
Transfers and subsidies	14,122	(1,500)	-	12,622	11,887	735	94.2%	-	-
7.2 Grade R in Community Centres									
Transfers and subsidies	4,617	1,500	-	6,117	5,762	355	94.2%	1,200	1,152
7.3 Pre-grade R									
Current payments	153	-	-	153	177	(24)	115.7%	255	149
Transfers and subsidies	-	-	-	-	22	(22)	(100.0%)	-	-
Payments for capital assets	55	-	-	55	35	20	63.6%	55	38
7.4 Professional Services									
Current payments	410	-	(410)	-	5	(5)	(100.0%)	-	-
7.5 Human Resource Development									
Current payments	1,577	-	-	1,577	999	578	63.3%	2,747	1,168
Transfers and subsidies	160	-	-	160	1	159	0.6%	3,826	3,668
TOTAL	32,304	-	(410)	31,894	29,509	2,385	92.5%	18,974	16,290

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	11,213	-	-	11,213	10,807	406	96.4%	11,161	10,272
Goods and services	2,137	-	(410)	1,727	995	732	57.6%	2,732	1,160
Transfers and subsidies to:									
Provinces and municipalities	30	-	-	30	55	(25)	183.3%	-	-
Non-profit institutions	18,777	-	-	18,777	17,617	1,160	93.8%	5,026	4,820
Households	92	-	-	92	-	92	0.0%	-	-
Payments for capital assets									
Machinery and equipment	55	-	-	55	35	20	63.6%	55	38
TOTAL	32,304	-	(410)	31,894	29,509	2,385	92.5%	18,974	16,290

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 8 – AUXILIARY AND ASSOCIATED SERVICES
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Payments to SETA									
Transfers and subsidies	3,617	-	-	3,617	3,617	-	100.0%	3,388	427
8.2 Conditional Grant Projects									
Current payments	10,774	(2,982)	-	7,792	7,394	398	94.9%	29,193	25,874
Transfers and subsidies	33,700	-	30,933	64,633	64,527	106	99.8%	-	-
Payments for capital assets	102,255	2,078	(30,933)	73,400	62,397	11,003	85.0%	94,688	81,268
8.3 Special Projects									
Current payments	8,725	494	-	9,219	11,425	(2,206)	123.9%	10,500	5,000
Transfers and subsidies	698	-	-	698	635	63	91.0%	3,933	3,926
Payments for capital assets	2,918	490	-	3,408	1,442	1,966	42.3%	1,615	2,092
8.4 External Examinations									
Current payments	42,507	(58)	(12,210)	30,239	18,760	11,479	62.0%	37,562	31,727
Transfers and subsidies	25	-	-	25	20	5	80.0%	-	-
Payments for capital assets	476	(22)	-	454	396	58	87.2%	126	84
TOTAL	205,695	-	(12,210)	193,485	170,613	22,872	88.2%	181,005	150,398

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	22,819	(47)	(12,210)	10,562	6,833	3,729	64.7%	18,460	18,206
Goods and services	39,187	(2,499)	-	36,688	30,746	5,942	83.8%	58,795	44,395
Transfers and subsidies to:									
Provinces and municipalities	14	-	-	14	17	(3)	121.4%	-	-
Departmental agencies and accounts	3,617	-	-	3,617	3,617	-	100.0%	3,388	427
Public corporations and private enterprises	178	-	-	178	114	64	64.0%	-	-
Non-profit institutions	34,220	-	30,933	65,153	65,047	106	99.8%	3,933	3,926
Households	11	-	-	11	4	7	36.4%	-	-
Payments for capital assets									
Buildings and other fixed structures	102,255	2,078	(30,933)	73,400	62,397	11,003	85.0%	95,673	81,860
Machinery and equipment	3,394	468	-	3,862	1,838	2,024	47.6%	756	1,584
TOTAL	205,695	-	(12,210)	193,485	170,613	22,872	88.2%	181,005	150,398

**DEPARTMENT OF EDUCATION
VOTE 6**

**DETAIL PER PROGRAMME 9 – THEFTS AND LOSSES
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Thefts and Losses									
Current payments	-	-	-	-	37,213	(37,213)	(100.0%)	-	-
TOTAL	-	-	-	-	37,213	(37,213)	(100.0%)	-	-

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Financial transactions in assets and liabilities	-	-	-	-	37,213	(37,213)	(100.0%)	-	-
TOTAL	-	-	-	-	37,213	(37,213)	(100.0%)	-	-

**DEPARTMENT OF EDUCATION
VOTE 6**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2005**

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

Detail of these transactions can be viewed in note 9 (Transfers and subsidies) and Annexure 1 (A-K) 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 of financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme

	Voted Funds after virement	Actual Expenditure	R'000	%
Program 1 - Administration	329,390	315,074	14,316	96%

The variance represents an under spending and consist of an outstanding amount of R7,604 million, which is mainly outstanding commitments on goods and services. An amount of R4,000 million is in respect of Computer Equipment which could not be procured timeously.

