

KwaZulu-Natal Department of Education

Annual Report 2004/2005

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Submission of the Annual Report to the MEC

I am presenting this Annual Report 2004/5 to the MEC: Education, Ms Ina Cronje, MP. The report provides an overview of performance of the Department of Education, against the targets set in the Department's Master Strategic Plan 2004/7 and includes financial statements.

R.C. Lubisi (PhD)
Superintendent-General

Vision

Our vision is that of a literate and skilled society capable of participating in all democratic processes and contributing to the development and growth of the people of KwaZulu-Natal.

Mission Statement

To provide opportunities for all our people to access quality education which will improve their position in life and contribute to the advancement of democratic culture in KwaZulu-Natal

Table of contents

<i>Section 1: General Information.....</i>	<i>5</i>
Foreword by the MEC: Education	6
Introduction	9
Legislative Mandates	11
INFORMATION ON the Ministry	14
Highlights and Achievements of Programmes	17
<i>Section 2: Service delivery achievements</i>	<i>23</i>
Introduction	24
Programme 1:	24
Programme 2	26
Programme 3	32
Programme 4	32
Programme 5	33
Programme 6	35
Programme 7	36
Programme 8	37
<i>Section 3: Annual Financial Statements.....</i>	<i>38</i>
<i>Section 4: Oversight Report</i>	<i>117</i>
HR Tables	118

Section 1: General Information

FOREWORD BY THE MEC: EDUCATION

The financial year 2004/5 coincided with very critical moments in our history. During 2004, we celebrated ten years of our democracy and in early 2005 we celebrated the 50th anniversary of the adoption of the Freedom Charter by the Congress of the People in 1955. Taking office at such a historic moment has been both an honour and an overwhelming challenge. The country was asking itself if the path we had taken since 1994, and the pace with which we were delivering, were indeed taking us towards the ideals of the Freedom Charter. Whilst there are observable changes and achievements to celebrate, the amount of service delivery backlogs remains staggering.

Beginning in May 2004 we dedicated a significant amount of time to the “Know Your School” campaign during which we visited various school communities. During our visits, we listened to the concerns and aspirations of teachers, learners and parents. We interacted with community leaders, including Amakhosi, Mayors, Councillors and Religious Leaders. We were humbled by a commitment to improving the quality of the environment within which our children learn, which was shared by all we met. During the visits we saw for ourselves, and in real life the extent of the challenges that still need to be addressed in our quest to ensure that the doors of learning and culture are indeed open to all.

The challenges we observed ranged widely from lack of suitable infrastructure such as classrooms, water, electricity and toilets to major weaknesses in non-tangible factors that affect the quality of teaching and learning such poor work ethic, poor management and maladministration. As noted in the Master Strategic Plan for the MTEF period 2004/7 that I presented to the House last year, we have set ourselves targets and tight deadlines and I am happy to report that, in general, we are on track in our quest to realise the vision expressed in the Freedom Charter and given expression by the policies of the Department of Education.

Throughout our campaign, we were encouraged by the enthusiasm and courage demonstrated by teachers and learners, and selfless commitment demonstrated by many parents who serve schools in their communities. The resilience of spirit of our teachers, learners and parents against odds and adversity has become a source of

inspiration to us. I have been personally touched by the smiles of hope and resoluteness in the faces of five-year olds in the remotest parts of our province.

In July 2004 we held a successful meeting with all the stakeholders in education. At this annual event we were humbled by the interest, commitment and unity of purpose demonstrated by our partners in education. The Forum took several resolutions and committed the education fraternity to certain targets as we were adamant that it should not be another “talk shop” but should lead to visible action, by government and stakeholders, towards opening the doors of learning to all. The Stakeholder Forum was preceded by an ECD sectoral meeting, attended by some 250 people from various organisations and institutions. The Adult Basic Education and Training (ABET) sector followed soon afterwards with an ABET Imbizo which was attended by more than 500 stakeholder representatives. Such high levels of interest are indicative of the commitment that is shared by all in the province of KwaZulu-Natal and give us hope that we will indeed eradicate illiteracy by March 2008.

Our children have continued to excel in sports and the arts. In March we ran a “Senza iKwaZulu-Natali Ifunde” arts competition in schools through which we collected a tremendous treasure of artwork. Many learners participated in the competition and excellent pieces of art were submitted. Through the support of our partners we were able to give away computers and bursaries as prizes for the winning young artists. Blessing Mthethwa from Bongadunga High School scooped the overall prize of a computer and a bursary to study art.

Three of our schools - Zakhe from KwaMashu; JG Zuma from Inanda; and Masibonisane from Zululand - represented the province extremely well at the National Tirisano Schools’ Music Eisteddfod 2004 competition held in Johannesburg. They were awarded incentives of R 25 000 for outstanding performance having scored from 80 to 85% in their respective categories. We hope to see to more schools and learners demonstrating their talents and representing the province both nationally and internationally.

In tabling this Annual Report to the House, I would like to thank our Premier, Dr Sibusiso Ndebele; Members of the Executive Council; the Portfolio Committee of Education and all Members of the Provincial Legislature for the support they have given us on our educational campaigns. At the beginning of the 2005 academic year we visited a number of schools through the length and the breadth of province.

These visits were a great source of inspiration to school communities and raised the spirit and levels of commitment for our educators and learners. The debriefing meetings held with the Education Portfolio Committee under the stewardship of the Honourable Mr Senzo Mchunu were a great eye-opener for all. We are grateful to the Speaker Mr Mchunu for his well-heeded call for MPLs to join us in this campaign.

The contributions of parliamentary oversight structures, including the visit by the National Council of Provinces in November 2004 have assisted tremendously in raising the pace for change. The Minister of Education, Mrs N. Pandor joined the campaign when we undertook a visit to Umzinto early this year. The war cry has been heard by all and together we will continue our march to a quality education for all.

Lastly, I would also like to thank the officials of my Department who have rolled up their sleeves and pursued service delivery with such vigour that visible dents have been made in addressing the challenges that we faced. In particular, I would like to thank Mr Themba Ndhlovu who was the Acting Superintendent-General from November 2004 to the end of the financial year. Last, but certainly not least, my heartfelt thanks goes to our teachers, learners and parents without whom none of what we achieved would have been possible.

INTRODUCTION

The KwaZulu-Natal Department of Education, hereafter referred to as the Department, is the biggest of all education departments in the country. It employs a total of 84,769 teachers and office based staff, and takes responsibility for 6,079 schools with more than 2.6 million learners in total. It is important to preface the Annual Report by highlighting the nature and status of administrative and management systems that were inherited by the current MEC when she took office in 2004. The sheer size of the province, the high levels of poverty as well as the high infrastructural backlogs that prevail required an injection of financial resources of massive proportions. In addition, the amount of neglect over the years and the human capacity and competence limitations necessitated that the Department developed sound management and operational systems to improve the quality of education provision in the province.

Notwithstanding the challenges, the MEC assisted by her team of officials, set in a turnaround strategy that is intent on ridding the system of fraud, corruption and maladministration thereby improving the quality of the financials in future years. Details of the various elements of the turnaround strategy will be unveiled in the different sections of the report. The total budget of R13 billion allocated to the Department during the financial year 2004/5, was allocated to the following 8 programmes:

- Programme 1: Administration
- Programme 2: Public Ordinary School Education
- Programme 3: Independent Schools
- Programme 4: Public Special School Education
- Programme 5: Further Education and Training
- Programme 6: Adult Basic Education and Training
- Programme 7: Early Childhood Development
- Programme 8: Auxiliary Services

Further details on the service delivery achievements of each programme are provided in Section 2 of the report. Section 2 also provides a programmatic outline of how we have performed against the targets that we set ourselves in our attempts to turn the system around. In broad terms, the Department has performed as expected, but there is a lot of room for improvement. The Department also accepts that the

manner in which targets were set, also needs to be reviewed so that we neither set targets that are too low so that we can be seen as high achievers, nor set unattainable targets given the resources allocated to us.

In Section 3, the Annual Financial Statements are provided, including the reports of the Internal Audit Committee and that of the Auditor-General. For five consecutive reporting periods, the Department of Education has received a disclaimer from the Auditor-General. The Department has invested a lot of effort to get down to the bottom of the problems and understand the causes of this unacceptable situation. With the support of the Premier's Office, the Provincial Treasury, the Department of Public Services and Administration, and the Public Service Commission the KwaZulu-Natal Department of Education has initiated a full-scale analysis of financial management systems and introduced measures to turn around its finances that should be completed in the next financial year. By this time next year, the Department expects to present a report that will demonstrate the benefits of the fiscal discipline and management systems that are being introduced.

Section 3 of the Annual Report also contains the Management Report that reviews the state of financial affairs in the Department and reports on the systems that were put in place to manage the funds allocated to the Department. The Management Report also provides a report on key policy changes and development that occurred during this financial year. In addition, a programme-by-programme report on expenditure is provided. Section 4 is a comprehensive Oversight Report that provides details on the utilisation and management of human resources in the Department. It should be noted, as mentioned above, that the full effect of the innovations being implemented by the Department will take time and more effort to realise.

A separate Annexure outlines the organisational structure of this Department at the back of the Annual Report.

R.C. Lubisi (PhD)
Superintendent-General

LEGISLATIVE MANDATES

The MEC for Education as the Executing Authority responsible for education delivery in the province operates within the framework of the Constitution, and a number of other pieces of legislation and policies that concern education in the Province.