Program 2 - Public Ordinary School Education	3,680,519	3,511,016	169,503	95%
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The amount of R169,503 million represents an under spending and is mainly due to a payment of R43,240 million, which was not made in respect of the pay progression to CS-Educators for compensation, outstanding commitments on goods and services, outstanding transfer payments to public ordinary schools amounting to R19,050 million and outstanding commitments on capital works to the amount of R8,848 million. A saving of R11,111 million under households being an overprovision for leave gratuities as well as an under spending of R2,301 million for equipment is also included.

Program 6 - Adult Basic Education and Training	90,591	45,759	44,832	51%
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The amount of R44,832 million mainly comprises of an under spending of R34,614 million under compensation on ABET claims and outstanding commitments on goods and services.

Program 7 - Early Childhood Development	31,894	29,509	2,385	93%
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The amount of R2,385 million mainly comprises a saving under compensation and outstanding commitments on goods and services.

**DEPARTMENT OF EDUCATION
VOTE 6**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2005**

	Voted Funds after virement	Actual Expenditure	R'000	%
Program 8 - Auxiliary and Associated Services	193,485	170,613	22,872	88%

The amount of R22,872 million mainly comprises of an under spending on compensation to the amount of R3,729 million, outstanding commitments on goods and services and unspent balances on conditional grants amounting to R11,565 million.

Program 9 - Thefts and Losses	-	37,213	(37,213)	(100%)
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Comprises of irrecoverable debt written off to the amount of R31,147 million and losses to the amount of R6,066 million for which the Department could not budget.

4.2 Per Economic classification

R'000

Current payments:

Compensation of employees	89,930
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An amount of R43,240 million was received for payment of pay progression to CS-Educators for the period 1996 to 2002. A final agreement was reached between the Minister of Education and the Unions on 11 March as per ELRC Resolution No. 2 of 2005. Due to the late concluding of the agreement, the Department was unable to make the payments during the 2004/5 financial year. An under spending of R34,614 million is due to ABET claims not submitted for payment before 31 March 2005 together with a further saving of R12,275 million on compensation under the other programmes.

Goods and services	98,817
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The amount of R98,817 million represents an under spending and mainly comprises of outstanding commitments and unspent funds on various items of which the largest amounts are LTSM, media collections and subject materials amounting to R24,704 million, under spending on stationery to the amount of R6,601 million, consumables of R3,928 million, equipment less than R5,000 to the amount of R4,484 million, maintenance of R3,008 million and scholar transport of R3,152 million.

Financial transactions in assets and liabilities	(37,213)
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Comprises of irrecoverable debt written off to the amount of R31,147 million and losses to the amount of R6,066 million for which the Department could not budget.

Transfers and subsidies:

Provinces and municipalities	589
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The amount of R589 million is an under spending on Regional Council Levies.

**DEPARTMENT OF EDUCATION
VOTE 6**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2005**

R'000

Public corporations and private enterprises	2,433
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The amount of R2,433 comprises of an under spending on ESKOM, Bloemwater and Sedibeng.

Non-profit institutions	21,969
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The amount of R21,969 million is an under spending and mainly comprises of transfer payments to Section 21 Schools to the amount of R19,050 million which did not comply in order to receive funds during the financial year.

Households	11,804
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The amount of R11,804 million represents a saving and is due to an over provision which was made for the payment of leave gratuities.

Payments for capital assets:

Buildings and other fixed structures	20,955
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The variance represents an under spending and mainly comprises of outstanding commitments and balances on conditional grants of which the full amounts have been committed to building projects.

Machinery and equipment	8,860
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The variance represents an under spending and mainly comprises of outstanding commitments to the amount of R3,183 million and for computer equipment to an amount of R5,291 million which could not be purchased due to the late implementation of the National Contract 285/1 in January 2005.

**DEPARTMENT OF EDUCATION
VOTE 6**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	4,617,650	4,133,580
Departmental revenue	2	8,323	6,635
Local and foreign aid assistance	3	3,354	-
TOTAL REVENUE		<u>4,629,327</u>	<u>4,140,215</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	4	3,598,313	3,392,405
Goods and services	5	288,244	382,185
Financial transactions in assets and liabilities	6	37,213	4,434
Local and foreign aid assistance	3	3,354	-
Total current expenditure		3,927,124	3,779,024
Transfers and subsidies	9	365,857	248,185
Expenditure for capital assets			
Buildings and other fixed structures	10	81,317	163
Machinery and equipment	10	28,562	20,802
Total expenditure for capital assets		109,879	20,965
TOTAL EXPENDITURE		<u>4,402,860</u>	<u>4,048,174</u>
NET SURPLUS FOR THE YEAR		<u>226,467</u>	<u>92,041</u>
Reconciliation of Net Surplus for the year			
Voted funds to be surrendered to the Revenue Fund	15	218,144	85,406
Departmental revenue to be surrendered to the Revenue Fund	16	8,323	6,635
NET SURPLUS FOR THE YEAR		<u>226,467</u>	<u>92,041</u>