1. Constitution of the Republic of South Africa Act, No. 108 of 1996

In terms of the Constitution, education is a concurrent function shared by the national and provincial spheres of government. The MEC has overall responsibility for providing Basic Education and “progressively” providing Further Education and Training. Higher Education is a responsibility of the Minister of Education.

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

The National Education Policy Act provides a framework for the inter-governmental relations with regard to education. It establishes the roles of the Minister of Education in relation to those of MECs of education in various provinces and promotes the spirit of cooperative governance.

3. South African Schools Act, No. 84 of 1996

The South African Schools Act promotes access, quality, redress and equity as well as democratic governance in the schooling system. Further, the Act guarantees the right of access to quality education and makes education compulsory for all children aged 7 to 14. It also provides for democratic election of school governing bodies in all public schools. The Act seeks to redress past imbalances and to reduce infringement of children's right to basic education due to poverty through the National Norms and Standards for School Funding policy.

4. Employment of Educators Act, No. 76 1998

The Employment of Educators Act regulates the employment and the conditions of services of educators. The Act also provides for educators' professional, moral and ethical responsibilities.

5. South African Council for Educators Act, 2000

The South African Council for Educators Act provides for the governance of the professional teaching corps under a single professional council.

6. Further Education and Training Act, No 98 of 1998

The FET Act provides a framework for the establishment of a Further Education and Training system made up of secondary schools and FET Colleges. The Act provides for the development of a responsive funding mechanism and an appropriate national curriculum for teaching and learning in FET Colleges.

7. Adult Basic Education and Training Act, 2000

The Adult Basic Education and Training (ABET) Act provides a basis for the establishment of public and private ABET Centres, ABET funding as well as governance and quality control mechanisms for public ABET centres.

8. South African Qualifications Authority (SAQA) Act, 1995

The SAQA Act provides for the establishment of a National Qualifications Framework (NQF), which seeks to create a system that makes it possible to integrate education and training, enabling portability and transferability of skills obtained in a wide spectrum of settings.

9. National Policy on HIV and Aids For Learners And Educators in Public Schools and Students and Educators in FET Institutions (1999)

This policy flows from the National Education Policy Act (1996) and provides for the implementation of measures to prevent and combat the spread of HIV and AIDS in the system. It also provides protection of infected and affected learners and educators from any form of discrimination.

10. Education White Paper 5 on Early Childhood Development (2000)

The Education White Paper 5 provides for the full participation of 5-year olds in Grade R education by 2010. It also focuses on the need for improvement in the quality of programmes, as well as curricula and teacher development for 4 year olds and 6 to 9 year-olds.

11. Education White Paper 6 on Inclusive Education (2000)

The Education White Paper 6 provides a framework for the implementation of Inclusive Education in the education system from 2001 to 2020. The policy seeks to reduce barriers to learning and development and to meet the needs of vulnerable learners at all levels.

12. Education White Paper 7 on e-learning

The Education White Paper 7 on e-learning provides a framework for the roll out of ICT infrastructure in schools, as well as curriculum delivery through ICTs.

13. Revised National Curriculum Statement (RNCS) 2002

The RNCS is an outcomes-based curriculum that strives to enable all learners to achieve to their optimum ability. This involves the setting of outcomes to be achieved at the end of the learning process. The system encourages a learning process and a learner-centred approach to education. The RNCS provides a learning milieu for the General Education and Training (GET) band.

14. National Curriculum Statement (NCS)

The National Curriculum Statements were pronounced policy in 2003 and will be implemented in Grade 10 to 12 from 2006. The NCS provides a learning milieu for secondary schools in the Further Education and Training (FET) band and is also an outcomes-based curriculum that encourages a learner-centred approach to teaching and learning.

15. Others

Other than the legislation pertaining to the core function of the Department of Education, the Department is obliged to comply with all the legislation and policies surrounding the administration of the Public Service, inter alia:

- Public Service Act, 1994
- Labour Relations Act, 1999
- Employment Equity Act, 1999
- Public Finance Management Act, 1999
- Preferential Procurement Framework Act, 2000

INFORMATION ON THE MINISTRY

Opening the Doors and Learning and Culture to All

Finding the right keys to open the Doors of Learning and Culture to all in KwaZulu-Natal, was the MEC's first mission when she took over the biggest department of education in the country. It is a known fact that the MEC was inheriting a department in which systems were in near collapse and in need of transformation. Relations between the Department and its 75,000-strong teaching corps were at the lowest and the Department had been embroiled in at least four court cases over the post provisioning norm, a model used to determine human resource allocations to schools. Shortly before her appointment about 10,000 teachers marched to Parliament to protest against the lack of consultation about post provisioning norms. Through her direct interventions, the differences were resolved and all parties accepted the product of her commitment.

The MEC also inherited a Department where some teachers remained in temporary appointments for years, while yet others worked without due compensation. When the MEC took office, there were more than 15,000 educators who were not getting paid. During the reporting period, the MEC identified this matter as a key priority and ensured that this number was reduced to less than 2,000. The MEC has made an undertaking that the Department will rid the system of the backlog before the end of the next financial year. With regard to teachers in long periods of temporary appointment, the MEC successfully reduced the number by almost half from 9,000 to just below 5,000. The Department continues to work hard on eliminating the phenomenon.

Getting KwaZulu-Natal Learning

The MEC has focused on improving the quality of teaching and learning. The campaign under the motto "Getting KwaZulu-Natal Learning" has mobilised the education community to action. The campaign begins by placing the child at the centre of the teaching and learning enterprise. All involved in education have begun to understand that the failure is not an option in the realisation of a vision of a quality and the development of a Renaissance Child. Pursuant to that vision, the MEC has charged teachers and learners to spend maximum time on the exercise of learning

and teaching. Her maxim – time-on-task and task-on-time carries this message through in a crisp and clear manner.

A very successful art competition with the theme “Getting KwaZulu-Natal Learning/Senza iKwaZulu-Natali Ifunde” was initiated by the MEC. Through the competition, a Grade 11 learner from Bongadunge High School was offered a bursary to study art. Some of the artwork was reproduced on greeting cards. The best work will be published in a glossy-leafed 2006 calendar and the proceeds from the sale of the calendar will be used to buy art material for needy schools.

Infrastructure Delivery Programme

The period under review saw to the development of an Infrastructure Delivery Programme through which the Department aims to provide water and sanitation to all 334 schools that do not have those basic services. The target for the completion of the programme is March 2006. The bulk of the time during the year 2004/5 was dedicated to establishing systems and developing an infrastructure plan to replace the haphazard processes that had been used previously.

The Department experimented with an innovative method of constructing classrooms through the Fast-Track Classroom Construction Programme by using SMME – Small, Medium and Micro-Enterprises – many of which were owned by women. By way of example, a total of 22 out of 32 companies contracted under the first phase of the programme were either wholly or partially women-owned. Through the programme, a total of 900 jobs will be created and a total of R125.9 million will be spent, all of which are targeting emerging SMMEs. It is the Department’s intention to empower women, youth and people with disabilities and support them to grow as entrepreneurs in the construction industry.

The MEC’s Programme

The main highlights in the MEC’s programme during the period under review are as follows:

- Visiting a total of 130 schools across the province. During the visits, the MEC checked the provision of infrastructure and other teaching and learning resources; as well as the general work ethos and commitment of departmental personnel. During some of the visits the MEC officiated on a

number of events at which classrooms and new schools were being handed over.

- Attending a total of 520 meetings, conferences and other functions convened by various education stakeholders. She also spent 8 days per month attending Cabinet and Parliamentary meetings;
- Participated in five Izimbizo with the provincial Cabinet and National Department of Education; and
- Responding to an average of fifty letters per month sent to her by members of the public, concerned parents, learners and teachers.

There were no overseas trips that were undertaken by the MEC during this reporting period.

HIGHLIGHTS AND ACHIEVEMENTS OF PROGRAMMES

1. National School Nutrition Programme

During the period under review, the Department took over the National School Nutrition Programme from the Department of Health. The transition was smooth, and a great deal of emphasis was put on ensuring that no learners were abruptly taken off the programme. A total of 3,090 schools were in the programme at the time of the programme hand-over, with a total headcount of 1.25 million learners benefiting from the programme. As guided by the National Norms, the Department identified 443 additional schools who were in the poorest 40%, with an enrolment of about 137,000, that were not part of the programme. The Department made a bid to the Treasury, requesting additional funding to accommodate the 443 schools, and it was agreed that funds would be made available in the next financial year.

The system of providing food that was inherited by the Department was found to be unsatisfactory and open to abuse. A decision was taken to change the quotation-based system for a tender-based system used in other provinces. The tender system will, in due course, be revised to target local women cooperatives that specialise in food production and preparation.

2. Labour peace

The beginning of 2004 was characterised by, at the very least, strained relations in the Department. In the Labour Relations front tensions had been simmering over lack of meaningful consultation on post creation (learner: educator ratios) since 2003. In early 2004 these tensions reached a boiling point with organised labour embarking on industrial action in protest against the Department's unilateral implementation of PPN 2004. Apart from sporadic strikes on various matters including the non-payment or delays in payment of salaries for temporary educators, several legal battles were being fought in the Courts between the Department and stakeholders such as School Governing Bodies and Educator Unions.

One of the key challenges facing MEC Cronje when she was appointed in 2004 was how to deal swiftly and effectively with the normalisation of relations between the various stakeholders in education, especially organised labour and Governing Body organisations. Realising that this objective could not be achieved whilst

there were looming court battles and general discontent among the teaching fraternity on the PPN issue, the MEC immediately began engaging parties concerned directly in order to find an amicable solution to the matter. This was accompanied by a simultaneous instruction imposing a moratorium on the continued implementation of the contentious PPN 2004. These bold steps allowed the Department the right space and climate to engage with the relevant parties towards finding mutually acceptable solutions. As a result, the rest of the year was generally peaceful in the labour front, and the statutory forums such as the Education Labour Relations Council (ELRC) regained their standing as legitimate forums for consultation and negotiations.