**DEPARTMENT OF EDUCATION
VOTE 6
STATEMENT OF FINANCIAL POSITION
at 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		140,426	166,672
Unauthorised expenditure	7	134,568	134,568
Fruitless and wasteful expenditure	8	56	-
Cash and cash equivalents	11	8	16
Prepayments and advances	12	622	159
Receivables	13	5,172	31,929
Non-current assets			
Investments	14	287	266
TOTAL ASSETS		<u>140,713</u>	<u>166,938</u>
LIABILITIES			
Current liabilities		132,660	155,153
Voted funds to be surrendered to the Revenue Fund	15	91,779	151,235
Departmental revenue to be surrendered to the Revenue Fund	16	10,865	-
Bank overdraft	17	26,735	1,486
Payables	18	3,281	2,432
Non-current liabilities			
Payables	19	287	5,266
TOTAL LIABILITIES		<u>132,947</u>	<u>160,419</u>
NET ASSETS		<u>7,766</u>	<u>6,519</u>
Represented by:			
Recoverable revenue		<u>7,766</u>	<u>6,519</u>
TOTAL		<u>7,766</u>	<u>6,519</u>

**DEPARTMENT OF EDUCATION
VOTE 6**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Recoverable revenue			
Opening balance		6,519	22,400
Debts written off	6.4	-	(2,722)
Debts recovered (included in departmental revenue)	2	(778)	(5,503)
Debts raised		2,025	2,907
Prior year adjustment		-	(10,563)
Closing balance		<u>7,766</u>	<u>6,519</u>

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**CASH FLOW STATEMENT
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		4,536,026
Annual appropriated funds received	1	4,491,285
Departmental revenue received	2	18,053
Local and foreign aid assistance received	3	3,354
Net decrease in working capital		23,334
 Surrendered to the Revenue Fund	21	(158,423)
Current payments		(3,927,124)
Transfers and subsidies paid		(365,857)
Net cash flow available from operating activities	20	<u>84,622</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		<u>(109,879)</u>
Net cash flows from investing activities		<u>(109,879)</u>
 Net decrease in cash and cash equivalents		(25,257)
 Cash and cash equivalents at the beginning of the period		<u>(1,470)</u>
Cash and cash equivalents at the end of the period	11,17	<u><u>(26,727)</u></u>

**DEPARTMENT OF EDUCATION
VOTE 6**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

1. Annual Appropriation

- 1.1** Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share):

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
All Programmes	4,617,650	4,491,285	(126,365)	4,133,580
Total	<u>4,617,650</u>	<u>4,491,285</u>	<u>(126,365)</u>	<u>4,133,580</u>

The significant variance is due to funds transferred to the Department at year end, but swept immediately by Provincial Treasury. Rollover funds to the amount of R104,746 million have been requested.

	<i>Note</i>	2004/05 R'000	2003/04 R'000
1.2 Conditional grants			
Total grants received	<i>Annexure 1A</i>	<u>196,662</u>	<u>111,296</u>

It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1. It should further be noted that the Provincial Infrastructure Grant to the amount of R70,059 million (2003/04 – R0) is also included in the grants received.

2. Departmental revenue to be surrendered to the revenue fund

Sales of goods and services other than capital assets		8,968	9,060
Fines, penalties and forfeits		10	-
Interest, dividends and rent on land		1,770	837
Recoverable revenue received		778	5,503
Financial transactions in assets and liabilities	<i>2.1</i>	6,527	1,202
Transfers received consists of:		-	313
Gifts, donations and sponsorships received	<i>Annexure 1J</i>	<u>-</u>	<u>313</u>
Total revenue collected		18,053	16,915
Less: Departmental Revenue Budgeted		<u>9,730</u>	<u>10,280</u>
Departmental revenue collected		<u>8,323</u>	<u>6,635</u>

2.1 Financial transactions in assets and liabilities

Cheques written back	353	1,202
Other	6,174	-
	<u>6,527</u>	<u>1,202</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

3. Local and foreign aid assistance

3.1	Assistance received in cash	Opening Balance	Revenue	Expenditure	Closing Balance
	Foreign				
	Literacy and Numeracy Project	-	52	52	-
	ECD FS Project	-	3,285	3,285	-
	Flemish Donation	-	17	17	-
		-	3,354	3,354	-

The Flemish donation was received in order to attend the EECERA conference in Malta and was utilised accordingly.

4. Compensation of employees

	2004/05 R'000	2003/04 R'000
4.1 Salaries and Wages		
Basic salary	2,646,696	2,451,271
Performance award	20,395	19,963
Service Based	257,942	295,107
Compensative/circumstantial	10,204	2,596
Periodic payments	73,317	86,065
Other non-pensionable allowances	24,045	-
	<u>3,032,599</u>	<u>2,855,002</u>
4.2 Social contributions		
Short-term employee benefits		
Pension	376,575	353,680
Medical	188,383	183,005
UIF	5	9
Bargaining council	315	199
Official unions and associations	434	510
Insurance	2	-
	<u>565,714</u>	<u>537,403</u>
Total compensation of employees	<u>3,598,313</u>	<u>3,392,405</u>
Average number of employees	<u>29,494</u>	<u>29,250</u>

**DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

5. Goods and services

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Advertising		2,204	1,519
Attendance fees (including registration fees)		5,586	47
Bank charges and card fees		564	661
Bursaries (employees)		13,187	-
Communication		16,061	15,141
Computer services		3,719	2,880
Consultants, contractors and special services		15,228	166,385
Courier and delivery services		81	340
Drivers' licenses and permits		11	-
Entertainment		174	263
External audit fees	5.1	4,055	2,800
Equipment less than R5000		4,465	5,254
Inventory	5.2	145,025	106,641
Legal fees		1,454	556
Maintenance, repairs and running costs		8,211	6,310
Operating leases		12,262	18,780
Personnel agency fees		-	433
Photographic services		1	-
Plant flowers and other decorations		11	25
Resettlement cost		1,918	949
Owned leasehold property expenditure		12,603	-
Translations and transcriptions		29	-
Transport provided as part of the departmental activities		4,368	3,668
Travel and subsistence	5.3	33,028	35,042
Venues and facilities		3,871	1,904
Protective, special clothing & uniforms		128	-
Training & staff development		-	12,587
		<u>288,244</u>	<u>382,185</u>

Previous year expenditure could not accurately be restated in all instances, due to the unavailability of information.

5.1 External audit fees

Regularity audits	<u>4,055</u>	<u>2,800</u>
Total external audit fees	<u>4,055</u>	<u>2,800</u>

5.2 Inventory (purchased during the year)

Other inventory	-	12,997
Domestic consumables	2,225	-
Learning and teaching support material	55,969	58,332
Food and Food supplies	65,381	-
Fuel, oil and gas	6	-
Other consumables	29	9,310
Parts and other maintenance material	255	-
Sport and recreation	103	-
Stationery and printing	21,056	26,002
Medical supplies	1	-
	<u>145,025</u>	<u>106,641</u>

**DEPARTMENT OF EDUCATION
VOTE 6**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
5.3 Travel and subsistence			
Local		32,755	34,297
Foreign		273	745
Total travel and subsistence		<u>33,028</u>	<u>35,042</u>
 6. Financial transactions in assets and liabilities			
Material losses through criminal conduct	6.1	5,182	-
Other material losses written off	6.2	884	-
Debts written off	6.3	31,147	4,434
		<u>37,213</u>	<u>4,434</u>
 6.1 Material losses through criminal conduct			
Burglary, Theft and Vandalism		1,046	-
Arson		3,639	-
Fraudulent Activities		497	-
		<u>5,182</u>	<u>-</u>
 6.2 Other material losses written off			
Accidents and Damages – GG Vehicles		767	-
Accidents and Damages – Subsidised Vehicles		11	-
Other		106	-
		<u>884</u>	<u>-</u>
 6.3 Bad debts written off			
Bursary Debt		20,604	-
In-Service Debt		393	-
Ex-Employee Debt		7,924	-
Housing Guarantee Debt		1,790	-
Supplier Debt		436	-
Debt		-	4,434
		<u>31,147</u>	<u>4,434</u>
 Debt written off for the previous financial year could not accurately be classified, due to the unavailability of information.			
 6.4 Recoverable Revenue debts written off			
Recoverable Revenue		<u>-</u>	<u>(2,722)</u>

An estimated amount of R8,895 million is still reflected in Recoverable Revenue for debts written off for 2004/5.

**DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

	2004/05 R'000	2003/04 R'000
7. Unauthorised expenditure		
7.1. Reconciliation of unauthorised expenditure		
Opening balance	134,568	134,568
Unauthorised expenditure awaiting authorisation	<u>134,568</u>	<u>134,568</u>
Incident	Disciplinary steps taken/criminal proceedings	
Funding of personnel expenditure from allocation to capital expenditure	Under investigation	104,816
Payment i.r.o Legislature Resolution 59	Payment made on legal advice. No disciplinary steps to be undertaken.	5,000
Stationery : EJ Kruger and Freedom – 1996/97	Under investigation	21,544
Packages: Khoali and Rumboli – 1998/99	Under investigation	3,208
		<u>134,568</u>
8. Fruitless and wasteful expenditure		
8.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure – current year	56	-
Fruitless and wasteful expenditure awaiting condonement	<u>56</u>	<u>-</u>
8.2 Fruitless and wasteful expenditure		
Incident	Disciplinary steps taken/criminal proceedings	
ACB – Penalties	Still to be investigated	15
Interest on late payments	Still to be investigated	17
Interest on late payments	To be recovered from PWRT	24
		<u>56</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