The MEC will soon be engaging in consultations on post creation and staff establishments for the 2006 academic year. Whilst there may be challenges in some areas, the open hostility that prevailed at the beginning of 2004 has disappeared. There is great optimism that the current process will yield the desired results. Sustaining the positive climate prevailing in the system will benefit efforts at transforming the education system in the province.

3. The fight against fraud and corruption

The Department has declared a zero tolerance to fraud, corruption and maladministration. In this respect some very senior officials of the Department were charged with misconduct and suspended during the period under review.

Criminal charges were brought against 49 educators who were alleged to have received fraudulent qualifications. The Department offered these teachers an opportunity to apply for a special amnesty. A total of 17 educators who applied have been granted amnesty after satisfying the rigorous conditions attached to it. Those that did not apply or who were denied amnesty as well as the officials who fraudulently effected payments are being charged with misconduct.

4. Infrastructure planning and provisioning

The infrastructure backlog that existed in the province required innovative yet systematic ways of dealing with them if the Department stood any chance of changing the status around. At the beginning of the financial year it was apparent that systems for infrastructure planning and provision were either not working, or were not properly implemented at the level of delivery. A lot of effort was put on developing planning systems and capacity, and the Department will, in future, use

models of provision that mobilise the use of SMMEs and women-owned businesses as highlighted in the previous section of this Annual report.

During the period under review, the following highlights need to be noted:

- 11 new school were completed;
- 1,153 new classrooms were built, including classrooms built to upgrade schools, to add classrooms to existing schools and to build new schools;
- 966 classrooms were under construction (not completed);
- 2,728 new toilet seats were constructed in new schools or as part of an upgrade of toilets in existing schools; and
- 2,401 toilets were still under construction.

The Department also initiated an HIV and AIDS Awareness Programme that will form part of all infrastructure projects. Through the programme, all construction workers are trained on prevention as well as caring for the infected and affected.

5. Recognition of excellence

Several schools made the province proud by receiving awards for exceptional performance in various competitions. At the National Tirisano Schools' Music Eisteddfod 2004 held at The Dome in Gauteng on 1 to 4 July 2004, KwaZulu Natal schools performed gallantly and shone in their categories. Zakhe from KwaMashu; JG Zuma from Inanda; and Masibonisane from Zululand were awarded incentives of R 25 000 for outstanding performance having scored between 80 and 85% in their respective categories. Provincially, certain schools distinguished themselves by getting top prizes in numerous categories during the Provincial Schools' Cultural Activities Competition.

The performance of the province at the National Teaching Awards held on 22 October 2004, at the Presidential Guest House in Pretoria was also outstanding. KwaZulu-Natal's excellent performance ensured that it came second overall, after Gauteng. Teachers from KwaZulu Natal obtained one 1st position, four 2nd positions and one 3rd position in the following categories:

- Inclusive & Special needs Education Award;
- Secondary School Teaching Award
- Secondary School Leadership Award
- Early Childhood Development Award

- Lifetime Achievement Award
- Primary School Leadership Award

6. Teacher development

The Department strives to provide opportunities for continuing professional development for its teachers. Apart from numerous training workshops reported in other sections of this report, 12 educators participated in a Teacher Exchange Programme to Denmark in March 2005. The Department also established partnerships with Indiana University of Pennsylvania, Sheffield Centre for Professional Development and Western Cape Teachers Institution to expand the networks from which teachers can obtain resources and information.

7. Quality promotion

A series of projects were conducted during the period under review in pursuit of a quality education for all in the province. Department officials were trained in all districts to enable them to provide ongoing support to schools as they implement the Integrated Quality Management System. Performance audits of the ABET centres, Farm Schools and ECD centres were also conducted.

In preparation for the Grade 6 systemic evaluation, the Department refined the survey instruments that were to be used for collecting the data. A 5% sample of schools across the country participated in the survey in September 2004. A total of 169 schools in the national sample were from KwaZulu-Natal, with 6 720 learners participating. The result of the survey will assist the province in identified problem areas with regard to educational outcomes, and devise appropriate intervention strategies.

8. Performance and Conduct of the Grade 12 Examination

The KwaZulu-Natal Department of Education maintained a very high performance standard by obtaining a 73.9% pass rate during the 2004 Grade 12 examinations. Although the figure represented a slight decrease from the year 2003, it is important to celebrate the province's consistency in obtaining pass rates that are well above the national average. It is also important to highlight that the number of candidates who registered for the examination increased from **97,367** in 2003 to **110,631** in 2004. As such, 1 in 4 candidates that wrote the Senior Certificate examinations in 2004 nationally came from KwaZulu-Natal. The Province also

increased the number of candidates that passed the senior certificate from **75,077** to **81,827**

Considering the high levels of poverty and lack of infrastructure under which our children have to learn, the pass rate should indeed make us proud. In addition, the province completed the entire examinations without any reports of irregularities and was amongst the eight provinces whose results were endorsed by Umalusi without delay.

9. Revised National Curriculum Statement (RNCS)

The Department continued to strengthen the support given to schools and teachers to implement the RNCS. During the period under review, a total of 21 765 Intermediate Phase educators were successfully trained in all Districts. The National Department of Education monitored training in nine Districts and the evaluation report was very positive. Further RNCS training workshops were held for Departmental Officials, NGOs, Publishers, Service Providers and Independent Schools.

A Social Sciences Stakeholders' Forum that promotes the teaching of history in the Province was established. This forum includes departmental representatives, Higher Education Institutions, Museums, Archives and Teacher Unions.

Multilingual Mathematics Dictionaries were distributed to schools. The dictionaries form part of the English Second Language Strategy and will support learners in Maths and Science.

An educator's manual on HIV and AIDS has been developed. The impact study that followed indicated that educators are more confident in dealing with the HIV and AIDS issues in the classroom.

10. Eastern Languages

The Department is keen on promoting the languages of minority groups in the province. To this end one full-time and three part-time advisors have been employed to provide support to approximately 375 schools in the province. Highlights in this area include: the co-ordination of 100 schools to participate in the Diwali festival and 18 learners received awards; and a provincial Urdu Arabic

Art Competition which was hosted in the province at which 10 learners received awards.

11. E-Learning and Maths & Science Strategy

Pursuant to the e-Education policy goal that seeks to ensure that all learners in the country will be ICT capable by 2013, the Department developed an Implementation Plan and a Business Case Framework for the implementation of White Paper 7. A total of 498 schools in the province received software - Symantec's anti-virus – from Microsoft. In addition, the Department put a group of educators through a training programme - Intel Teach to the Future and the ICDL training, to ensure that schools had the services of an ICT capable teacher.

The Department is also strengthening its interventions in improving the quality of Maths and Science teaching in the province. A number of teachers were given bursaries to further their studies in Maths and Science for a period of one year. All schools in the Dinaledi project have received their computers through the Department's partnership with the private sector.

Section 2: Service delivery achievements

INTRODUCTION

In this Section, the Department provides a report on its performance against specified service delivery objectives and targets set in the Master Strategic Plan 2004/5. Details pertaining to the overview of the service delivery environment and organisational environment are provided throughout the report - starting from the highlights of achievements, introduction by the Superintendent-General through to the management report in the Annual Financial Statements.

PROGRAMME 1:

Programme objective: To provide overall management of the education system in the Province, in accordance with the National Education Policy, PFMA, and other policies

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs 2004/05	Comments
1.A.a	Percentage of population aged 6 to 14 attending school	72%	89%	The Department's goals were to ensure that the population of school going in the province attends school. The target has been exceeded mainly due to policy reforms such as compulsory education provided for in the South African Schools Act.
1.A.b	Percentage of the population aged 15 to 17 attending schools and other educational institutions	40%	62%	Effort was made to make FET progressively available to youth and adults above compulsory school-going age.
1.A.c	Average highest GET or FET level attained by adults in the population	Level 3	Level 3	Through ABET programmes the Department promoted programmes in support of life-long learning.
1.A.d	Adult literacy rate	30%	30%	This is a sizable percentage but if the provincial literacy deficit of 1,7 million is taken into consideration, it is realised that the challenge is huge.
1.A.e	Percentage of schools with Section 21 status	38%	53%	The target was exceeded, which is quite encouraging. The next milestone is to make all schools in this category to be equally effective in managing their finances regardless of geographical location.
1.A.f	Percentage of recurrent non personnel funding being channelled through the school funding norms	31%	31%	While performance on this measure remained on target, there is a need for an increase in the percentage spent.
1.A.g	Average real per learner allocation for recurrent non-personnel items using funding supplied via the school funding norms	R300	R300	This was an average of the learner allocation even though in terms of norms and standards for funding the learner allocation may vary per decile.
1.A.h	Percentage of non-Section 21 schools with all LSMs and other required material delivered on day one of	100%	60%	Planning and monitoring for procurement and supply of LTSM was below satisfactory. The response rate of publishers and suppliers also left much to be desired. Effort

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs 2004/05	Comments
	school year			will be made to ensure that delivery is expedited in the new year
1.A.i	Years input per senior Certificate/FETC graduate	14	14	The Department believes that progressive instructional programmes such as the RNCS and NCS will make it possible over time to reduce this target to 12 years

Specific challenges and responses:

Challenge 1: Financial management and accountability systems

The overall objective of Programme 1 is to provide overall management of the education system in the Province, in accordance with the Public Finance Management Act. However, all indications are that the financial systems in the Department were not enabling managers to comply with the financial regulations of the PFMA. The disclaimer that the Department has received for five consecutive years and the high levels of irregular expenditure are an indication of poor financial management systems. There were no sound planning and budgeting mechanisms; and the Department did not have proper control, monitoring and reporting mechanisms.

Response to Challenge 1

As reported in other sections of this Annual Report, the Department is currently conducting a full audit that will identify problem areas. In this regard, the Department is assisted by the Premier's Office, the Provincial Treasury, the Department of Public Services and Administration and the Public Service Commission the KwaZulu-Natal Department of Education to conduct a full-scale analysis of financial management systems and introduce measures to turn around its finances. It is expected that audit should be completed in the next financial year.

PROGRAMME 2

Sub-programme 2.1: Public primary phase

Programme objective: To provide public ordinary education for Grades 1 to 12 in accordance with the South African School's Act

Sub-programme objective: To provide specific public primary ordinary schools with resources required for the Grades 1 to 7

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs 2004/05	Comments
2.1.A.a	Number of spaces provided in the public primary phase	1.6m	1,6m	A visible effort was made to identify schools under trees or in unacceptable conditions
2.1.B.a	Number of educators provided at the public primary phase	45 268	45 781	The PPN was implemented in keeping with National Guidelines and within Budgetary constraints
2.1.B.b	Learner: Educator ratio in the public primary phase	1:35,5	1:34,9	The PPN was implemented in keeping with National Guidelines and within Budgetary constraints
2.1.C.a	Number of new classrooms built	953	692	Due to procurement constraints experienced during the financial year, the Department partnered with a larger network of implementing agents that will ensure that all future targets are met. The Department also aggressively targeted the issue of "learning under trees" although the fruits of this intervention will only be evident early in the next financial year.
2.1.C.b	Learner: Classroom ratio in the public primary phase	40,5:1	40,5:1	Due to service delivery of basic infrastructure below target, the target ratio has not been met, but this will be remedied as the Department's infrastructure plan is implemented in future.
2.1.C.c	Number of new toilets built.	1 040	1 636	The Department exceeded the target for the provision of toilets due to targeted delivery in this area.
2.1.C.d	Number of schools with a water supply	72%	72%	The Department worked with all spheres of government in prioritising the provision of water supply to schools.
2.1.C.e	Percentage CAPEX budget spent on maintenance	35%	8%	Numerous procurement challenges were encountered for the current expenditure that resulted in delayed reaction in service delivery. An appropriate mechanism has been established to ensure improved the situation in future.
2.1.D.a	Gender parity index in public primary schools	0,95:1	0,95:1	The purpose of this measure was to ensure that we are able to assess our performance in terms of promoting the participation of historically marginalized groups of learners
2.1.D.b	Percentage of learners in public primary schools who are disabled	2,0%	2,0%	In line with the Inclusive Education initiative more learners with disabilities were accommodated in ordinary schools
2.1.D.c	Number of ordinary full-service schools per 100,000 learners at the primary	1.0	1.0	The number of full service schools will be increased firstly in the nodal areas

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs 2004/05	Comments
	phase.			
2.1.E.a	Percentage of learner days lost due to learner absenteeism in the primary phase	2,5%	2,5%	An effort was made to address learner motivation to remain at school through programmes such as Psychological services and the NSNP
2.1.E.b	Percentage of working days lost due to educator absenteeism in the primary phase.	6%	6%	The sick leave capping project was completed. The abuse of such leave and medical boarding was identified was identified. EThekwini region is piloting and control
2.1.F	Average hours of development activities per educator in the primary phase	80	80	The time was effectively used to increase the level of professionalism for maximum impact in the classroom
2.1.G.a	Repetition numbers in the primary phase	5,9%	5,9%	An effort is to be made to put in place intervention systems which will contribute to learners being effectively supported and therefore remaining at school and making appropriate progress
2.1.G.b	Dropout numbers in the primary phase	4,0%	4,0%	Learner transport, poverty and other social problems such as faction fights beyond the control of the Department have a negative impact on the Department's attempts to reduce drop outs.
2.1.H.a	Percentage of learners in Grade 3 attaining acceptable outcomes in numeracy, literacy and life skills	55%	55%	The implementation of the new curriculum is beginning to yield positive results. Levels of confidence amongst teachers have improved.
2.1.H.b	Percentage of learners in Grade 6 attaining acceptable outcomes in numeracy, literacy and life skills.	55%	55%	There is a gradual improvement which could be a result of educators becoming more adept at the implementation of the RNCS

Challenge 1: Procurement of Learner and Teacher Support Materials (LTSM)

The Department had been working towards ensuring that all section 20 schools will have all the required materials supplied to them before the first school day in 2005. The planning processes started at a very late stage, and were further delayed by the procurement processes. As a result only 60% of non-section 21 schools had LTSM delivered to them before the first school day.

Response to Challenge 1

The team of officials responsible for the procurement of LTSM have been put under new leadership and will begin planning for the 2006 academic year very early. A tender/ tenders for the procurement and delivery of LTSMs will be awarded long in advance.

A new procurement system that will ensure timely placement of orders and direct control over the supply chain will be introduced. The Department will reduce the

number of delivery points in the chain and increase capacity through the appointment of competent managing agents.

Challenge 2: Construction of new classrooms

The target of building classrooms during the period under review could not be met due to delays in tender processes.

Response to Challenge 2

The Department has introduced innovative models of classroom construction elaborated upon earlier in this report. These methods are already bearing fruit and it expected that by the end of the next financial year more classrooms would be built per annum than during the period under review.

Sub-programme 2.2: Public secondary phase

Sub-programme objective: To provide specific public secondary ordinary schools with resources required for the Grades 8 to 12

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs	Remarks on Performance
2.2.A.a	Number of spaces provided in the public secondary phase	915 000	625 662	A visible effort was made to identify schools under trees or in unacceptable conditions.
2.2.B.a:	Number of educators provided at the public secondary phase	28 671	28 671	The PPN was implemented in keeping with National Guidelines and within Budgetary constraints.
2.2.B.b	Learner: Educator ratio in the public secondary phase	34,9:1	34,9:1	The PPN was implemented in keeping with National Guidelines and within Budgetary constraints.
2.2.C.a	Number of new classrooms built.	247	247	The Departments physical infrastructure plans were pursued vigorously in spite of many challenges.
2.2.C.b	Learner: Classroom ratio in the public secondary phase.	38,3:1	38,3:1	Learner:Classroom ratios have stabilised.
2.2.C.c	Number of new toilets built	690	918	The target of building 690 toilets was exceeded by close to 25%, in spite of the many challenges faced in the delivery of infrastructure.
2.2.C.d	Percentage of schools with a water supply	72	72	Partnerships with the Department of Water Affairs and Forestry have assisted in the meeting the target of supplying water to schools.
2.2.C.e	Percentage of CAPEX budget spent on maintenance	35	35	The Departments physical infrastructure plans were pursued vigorously in spite of many challenges.
2.2.D.a	Gender parity index in public ordinary schools	0,95:1	0,95:1	The purpose of this measure was to ensure that we are able to assess our performance in terms of promoting the participation of historically marginalized groups of learners.
2.2.E	Percentage of secondary schools with functioning science laboratories.	60	60	Ideally all schools should have science laboratories so that the teaching of Math and Science can yield the desired result. Our challenge is now to speedily increased the target to 100%.
2.2.F.a	Percentage of learner days lost due to learner absenteeism in the secondary phase	9	9	An effort was made to address learner motivation to remain at school through programmes such as Psychological services and the NSNP.
2.2.F.b	Percentage of working days lost due to educator absenteeism in the secondary phase	6	6	The frequency with which sick leave seems to plague the system is cause for concern and is receiving attention
2.2.G:	Average hours of development activities per educator in the secondary phase.	80	70	The time was effectively used to increase the level of professionalism for maximum impact in the classroom.
2.2.H.a	Repetition rate in the secondary phase	17	17	An effort is to be made to put in place intervention systems which will contribute

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs	Remarks on Performance
2.2.H.b	Percentage of dropouts in the secondary phase	7,9%	7,9%	to learners being effectively supported and therefore remaining at school and making appropriate progress.
2.2.H.c	Percentage of over-aged learners in the secondary phase	9,2%	9,2%	While the aim is to reduce the number of over-aged learners through relevant programmatic interventions, the goal should be seen as a medium to long term goal taking into cognisance the provincial profile of KwaZulu Natal.
2.2.I.a	Percentage of learners in Grade 9 attaining acceptable educational outcomes	82%	82%	This performance is acceptable if we take into consideration that the target is around the 81% figure, which is aimed for Grade 12 in 2005.
2.2.I.b	Pass ratio in Grade 12 examinations	77%	73%	There was a national drop of about 3% attributed to a number of national factors. However, the province remains above the national average. While there appears to be a quantitative reduction of the pass percentage there is a notable qualitative increase judging by the number of exemption obtained in the Province.
2.2.I.c	Percentage of schools with a Grade 12 pass rate of less than 40%.	9,5%	9,5%	Our effort in the 2005 year will be to implement educator and learner support programmes which will cause a further reduction in schools in this category.