9. Transfers and subsidies

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Provinces and municipalities	<i>Annexure 1C</i>	10,595	10,881
Departmental agencies and accounts	<i>Annexure 1D</i>	3,617	427
Public corporations and private enterprises	<i>Annexure 1F</i>	2,320	-
Non-profit institutions	<i>Annexure 1H</i>	337,433	217,254
Households	<i>Annexure 1I</i>	11,892	19,623
		<u>365,857</u>	<u>248,185</u>

10. Expenditure for capital assets

Buildings and other fixed structures	<i>Annexure 4</i>	81,317	163
Machinery and equipment	<i>Annexure 4</i>	28,562	20,802
Total		<u>109,879</u>	<u>20,965</u>

11. Cash and cash equivalents

Cash on hand	8	16
	<u>8</u>	<u>16</u>

12. Prepayments and advances

Travel and subsistence	622	159
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13. Receivables

		Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by other entities	<i>Annexure 6</i>	154	-	-	154	-
Staff debtors	<i>13.1</i>	1,658	1,471	(620)	2,509	15,260
Clearing accounts	<i>13.2</i>	3,946	-	-	3,946	2,926
Other debtors	<i>13.3</i>	2,684	4,153	(8,274)	(1,437)	13,743
		<u>8,442</u>	<u>5,624</u>	<u>(8,894)</u>	<u>5,172</u>	<u>31,929</u>

The amount of (R8,895) million older than three years, represents Recoverable Revenue for debts which has been written off in the Statement of Financial Performance

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
13.1 Staff debtors			
Medical Scheme		-	75
Pension Debt		-	121
Housing Guarantees		1,720	2,585
Salary Overpayment – Debt		-	9,135
SITE Debt		-	1,556
Subsistence and Transport Debt		-	1,501
Private Cellular Phone Debt		171	117
Other		-	170
Interest		(1,886)	-
In-Service Debt		2,504	-
		<u>2,509</u>	<u>15,260</u>
13.2 Clearing accounts			
Salary Tax Debt		19	-
Salary Deductions		672	-
Disallowance Damages and Losses		261	-
Disallowance Payment Fraud		2,857	2,926
Debt Conversion		137	-
		<u>3,946</u>	<u>2,926</u>
13.3 Other debtors			
Supplier Debt		522	1,444
Bursary Debt		70	12,297
Dishonoured Cheques		-	2
Ex-Employee Debt		9,214	-
Interest		(11,243)	-
		<u>(1,437)</u>	<u>13,743</u>
14. Investments			
Investee	Nature of investment		
(Reflected at cost)			
Thomas Robertson Bursary Fund	Capital	102	95
	Interest	138	128
James Robertson Bursary Fund	Capital	29	26
	Interest	18	17
		<u>287</u>	<u>266</u>
15. Voted funds to be surrendered to the Revenue Fund			
Opening balance	21	151,235	199,923
Transfer from Statement of Financial Performance		218,144	85,406
Voted funds not requested/not received	1.1	(126,365)	(70,742)
Paid during the year		<u>(151,235)</u>	<u>(63,352)</u>
Closing balance		<u>91,779</u>	<u>151,235</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

	Notes	2004/05 R'000	2003/04 R'000			
16. Departmental revenue to be surrendered to the Revenue Fund						
Opening balance		-	-			
Transfer from Statement of Financial Performance		8,323	6,635			
Departmental Revenue Budgeted	2	9,730	10,280			
Paid during the year	21	(7,188)	(16,915)			
Closing balance		<u>10,865</u>	<u>-</u>			
17. Bank overdraft						
Paymaster General Account		26,735	1,486			
		<u>26,735</u>	<u>1,486</u>			
18. Payables – current						
	Notes	30 Days	30+ Days	Total	Total	
Amounts owing to other departments	Annexure 7	91	-	91	-	
Clearing accounts	18.1	998	2,192	3,190	2,432	
		<u>1,089</u>	<u>2,192</u>	<u>3,281</u>	<u>2,432</u>	
18.1 Clearing accounts						
Pension Recoverable				392	-	
Salary ACB Recalls				433	-	
State Guarantees				2,192	1,442	
Salary Deductions				173	927	
Cheque EFT Payments				-	63	
				<u>3,190</u>	<u>2,432</u>	
19. Payables – Non-current						
		One to two years	Two to three years	More than three years	Total	Total
Other payables	19.1	-	-	287	287	5,266
		<u>-</u>	<u>-</u>	<u>287</u>	<u>287</u>	<u>5,266</u>
19.1 Other payables						
Previous year unauthorised expenditure payable to the Revenue Fund						5,000
Provision – James Robertson Bursary Fund				47	43	
Provision – Thomas Robertson Bursary Fund				240	223	
				<u>287</u>	<u>5,266</u>	

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
20. Reconciliation of net cash flow from operating activities to surplus/(deficit)			
Net surplus as per Statement of Financial Performance		226,467	-
Non-cash movements			
Decrease in receivables – current		26,757	-
Increase in prepayments and advances		(463)	-
Increase in other current assets		(56)	-
Increase in other non-current assets		(21)	-
Increase in payables – current		849	-
Decrease in non-current liabilities		(4,979)	-
Increase in Recoverable Revenue		1,247	-
Departmental Revenue Budgeted		9,730	-
Surrenders		(158,423)	-
Capital expenditure		109,879	-
Voted funds not requested/not received		(126,365)	-
Net cash flow generated by operating activities		<u>84,622</u>	<u>-</u>
21. Appropriated funds and departmental revenue surrendered			
Appropriated funds surrendered	15	151,235	63,352
Departmental revenue surrendered	16	<u>7,188</u>	<u>16,915</u>
		<u>158,423</u>	<u>80,267</u>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

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

	<i>Note</i>	2004/05 R'000	2003/04 R'000
22. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	<i>Annexure 3</i> 76,887	82,504
Claim	Injury	10	-
Claim	Damages to vehicle	26	-
Other departments (interdepartmental unconfirmed balances)	<i>Annexure 7</i>	391	380
		<u>77,314</u>	<u>82,884</u>
23. Commitments per programme			
Current expenditure			
Approved and contracted		31,073	92,470
Capital expenditure			
Approved and contracted		15,533	67,296
Total Commitments		<u>46,606</u>	<u>159,766</u>
24. Accruals			
Listed by economic classification			
	30 Days	30+ Days	Total
Compensation of employees	896	-	896
Goods and services	7,032	-	7,032
Transfers and subsidies	1,117	-	1,117
	<u>9,045</u>	<u>-</u>	<u>9,045</u>
Listed by programme level			
Programme 1		4,956	2,828
Programme 2		2,059	413
Programme 3		122	-
Programme 4		34	1,708
Programme 5		744	-
Programme 6		-	103
Programme 7		1,128	269
Programme 8		2	7,275
		<u>9,045</u>	<u>12,596</u>
Confirmed balances with other departments	<i>Annexure 7</i>	7	-
		<u>7</u>	<u>-</u>

**DEPARTMENT OF EDUCATION
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

	2004/05 R'000	2003/04 R'000
25. Employee benefits		
Leave entitlement	723,741	699,918
Thirteenth cheque	100,128	101,636
Performance bonus	3,859	5,083
	<u>827,728</u>	<u>806,637</u>
26. Lease Commitments		
26.1 Operating leases	Machinery and equipment	Total
Not later than 1 year		Total
Sharp Electronics	70	
Minolta	190	
Technofin	216	
Olivetti	201	
Nashua	46	
Adpoint Systems	22	
Docufin	100	845
		3,143
Later than 1 year and not later than 3 years		
Sharp Electronics	72	
Minolta	306	
Technofin	157	
Olivetti	154	
Nashua	93	
Adpoint Systems	30	
Docufin	183	995
		8,503
Later than three years		
Nashua	88	88
		6,702
Total present value of lease liabilities	<u>1,928</u>	<u>1,928</u>
		<u>18,348</u>
27. Irregular expenditure		
27.1 Reconciliation of irregular expenditure		
Opening balance	1,871	1,475
Irregular expenditure – current year	-	396
Irregular expenditure awaiting condonement	<u>1,871</u>	<u>1,871</u>
Analysis		
Current	-	396
Prior years	<u>1,871</u>	<u>1,475</u>
	<u>1,871</u>	<u>1,871</u>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

		2004/5 R'000	2003/4 R'000
28. Senior management personnel			
	Number of		
	Officials		
Remuneration			
The Member of Executive Council	1	668	734
Superintendent General	1	698	782
Deputy Director Generals	2	1,119	1,236
Chief Financial Officer	1	490	492
Chief Directors	4	1,934	2,153
	9	4,909	5,397
Other Remuneration			
Travel and Subsistence	9	104	-
Performance Awards	3	54	-
Employer's contribution to GEPP	9	481	-
Political office bearer allowance	1	37	-
		676	-
	10	5,585	5,397

29. Public Private Partnership

No Public Private Partnerships have been entered into by the department.