Challenge 1: Spaces provided in public secondary schools

The target of providing a 915 000 spaces in public secondary schools needs to be revised and expressed in line with the policy position of the Department that is aiming to increase the number of 15 to 18 year olds participating in FET Colleges, a position that will invariably result in the number of learners in secondary schools stabilising. The real challenge relate to the retention of 15 to 18 year olds within the system – whether in they are in secondary schools or FET Colleges. As reported earlier, the Department can account for about 69% of the provincial population of 15 to 18 year olds – taking into account both secondary schools and FET Colleges.

Response to Challenge 1

Targets will be revised during the next MTEF Strategic Plan such that they are in line with policy positions of the Department. Targets that have long been achieved – such as the learner:educator ratio will also be replaced with performance indicators in areas that represent major challenges for the Department.

Challenge 2: Provision of laboratories

Whilst the Department is on target with the provision of laboratories in secondary schools, it remains a cause for concern that there are learners who do not have

access to laboratories. The classroom backlogs are so severe that the provision of learning spaces such as laboratories becomes a priority only after the classroom backlogs has been dealt with.

Response to Challenge 2

The provision of laboratories at all new schools will be continued. The Department is exploring the provision of mobile laboratories and the use of education centres by a cluster of schools.

Sub-programme 2.3: Educational Conditional Grant

Sub-programme objective: To provide the facilitation for the improvement of financial management and quality enhancement within the Department.

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Outputs	Remarks on Performance
2.3.A	Hours of training and other support provided to schools-based educators	80	70	The Department could not meet the targeted 80- hours of training due to re-prioritisation of issues. Since training is now only provided outside schooling hours it is considered remarkable performance that 70 hours for training was provided to school-based educators.

PROGRAMME 3

Programme objective: To provide subsidies to independent schools

	Description of Objective and Performance measure Number of Independent schools	Planned Targets 2004/05	Actual Outputs 2004/05	Comments
3A.a	Average real per learner subsidy	1 459	1 590	Independent schools received a higher per learner subsidy than expected.

PROGRAMME 4

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

Sub-programme 4.1 : Schools

Sub-programme objective: To promote public special school education

	Description of Objective and Performance measure Number of public special schools	Planned Targets 2004/05	Actual Outputs	Remarks on Performance
4.1.A	Number of learners in special /full service schools	14 000	11,000	The projected output could not be met because the policy on Inclusive Education encourages the movement of learners with limited physical disabilities to mainstream schools. The target will have to be reviewed next financial year.

PROGRAMME 5

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

Sub-programme 5.1: Public Institutions

Sub-programme objective: To provide specific public FET colleges with resources

	Description of Objective and Performance measure Number of Public Institutions that provides for FET	Planned Targets 2004/05	Actual Outputs 2004/05	Comments
5.1.A.b:	Number of full-time equivalent enrolments in FET institutions	75 000	72 000	Although the target was not attained, all indications are that it will be achieved in the next financial year. The lack of a diversified range of programmes, lack of sound recruitment strategies, lack of financial support for needy students and inadequate teaching infrastructure and learning materials has made it difficult for Colleges to attain the set target.
5.1.B.a	Percentage of students who are girls or women	50%	40%	Although there is a steady increase in the number of girl children in scarce skills and specialised areas such as Engineering insufficient numbers of girl learners join these institutions with a sound background in Maths and Science.
5.1.B.b	Percentage of educators who are African	60%	65%	The target was exceeded and there is further room for improvement in the next financial year considering that although there are more Africans, they are not well represented in the scarce skills and specialists programmes such as Engineering.

Challenge 1: Low participation rates

Colleges are failing to attract sufficient numbers of youth and adult learners. Insufficient funding has limited growth and development of College sector. Growth in the sector is also stunted by the poor provision of learning infrastructure; the lack of diversification in the programmes being offered at these institutions; and the provision of financial aid to learners amongst other things.

Response to Challenge 1:

The province has set aside a sizeable start-up capital of R36 million for the recapitalisation of colleges in the new financial year. In addition, the national Department is also planning a major college recapitalisation programme for the next

financial year that will increase the investments in the recapitalisation programme significantly.

Challenge 2: Policy gaps

The policy gaps relating to norms and standards for providing resources to the Colleges – both financial and human, has also stunted the growth of the College sector. The current legislative framework used in allocating teaching and non-teaching staff to Colleges is the based on the needs of the schooling system. funding and staffing of these institutions has stunted the growth of this sector.

The low quality of student support systems

Response to Challenge 2

A draft policy is being development for funding and staffing and it envisaged that this national policy will be finalised this year.

Challenge 3: Access to Colleges

FET Colleges are mainly distributed around urban areas. There is a dire shortage of colleges in remote areas, which means learners in those areas do not have access to diverse curriculum offerings that learners in less-remote areas enjoy.

Response to Challenge 3

The recapitalisation programme, once fully implemented, will improve accessibility to Colleges by ensuring that satellite campuses are widely distributed across the provinces.

PROGRAMME 6

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

Sub-programme 6.1 Public Centres

Sub-programme objective: To provide specific public ABET sites with resources

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Targets 2004/05	Comments
6.1.A.a	Number of full-time equivalent enrolments in public ABET centres.	60 000	55,000	Although the target has not been met, the number of full-time equivalent learners in public ABET Centres continues to improve year-on-year. There was an increase of 3 000 full-time equivalent enrolments between last year and this reporting period.
6.1.A.b	Percentage of illiterate adults in the province enrolled in public ABET centre programmes	4%	1.4% (24 145)	The target has not been attained because the campaign in rural areas to draw more illiterate people did not yield the results envisaged.

Challenge 1: Increasing participation rates of illiterate adults and resourcing the ABET sector

The illiteracy backlogs in the province are too severe to be addressed by the Department alone. The capacity of public facilities, including the financial resources, need to be supported by strong private/public partnerships. The target of having 4% of illiterate adults in the province enrolled in public ABET centre programmes was rather ambitious considering the capacity constraints of the ABET sector.

Response to Challenge 1

The provincial government is mobilising the support of communities, civil society and private companies to join the fight against illiteracy in the province. The Masifundisane Campaign introduces innovative methods of educating the illiterate adults by mobilising communities and public/private partnerships. The current methods of resourcing and conducting ABET imposes the school logic on a sector that is fundamentally different to the formal school sector.

PROGRAMME 7

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

	Description of Objective and Performance measure	Planned Targets 2004/05	Actual Targets 2004/05	Comments
7.A.	Percentage of learners in grade 1 who have received some formal pre grade 1 education	40%	35%	Although the target was 40%, reasonable progress (35%) was made in establishing more Community-based ECD sites to have grade R learners with some formal pre-Grade 1 education
7.1.A	Percentage of 5 year olds in publicly funded school grade R	13,55%	17%	The number increased this year because more subsidies were given to Public Primary schools to start Grade R classes
7.2.A	Number of learners in education-funded community based ECD sites	90 000	79, 000	Since the establishment of community – based sites depended on subsidies, the actual target could not be reached because of limited budget and this became obvious as the year progressed. However, there was an increase from 53,000 of the previous year

PROGRAMME 8

Programme Objectives: To render library, Museums and Archive services

	Description of Objective and Performance measure	Planned Targets 2004 / 05	Actual Outputs 2004 / 05	Comments
8.1.A	Number of educators who have undergone IQMS	45 000	74 000	All the educators in the province have been trained in IQMS. The expected outcome of this exercise is an improvement in the performance of educators during and outside of teaching-engaged time.

Section 3: Annual Financial Statements

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

1. GENERAL REVIEW OF THE STATE OF AFFAIRS

The financial results for the Department for the financial year ended 31 March 2005 are presented below:

Programme	Revised Allocation (R000's)	Expenditure (R000's)	Variance (R000's)
Administration	729,624	690,655	38,969
Public Ordinary School Education	11,389,385	11,394,312	(4,927)
Independent School Subsidies	33,565	33,565	-
Public Special School Education	249,418	253,063	(3,645)
Further Education and Training	223,181	222,660	521
Adult Basic Education and Training	50,570	49,734	836
Early Childhood Development	79,697	79,697	-
Auxiliary and Associated Services	312,689	305,039	7,650
Statutory Payment	585	776	(191)
Special Functions	-	3,770	(3,770)
Total	13,068,714	13,033,271	35,443

General Review

Scope of Operations

With effect from 1 April 2004, operations in respect of Out-of-School Arts & Culture and Sport & Recreation were transferred to new Departments specifically responsible for those functions. Library, Museum and Archive Services were transferred to other Departments within the Provincial structure. The Department of Education provided support for the new Departments from 1 April 2004 to 30 November 2004.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

The Primary School Nutrition Programme was transferred from the Department of Health with effect from 1 April 2004. The operations of this conditional grant were changed to pay suppliers directly rather than payment via schools.

Changes in the senior management levels

The Superintendent-General of the Department of Education, Prof Dlamini, left the Department during the course of the financial year. Mr Themba Ndhlovu from the National Department of Education was appointed in an acting capacity from 1 November 2004 to provide leadership in the Department until a substantive appointment is made. In addition, three members of the Senior Management Service have left for various reasons including retirement, promotions and normal resignations. Two Chief Directors retired and one Director obtained was transferred on promotion to the Department of Arts and Culture. The Department has appointed officials in an acting capacity to fill the gaps while starting the processes of replacing them.

Structure

The Department has continued to implement the revised organisational structure arising from the report of Mchunu Mashinini & Associates, which, inter-alia, resulted in a decrease in the number of Regions from eight to four and altered the responsibilities of Head Office, the Regions and the Districts. Although the Regional structures are in place, additional work and expenditure has been incurred in developing the District layer.

The Department of Public Service and Administration carried out a further review during September 2004, which resulted in variations on the original model proposed by Mchunu Mashinini & Associates. This model is being reviewed by the Department. It is envisaged that the structure will be finalised in the next financial in time for implementation in 2006/7.