**DEPARTMENT OF EDUCATION
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act/Provin- cial Grant	Roll Overs	Adjust- ments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Education Department - School Nutrition Programme	49,100	-	-	49,100	49,100	46,149	94.0%	-	-
National Education Department - Early Childhood Development	-	1,737	-	1,737	1,737	1,000	57.6%	6,573	4,836
National Education Department – HIV/AIDS	7,715	77	-	7,792	7,792	7,337	94.2%	10,035	9,958
National Treasury – Infrastructure Grant	52,598	2,078	-	54,676	54,676	48,311	88.4%	42,585	42,526
National Treasury - Infrastructure Grant (Floods)	-	13,298	-	13,298	13,298	13,297	100.0%	52,103	38,805
Provincial Treasury - Infrastructure Grant	70,000	59	-	70,059	70,059	65,315	93.2%	-	-
Total	179,413	17,249	-	196,662	196,662	181,409	92.2%	111,296	96,125

The 57.6% spending on the Early Childhood Development Grant is due a payment to a service provider only effected in April 2005. The 88.4% spending on the National Infrastructure Grant is due to projects not timeously completed by contractors. Application will be made for a rollover in both instances. Monthly in-house monitoring meetings and monthly reconciliation to BAS Expenditure reports were utilised to monitor and track expenditure against each project. These processes will be streamlined to improve on the current situation of under spending.

DEPARTMENT OF EDUCATION
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

ANNEXURE 1C
STATEMENT OF TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Adjusted Appropriation Act R'000	
Motheo District Municipality	3,400	-	-	3,400	3,613	106.3%	-	-	-	3,711	
Northern Free State District Council	2,068	-	-	2,068	1,718	83.1%	-	-	-	1,764	
Thabo Mofutsanyana District Council	1,816	-	-	1,816	2,944	162.1%	-	-	-	3,023	
Lejweleputswa District Municipality	3,841	-	-	3,841	1,713	44.6%	-	-	-	1,759	
Khariiep District Municipality	56	-	-	56	607	1,083.9%	-	-	-	624	
Total	11,181	-	-	11,181	10,595	94.76%	-	-	-	10,881	

Transfers disclosed are in respect of Regional Services Levies. It should further be noted that the amount spent by municipalities will not be audited.

The material variances in percentage spending in all instances are due to the new Standard Chart of Accounts that was introduced with the BAS system. In previous years the budget made provision for one line item for RSC Levies. It was difficult to project accurately which amounts would be paid to each of the municipalities as it was part of the one total amount budgeted in previous years for payments to municipalities.

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

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
SETA	3,617	-	-	3,617	3,617	100%	3,388

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1F
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER			2003/04				
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital					
									R'000	R'000	R'000	R'000
Public Corporations												
Transfers												
Bloemwater	534	-	-	534	432	80.9%	-	432				
Eskom	3,397	-	-	3,397	1,425	41.9%	-	1,425				
Sedibeng Water	822	-	-	822	463	56.3%	-	463				
TOTAL	4,753	-	-	4,753	2,320	48.8%	-	2,320				

The low percentage spending in all instances are due to the new Standard Chart of Accounts that was introduced with the BAS system. In previous years the budget made provision for one line item for Municipalities. It was difficult to project accurately which amounts would be paid for Eskom, Sedibeng Water and Bloemwater as it was part of the one total amount budgeted in previous years for payments to municipalities.

**DEPARTMENT OF EDUCATION
VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 1H
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS**

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2003/04	
	Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Appropriation Act	R'000
Transfers								
ECD Sites	18,777	-	-	18,777	16,564	88.2%	5,039	
FET Institutions	15,705	-	1,080	16,785	16,678	99.4%	12,094	
Literacy and Numeracy	-	-	-	-	18	(100.0%)	-	
MST Thintana Hubs	520	-	-	520	520	100.0%	580	
Public ABET Centres	318	-	-	318	-	0.0%	390	
Public Ordinary Schools	171,309	-	41,958	213,267	193,720	90.8%	127,124	
Public Special Schools	15,982	-	-	15,982	15,596	97.6%	15,310	
Public Works, Roads and Transport	33,700	-	30,933	64,633	64,527	99.8%	23,100	
Professional Working Groups	-	-	-	-	1,055	(100.0%)	1,239	
Sport Associations / Federations	5,465	-	-	5,465	5,162	94.5%	5,450	
Warehouses	-	-	2,000	2,000	1,947	97.4%	4,303	
Free State Education Trust	-	-	-	-	-	0.0%	3,600	
Vodacom	-	-	-	-	-	0.0%	500	
	261,776	-	75,971	337,747	315,787		198,729	

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VOTE 6**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

Subsidies					
Independent Schools	21,655	-	-	21,655	21,646
Ordinary	21,655	-	-	21,655	21,646
					100.0%
					19,708
					19,708
Total	283,431	-	75,971	359,402	218,437

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 11
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of funds Transferred %	
Transfers							
Claims against the State	545	-	-	545	542	99.4%	395
Employment Social							
Benefits	21,275	-	(172)	21,103	9,672	45.8%	995
Bursaries	1,000	-	-	1,000	994	99.4%	21,615
Payment/refund of remuneration	301	-	-	301	159	52.8%	603
Gifts and Donations	366	-	-	366	200	54.6%	44
	23,487	-	(172)	23,315	11,567	49.6%	23,652
Subsidies							
Clothing for learners	222	-	23	245	212	86.5%	218
Pocket money for learners	138	-	(2)	136	113	83.1%	132
	360	-	21	381	325	85.3%	350
Total	23,847	-	(151)	23,696	11,892	50.2%	24,002