The Head Office of the Department was moved from Ulundi to Pietermaritzburg during the second half of 2004 at an estimated cost of R30 million.

The implementation of IQMS and EMIS resulted in the Department incurring costs that were not envisaged. In addition, functions have been devolved from the Provincial Treasury, following the implementation of BAS, resulting in increased workloads on an already overloaded staff complement, as is noted under the review of Personnel below and Programme 1 - Administration.

Personnel

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

The Department continued to face severe pressures on educator personnel during the year under review, fundamentally as a result of the demand for substitute educators. The posts provided for by the Department amounted to 320 substitute educators whereas the demand for this was originally estimated at 2,800. A joint assessment between the Provincial Treasury and the Department of Education, using provincial statistics as a basis for determining maternity leave and sick leave due to the impact of HIV/AIDS, concluded that the real demand was for 3,030 substitute educator posts, the majority of which were created after 31 March 2005 as new funding became available.

A moratorium on filling of non-educator posts was in place for the majority of the year, resulting in reduced direct salary costs. In addition to the difficulties faced by the Department as a result of the moratorium on filling of non-educator posts further difficulties were faced as the new Departments created in April 2004 created posts and advertised for staff. A number of employees of the Department of Education took up posts in the new Departments.

Approximately R18 million was paid as allowances to personnel moving from Ulundi to Pietermaritzburg as part of the relocation of Head Office.

Goods and Services

Expenditure on Goods and Services generally declined in Programme 2 but increased substantially in Programme 1 as the costs of building districts and moving Head Office were incurred and approximately R12 million was paid in costs as a result of the relocation of Head Office from Ulundi to Pietermaritzburg.

Payments in terms of the Primary School Nutrition Programme were made direct to suppliers rather than schools, as had been done by the Department of Health. These were treated as payments for Goods & Services and resulted in expenditure of R139 million that has no direct comparative in prior years.

In addition, following implementation of Standard Chart of Accounts, items that were previously treated as capital but having an individual unit value of less than R5,000 were treated as expenditure on Goods & Services rather than Machinery and Equipment.

An area of concern has been the repeated tendency of schools in the lower deciles to underspend on their Norms & Standards allocations, as they do not have relatively high cost expenditure in the form of

electricity and water. The Department has started to rectify the situation by developing specific development programmes for each school to ensure that the schools develop appropriately.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

Transfers & Subsidies

Transfer payments increased substantially due to the increased number of schools with Section 21 status, currently approximately 50% of all schools compared with 32% at 31 March 2004. In addition, the implementation of the standard chart of accounts resulted in payments for leave gratuities and exit packages being recorded as transfer payments whereas these were previously disclosed as part of Compensation of Employees, the amount paid in this way is R35,017,000.

Payments for Capital Assets

Despite an increased budget on Buildings and other fixed structures, (2005: R637,782,000) over the prior year (2004: R414,350,000), expenditure decreased during the year resulting in under-expenditure of R224,372,000. This was due to internal difficulties in the Department of Works and principally revolved around three issues:

- The Department of Works did not have the staff to manage the increased budget;
- The Tender Award Committee of the Department of Works did not sit for a prolonged period which resulted in tenders not being awarded; and
- Appeals against awards of period contracts resulted in these being not awarded and little maintenance being carried out.

The Department took measures to mitigate those difficulties, which included assessing the budget and capacity to complete projects, set up FastTrack systems and procured mobile classrooms to alleviate the current shortages. Because of the longer-term nature of the projects, the effect of this on expenditure will only be shown in 2005/2006, as a result of the realignment referred to above. The Department of Education committed R322,326,147 that would otherwise not have been committed.

Financial Systems

Suspense accounts constituted a major part of the disclaimer issued by the Auditor-General during prior years. The Department constituted a task team to address this problem and has been successful in clearing large amounts of transactions and is currently obtaining documentation to support those that remain uncleared. The task team will continue in the new financial year to resolve any remaining queries.

A significant problem arose during the year due to misallocation of personnel costs. This was resolved towards the end of the financial year and costs were correctly allocated to the respective programmes.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

The implementation of BAS caused initial payment difficulties but these were largely resolved by the end of June 2004. However, difficulties remain due to slow network response times. Following these difficulties and problems with the relocation from Ulundi to Pietermaritzburg, the Department had an estimated unprocessed backlog of invoices and commitments estimated to be R350 million. Alternative processing sites were identified and the backlogs are being addressed at present.

Difficulties continued to exist with processing of Emolument Attachment and Garnishee orders because of the backlog built up over prior years. New systems were implemented to deal with those problems.

Programme Performance

The major items of over and under-expenditure are summarised below:

Summary of major over & under-expenditure	Budget (R000's)	Expenditure (R000's)	Variance (R000's)
Administration – Buildings & other fixed structures. Funds were not expended because existing buildings were used and not upgraded during the year under review.	31,000	321	30,679
Administration – Machinery & equipment	25,091	5,158	19,933
Public Ordinary Schools – Compensation of employees – over-expenditure on substitute educators.	9,809,656	9,835,886	(26,230)
Public Ordinary Schools – Goods & Services – under-expenditure on Norms & Standards funding due to lower decile schools inability to spend funds and difficulties with payments at Regions.	628,150	601,453	26,697
Public Ordinary Schools – Compensation of employees – over-expenditure on transfer payments caused by more schools being given Section 21 status than previously expected.	298,870	433,228	(134,358)
Public Ordinary Schools – Buildings & other fixed structures – under-expenditure due to failure of Department of Works to provide	606,745	440,498	166,247

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

services to the Department of Education.

Programme 1 - Administration

The programme underspent on Compensation of Employees as a result of posts not being filled and leave gratuities and exit packages being classified as Transfers & Subsidies, as referred to earlier. In addition, cost allocations in PERSAL were reviewed during February and March 2005 resulting in costs being identified that more correctly belonged to Programmes 2 and 8, the necessary corrections were made. Allowances amounting to R18 million in respect of the move from Ulundi to Pietermaritzburg were also paid.

Goods & Services increased significantly due to the continuing cost of building districts and introducing the new Head Office in Pietermaritzburg. These are likely to be once-off costs as the four-region structure is finalised and should realise significant efficiencies in the future.

Following the Standard Chart of Accounts classification of all capital items with an individual value of less than R5 000,00 expenditure on Goods & Services increased while expenditure on Machinery & Equipment declined.

An allocation of R33 million was made for buildings, however, only R5,432,000 was spent.

Programme 2 - Public-Ordinary Schools

This programme has four sub-programmes:

- Public Primary Schools;
- Public Secondary Schools;
- Financial Management and Quality Enhancement; and
- Primary School Nutrition Programme

The key drivers in the programme are the cost of educators, infrastructure and Norms & Standards funding:

1. The over-expenditure on Compensation of Employees has been largely caused by the need to have more substitute educators than currently provided for. The current provision for substitute educators is 320 posts, at an estimated cost of R35 million, whereas the real demand is for over 3,000 posts at a cost of over R330 million.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

2. As noted earlier, expenditure on infrastructure is below that of the prior year and below the budgeted expenditure. This was caused by internal difficulties with the Departments principal implementing agent and is more fully described under the section dealing with “Payments for Capital Assets” above. Service Level Agreements were concluded with Ithala Development Finance Corporation, the Independent Development Trust (IDT) and Umngeni Water.
3. The policy on Norms & Standards for school Funding is intended to cover Learner Support Materials, operational costs and equipment in the schools. Once again, there were long delays in finalising delivery of textbooks resulting in late delivery and payment of textbooks. A larger number of schools were given Section 21 status than expected which resulted in an increased level of Transfers & Subsidies but a lower cost for Goods & Services.

The Department is concerned about the high level of water and electricity charges, which are often outside the control of the schools concerned, and the apparent inability to provide any effective early warning systems by the local authorities. Non-payment of these charges resulted in the Department settling over R13 million of charges, after the financial year-end, together with lesser amounts during the financial year, on behalf of the schools to be recovered over a period of three years.

The Financial Management and Quality Enhancement sub-programme was originally a conditional grant intended to develop school management, including safety and financial management. The Conditional Grant was discontinued from 31 March 2003 and internal funding was made available from that date. One of the major uses for this funding has been the completion of the leave audit, a process designed to finalise the amount of capped leave available to personnel, which was completed during February 2005. The extent of funding provided was R45,862,000 whilst expenditure amounted to R71,126,000, resulting in over-expenditure of R25,264,000.

The Primary School Nutrition Programme was operated by the Department of Education from 1 April 2004.

- Considerable difficulties were experienced with payments during the first four months of the programme although services continued to be delivered to learners. The difficulties arose because the programme was implemented in the Department of Education at the same time as BAS (“Basic Accounting System”), the Standard Chart of Accounts and the fact that the Department of Education did not have the same payment information as the Department of Health, who had previously operated the programme. These difficulties were resolved during July 2004 and expenditure was brought up to date.
- Further problems were encountered during February and March 2005 in getting claims from schools through the districts to Head Office for payment. Capturing of these claims only

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

started in late March 2005, which coincided with heavy processing demand on BAS from all Departments in South Africa, consequently only a limited number of claims were processed resulting in apparent under-expenditure of R36,088,000.

- Although the expenditure has not been processed, services have been delivered and expenditure incurred.

Programme 3 - Independent School Subsidies

This programme consists of two sub-programmes, namely Primary Phase and Secondary Phase, for the subsidy of current expenditure of independent, primary and secondary schools. The payment of subsidies to private schools is calculated in terms of a national funding formula and is based on the number of pupils enrolled. Overall, the programme performed according to expectation.

Programme 4 - Public Special School Education

This programme comprises one sub-programme, which provides funding for public special schools for the education and training of children with disabilities. The increase in expenditure over the years is mainly attributed to the Improvement of Conditions of Service adjustments and a nominal increase in subsidies paid to special schools. Overall, the programme performed according to expectation.

Programme 5 - Further Education and Training

This programme comprises a single sub-programme, Public Institutions, aimed at providing further education and training to students in the province, while maintaining a curriculum that is sensitive to the changing needs of commerce and industry. This sector has grown significantly since 1999/2000, and is expected to accommodate a further increase in student enrolment over the Medium Term Expenditure Framework period. Overall, the programme performed according to expectation.

Programme 6 - Adult Basic Education and Training

The ABET sector has received a nominal increase in allocation over the last few years. The sub-programme is expected to benefit from additional staff appointed, and as a resultant increased allocation over the Medium Term Expenditure Framework period.

Programme 7 - Early Childhood Development

The Early Childhood Development programme has enjoyed significant growth since inception, due to the conditional grant received from the National Department of Education, which was discontinued from 31 March 2004, and the programme was sustained out of departmental funds.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

Programme 8 - Auxiliary and Associated Services

Auxiliary and associated services comprises the following sub-programmes:

- Advisory Services
- Examination Services
- Human Resource Development
- Planning Services
- Provincial Motor Transport

Archive, Library and Museum Services, which were previously part of this programme were moved to the Department of Arts, Culture & Tourism and the Office of the Premier with effect from 1 April 2004.

The principal causes of under-expenditure in this programme were under-expenditure on capital assets on Advisory Services and Human Resource Development, which is attributable to the reclassification of minor purchases in terms of the Standard Chart of Accounts introduced from 1 April 2004.

Provincial Motor Transport overspent on capital assets due to new vehicle purchases arriving earlier than expected and a carry over from the prior year.

Thefts & Losses

The major theft during the year occurred when a user signed onto a terminal at Head Office and made payments to a single supplier having a value of R2,565,000. The user then authorised the payments under a different BAS account. In both cases, the BAS accounts were for users who were not in the office at the time. The matter has been reported to the South African Police Service and is also being investigated internally.

A further loss occurred at Zululand region where payments were made to various suppliers during March 2005 using BAS accounts ordinarily used by another person. The amount involved to 31 March 2005 is R1,171,360 and further amounts totalling R1,540,000 were paid on 18 May 2005.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 Services rendered by the Department

The services provided by the Department comprise:

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

Programme 1 - Administration. Policy formulation by the MEC and the Department's management and organising the Department, managing its personnel and financial management, determining working methods and procedures and exercising control through head office and regional offices. Actual expenditure on this programme comprised 5,3% of the total expenditure.

Programme 2 - Public Ordinary Schools. To develop the mental, spiritual and physical potential of pupils to the optimum by means of education and training. This covers all spheres of education from the complete provision of educators, learning materials, teacher aids, equipment and management. Actual expenditure on this programme comprised 87,4% of the total expenditure.

Programme 3 – Independent Schools. The timeous and orderly registration of independent schools in terms of the South African Schools Act and other legislation and regulations, evaluation and monitoring of independent schools to ensure the effective functioning of such schools, development of capacity of independent schools and governing boards. The effective processing of documentation relating to quarterly and annual submissions from independent schools and the disbursement of monies allocated for the purpose of subsidies paid quarterly to independent schools together with such interventions as may be determined by evolving circumstances. Actual expenditure on this programme comprised 0,26% of the total expenditure.

Programme 4 - Special Schools. The purpose of this programme is to educate, train, care for and rehabilitate handicapped children and children with behavioural problems, to enable them to find a place in society. Actual expenditure on this programme comprised 1,9% of the total expenditure.

Programme 5 - FET Colleges. The purpose of this programme is to offer wide range of education programmes on both a full and part-time basis in colleges and skill centres. Actual expenditure on this programme comprised 1,7% of the total expenditure.

Programme 6 – Adult Basic Education & Training. The purpose of this programme is to provide funds for the promotion of basic education and training for adults. Actual expenditure on this programme comprised 0,4% of the total expenditure.

Programme 7 – Early Childhood Development. The purpose of this programme is to provide funds for the promotion of education early childhood development to children below the entry age for grade 1. Actual expenditure on this programme comprised 0,6% of the total expenditure.

Programme 8 - Auxiliary and Associated Services. The purpose of this programme is to render auxiliary services associated with the Department of Education. This programme comprises nine sub-programmes: Library Services, Archive Services, Museum Services, Subsidy of museums, libraries and other organisations, Examination Services, Planning Services, Advisory Services, Human

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

Resource Development and Provincial Motor Transport. Actual expenditure on this programme comprised 2,4% of the total expenditure.

Programme 12 - Teacher Training. This programme aimed to develop teachers but is in the process of being phased out. For budget purposes, only the cost of personnel still attached to tertiary institutions and essential operating costs, such as security, have been provided for. The programme ceased with effect from 1 April 2003 but the staff was redeployed into other programmes. Actual expenditure on this programme comprised less than 0,01% of the total expenditure.

2.2 Tariff policy

The charges raised by the Department are in respect of rental of state-owned housing to officials of the Department, boarding fees and fees for the re-marking of examination scripts or the re-issue of Matric certificates. The charges raised are in accordance with Provincial and National policies.

2.3 Free Services

There are no free services rendered by the Department that would have yielded significant revenue had a tariff been charged.

3. CAPACITY CONSTRAINTS

The primary constraints faced by the Department comprise the need to improve the learner: educator ratio and provide for substitute educators, improve infrastructure delivery and administrative capacity:

- The need to reduce the current learner: educator ratio of over 34:1 to the Nationally recommended standards of 32:1 and to provide adequately for substitute educators. The Department has obtained sufficient funding to achieve improved levels of substitute educators and a small improvement in the learner: educator ratio in 2005/2006. Achievement of a learner: educator ratio of 32:1 will only be achieved by 2009.
- The capacity constraints in respect of infrastructure delivery revolve around internal difficulties with the Departments principal implementing agent. These difficulties have been partially resolved but, in the interim, the Department has accelerated service delivery by appointing other agents.
- The moratorium placed on employment of non-educator personnel during the year resulted in sectors of administration being significantly understaffed, which affected

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

programme performance. The moratorium has been selectively lifted for critical posts after the financial year-end.

The impact of the HIV/AIDS epidemic is becoming more severe with a continuous requirement for substitute educators to take the place of those who have been unable to work due to ill health. The impact of this goes further and requires the Department to ensure that there is a continuous flow of new educators to replace those unable to work for health reasons. A person infected with the HIV virus is not required to disclose this fact to the employer and it is therefore difficult to estimate the impact except through use of provincial indicators. Based on provincial statistics, approximately 1 800 substitute educators are required to compensate for the impact of HIV/AIDS, approximately 2,4% of the current educator population.

A survey is being carried out at present to determine the extent of infection amongst educators. The Department has a budget to provide for bursaries to train educators, which will have to increase significantly in future years.

4. DONOR FUNDS

Donor funds to the Department have been in the form of goods and/or services and were therefore used for the purposes for which they were intended.

Donor funds have also been made available to the Department by the Royal Netherlands Embassy through the national Department of Education. The funding is in the form of support for the RAIN project and allows the Department to recover costs incurred by that project as expenditure is incurred.

5. PUBLIC ENTITIES

The Department has no public entities, Amafa AkwaZulu-Natali (“Amafa”), which is recorded under Part C of the Public Finance Management Act as the “KwaZulu-Natal Monuments Council” was previously under the control of the then Department of Education & Culture but was transferred to the Office of the Premier with effect from 1 April 2004.

6. TRUST FUNDS

The Department operates the KwaZulu-Natal Education Development Trust (Education), registration number IT1188/98, and the KwaZulu-Natal Education Development Trust (General), registration number IT1184/98, (“the Trusts”) in conjunction with major donors in the private sector. The Department of Education exercises significant influence over the activities of the Trust as the majority of Trustees are officials of the Department of Education.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

The Annual Financial Statements of all organisations referred are qualified only insofar as the organisations, in common with other organisations of a similar nature, have income through donations or collections and it is not feasible for the organisations to institute account control over this income prior to recording in the accounting systems.

The purpose of the KwaZulu-Natal Education Development Trust (Education) is to act as a special fund as contemplated in Section 18(A)(1) of the Income Tax Act and its sole purpose is to receive donations to be used exclusively for education and training purposes for the benefit of the pupils, students or trainees of any school or institution which is located in the Republic of South Africa.

The purpose of the KwaZulu-Natal Education Development Trust (General) is to provide funds for educational institutions of a public character in KwaZulu-Natal. Funds are obtained from private sector donors

The trusts continue to serve the purpose for which they were intended.

7. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments were made to:

- Schools with Section 21 status;
- Independent schools; and
- Public Special Schools.

Analysis of the amounts paid to the various entities is provided in the financial statements. A detailed analysis of each payment is available from the Department's Head Office.

8. CORPORATE GOVERNANCE ARRANGEMENTS

8.1 Risk Management

The Department drives risk management under the guidance and support of the Provincial Internal Audit Unit. This includes an annual assessment of the risks and the design and effectiveness of counter-measures that would address the risks. The principal risks revolve around the staffing and training of the members in the administrative programme.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

8.2 Fraud Prevention

A fraud prevention policy has been developed and implemented. In addition, the Department has a number of internal policies and procedures that are in addition to the requirements of the Public Finance Management Act that have been implemented and appropriate staff trained.