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05	2003/04
		R'000	R'000
Received in cash			
Shoprite Checkers	Donation: Prefabricated Classroom	-	300
Lejweleputswa District	Donation: Principals Conference	-	13
Total		-	313
Received in kind			
Cambridge University Press	Jackets and printing of programmes	8	-
Lectio Publishers	Windbreakers	3	-
Schoolnet SA	100 T-Shirts	9	-
Oxford University Press	Books for lucky draw	3	-
World Book	Books for lucky draw	4	-
GTZ	Accommodation for presenter for Conference	9	-
New Africa Publishers	Welcoming function	15	-
FDC	Conference bags	20	-
Total		71	-

It should be noted that Gifts, Donations and Sponsorships received in kind do not form part of the totals as on the face of the Statement of Financial Performance.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

ANNEXURE 1K

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Paid in cash			
Blue spider Design Studio	T-Shirts for Website Launch	30	-
C2Consumer Connectedness	Tracksuits for 10 years celebrations	37	-
C2Consumer Connectedness	T-Shirts, Ties, Scarfs and shopping bags for 10 Years Celebration	27	-
Blue Spider Design Studio	T-Shirts	6	-
C2 Consumer Connectedness	Shop-a-holic bags	9	-
SignTech	T-Shirts for Launch of Corporate Identity	19	-
Into Marketing	Madiba Shirts for Launch of corporate Identity	3	-
Blue Spider design Studio	T-shirts	57	-
Into Marketing	Gift folders at Well-done Function	12	-
Total		200	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

ANNEXURE 3

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2004 R'000	Guarantees issued during the year R'000	Guarantees released during the year R'000	Guaranteed interest for year ended 31 March 2005 R'000	Closing balance 31 March 2005 R'000	Realised losses i.r.o. claims paid Out R'000
Housing								
Standard Bank		-	6,310	498	469	-	6,339	-
Nedbank		-	4,990	260	365	-	4,885	-
FNB		-	8,805	279	857	-	8,227	-
Nedbank BOE		-	66	-	-	-	66	-
ABSA		-	24,410	1,128	4,150	-	21,388	-
African Bank		-	2,048	14	445	-	1,617	-
Old Mutual		-	263	-	35	-	228	-
Peoples Bank (FBC)		-	957	36	21	-	972	-
Peoples Bank		-	2,525	-	162	-	2,363	-
FNB (Saambou)		-	9,555	5	643	-	8,917	-
Old Mutual (Nedbank)		-	15,851	241	1,233	-	14,859	-
GBS		-	33	-	-	-	33	-
Hlano Fin		-	106	-	-	-	106	-
FDC		-	6,383	907	593	-	6,697	-
VBS		-	31	-	-	-	31	-
Mutual Bank		-						
Green Start Home Loans		-	171	-	12	-	159	-
Total		-	82,504	3,368	8,985	-	76,887	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 4
PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005**

	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000
BUILDINGS AND OTHER FIXED STRUCTURES	81,317	-	-	-
Non-residential buildings	81,317	-	-	-
Capital work in progress	-	-	-	-
MACHINERY AND EQUIPMENT	28,562	4,393	-	-
Computer equipment	11,938	185	-	-
Furniture and office equipment	4,962	4,154	-	-
Other machinery and equipment	630	54	-	-
Transport assets	11,032	-	-	-
	109,879	4,393	-	-

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Additions R'000	Disposals R'000	Transfers in R'000
BUILDINGS AND OTHER FIXED STRUCTURES	163	-	-
Non-residential buildings	-	-	-
Capital work in progress	163	-	-
MACHINERY AND EQUIPMENT	20,802	8,557	11
Computer equipment	10,004	957	-
Furniture and office equipment	4,469	7,365	-
Other machinery and equipment	6,002	235	11
Transport assets	327	-	-
	20,965	8,557	11

**DEPARTMENT OF EDUCATION
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Departments				
Free State Provincial Department of Health	-	-	57	-
Gauteng Department of Education	-	-	2	-
Free State Provincial Department of Correctional Services	18	-	-	-
Free State Provincial Department of Tourism, Environmental & Economic Affairs	-	-	12	-
Free State Provincial Department of Social Welfare	-	-	7	-
Free State Provincial Department of Public Works, Roads and Transport	-	-	7	-
North West Provincial Government	7	-	-	-
National Department of Education	44	-	-	-
TOTAL	69	-	85	-

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**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 7
INTER-GOVERNMENTAL PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000

Department

Amounts not included in Statement
of Financial Position

Current

Gauteng Provincial Government

- - 391 380

Free State Department of Health

7 - - -

Total

7 - 391 380

Amounts included in Statement of
Financial Position

Current

Free State Provincial Department
of Foreign Affairs

86 -

National Treasury

4 -

Nedbank Ltd

1 -

Total

91 -



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