8.3 Internal Audit

The Department has used the Provincial Internal Audit Unit of the Provincial Treasury to provide its Internal Audit services & Audit Committees. Internal Audit, supported by Internal Control & Risk Management, is effective in identifying risks and proposing counter-measures. There is currently a Provincial Audit Steering Committee, which oversees the Internal Audit Unit.

8.4 Internal Control & Risk Management Unit

There is an Internal Control & Risk Management Unit in place in the Department, which provides expenditure control services and support to provincial Internal Audit. The Department has reviewed the scope and vision of the Internal Control Unit and has required a broader focus than was previously in place. In particular, this unit is tasked with a comprehensive review of all systems and a review of all changes to personnel master files.

8.5 Management processes to avoid conflict of interest

The Department has the following processes that effectively prevent conflict of interest:

- Significant management decisions are made at meetings of the Executive Committee and Senior Management;
- Tender Award Committees are structured so that no one person or group of persons can dominate meetings. Additionally, all members of the Tender Award Committee are required to disclose any conflict of interest to members of the Committee and recuse themselves from meetings where their interests are involved;
- Procurement processes are designed so that no one person can requisition and order amounts greater than R1,000.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

8.6 Implementation of code of conduct

The Department does not have a single formal document containing a code of conduct. However, the key elements of a code of conduct are published on the Departmental network.

8.7 Safety, health and environment issues

The Department faces the following significant issues:

- **Safety:** Schools are at significant risk in respect of intimidation from outside the school environment. The Department has implemented training procedures to enable staff to deal with these risks and employed security firms to deal with specific problems. In addition, sexual harassment is a problem both in and outside the school environment. The Department has implemented programmes to manage the problem in the school environment and has policies addressing the issue but cannot control the problem outside the school environment;
- **Health:** The Department is adversely affected by the incidence of HIV/AIDS infection in the Province. This results in extended periods of sick leave and the consequent employment of substitute educators, which, in turn, causes high expenditure on personnel.
- **Environment:** There are no specific environmental issues caused by the Department. However, the Department is adversely affected by the lack of portable water and transport infrastructure which makes it difficult to ensure that a suitable environment for learning is maintained.

8.8 Effectiveness of the audit committee

The Province has an Audit Committee that oversees all Departments. The Department is not represented on the Audit Committee nor does it attend any of their meetings as an observer.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the year under review and there are no plans to discontinue activities in the coming financial year.

10. NEW/PROPOSED ACTIVITIES

No new activities were undertaken during the year and no new activities are proposed for the coming year except for expansion of existing activities. Expansion of activities in the coming year will revolve

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

around Adult Basic Education & Training and Early Childhood Development but the scope and cost of such expansion has not yet been determined.

11. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENT

A number of new financial and internal control posts have been created which will allow for greater management and control once filled.

The Department has made the following significant improvements in financial management:

- Treasury Practice notes are being implemented, budgets are monitored;
- There is more effective management supervision;
- Procurement procedures have been clarified and strengthened;
- Suspense accounts are being cleared; and
- Proper financial management is being driven into the schools.

However, there are still areas where performance can be improved significantly including:

- Management of suspense accounts – although detailed monthly management accounts are produced further information on suspense accounts must be included in those;
- Proper management of debtor accounts, principally to ensure that these are cleared and followed up timeously;
- Effective use of the management accounts, in particular, management accounts will be produced centrally for all levels and areas of management that assume financial responsibility; and
- Asset management where the Department is participating in a programme with the Provincial Treasury to improve asset management and control and ensure that it links effectively with procurement as part of Supply Chain Management.

Consultants were used principally for financial management and to ensure that suspense accounts were cleared effectively, an internal team has been established for the latter task and is working effectively.

12. PERFORMANCE INFORMATION

The Department has prepared a comprehensive strategic plan and a detailed operational plan is almost complete. The Department reports quarterly to the Provincial Treasury and the Education

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

Portfolio Committee on performance against target. Detailed performance monitoring systems that are consistent across all Regions are still being developed but are in place for centralised functions.

Detailed performance information is contained in Section 2 of this Annual Report.

13. EVENTS AFTER THE REPORTING DATE

During the year under review the Department arranged with the Public Service Commission that a forensic audit of all procurement activities from 1 April 2001 to 31 March 2005. This audit commenced after the financial year-end and no report is expected immediately.

As recorded elsewhere in this report, during April 2005 the Department reviewed all unprocessed invoices and commitments as at 31 March 2005. The estimated amount of unprocessed invoices was R148 million together with R 151million of commitments raised but where invoices had not been received. This will place additional pressure on the cash flow of the Department in the 2005/2006 financial year.

14. RESOLUTIONS OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

The following resolutions of the Standing Committee on Public Accounts had not been fully resolved as at 31 March 2005:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 71/2004	Catering for examination markers	Formal responses will be submitted in September 2005
Resolution 71/2004	Consultants paid after contract period	Formal responses will be submitted in September 2005
Resolution 71/2004	Irregular expenditure – R34,431,000	Formal responses will be submitted in September 2005
Resolution 71/2004	State guarantees not cancelled for services terminated	Formal responses will be submitted in September 2005
Resolution 71/2004	Leave records 2002/2003	Formal responses will be submitted in September 2005
Resolution 71/2004	Transversal resolutions: Asset register	Formal responses will be submitted in September 2005

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 73/2004	Balance sheet and income statement items	Formal responses will be submitted in September 2005
Resolution 75/2004	Unauthorised expenditure	Formal responses will be submitted in September 2005
Resolution 78/2004	Financial statements : Catering services	Formal responses will be submitted in September 2005
Resolution 79/2004	Financial statements : receivables	Formal responses will be submitted in September 2005
Resolution 80/2004	Divine Life Society	Formal responses will be submitted in September 2005
Resolution 85/2004	New Republic Bank	Formal responses will be submitted in September 2005
Resolution 21/2004	Pension benefits claimed by employees	Formal responses will be submitted in September 2005
Resolution 4/2005	Irregular purchase of properties for Sports Academy in Margate	Formal responses will be submitted in September 2005
Resolution 5/2005	Five priority areas to be improved	Formal responses will be submitted in early June 2005.
Resolution 6/2005	Consolidation of unauthorized expenditure and application for authorisation	Formal responses will be submitted in early June 2005.
Resolution 7/2005	Unsatisfactory payroll controls	Formal responses were submitted on 12 May 2005
Resolution 8/2005	Divine Life Society expenditure	Formal responses will be submitted in early June 2005.

APPROVAL

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

Dr R.C.Lubisi (PhD)
Superintendent-General
15 August 2005

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

**REPORT OF THE AUDITOR – GENERAL
for the year ended 31 March 2005**

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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 National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/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.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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 National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

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 are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

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.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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.

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

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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 National/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 was 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 underspending 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.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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.

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
- the State Tender Board Act, or any regulations made in terms of this 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

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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.

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/National Revenue Fund or another party.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION VOTE 5

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 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.

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

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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 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 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 Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

Appropriation Per Programme									
2004/2005									
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation		2003/2004	
							%	Final Appropriation R'000	Actual Payment R'000
1 Administration									
Current payment	679,590	(8,290)	671,300	671,267	33		100.0%	648,811	698,424
Transfers and subsidies	1,318	-	1,318	14,685	(13,367)		1114.2%	-	-
Payment for capital assets	57,717	(126)	57,591	5,479	52,112		9.5%	51,622	35,237
2 Public ordinary schools									
Current payment	10,439,301	(1,495)	10,437,806	10,436,168	1,638		100.0%	9,606,376	9,623,787
Transfers and subsidies	320,060	-	320,060	493,784	(173,724)		154.3%	173,981	179,824
Payment for capital assets	631,519	-	631,519	464,360	167,159		73.5%	466,979	508,268
3 Indep school subsidies									
Current payment	-	91	91	91	-		100.0%	-	-
Transfers and subsidies	33,000	474	33,474	33,474	-		100.0%	30,446	31,324
4 Public special school Educ									
Current payment	205,375	3,086	208,461	208,461	-		100.0%	196,198	196,374
Transfers and subsidies	40,080	867	40,947	44,592	(3,645)		108.9%	37,526	36,757
Payment for capital assets	-	10	10	10	-		100.0%	-	-
5 Further educ & training									
Current payment	185,441	(21,745)	163,696	163,175	521		99.7%	146,263	142,239
Transfers and subsidies	57,147	2,259	59,406	59,406	-		100.0%	49,451	56,971
Payment for capital assets	-	79	79	79	-		100.0%	-	-
6 Adult basic education & training									
Current payment	48,560	898	49,458	49,458	-		100.0%	41,007	39,398
Transfers and subsidies	115	(15)	100	100	-		100.0%	-	-
Payment for capital assets	1,012	-	1,012	176	836		17.4%	2,527	242

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

		Appropriation per Programme						2003/2004	
		2004/2005						Final Appropriation R'000	Actual Payment R'000
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %			
7 Early childhood									
Current payment	76,267	2,974	79,241	79,241	-	100.0%		62,600	22,588
Transfers and subsidies	3,799	(3,580)	219	219	-	100.0%		350	-
Payment for capital assets	200	37	237	237	-	100.0%		110	-
8 Auxiliary and associated services									
Current payment	267,657	24,481	292,138	289,589	2,549	99.1%		269,446	224,066
Transfers and subsidies	651	(5)	646	646	-	100.0%		-	-
Payment for capital assets	19,905	-	19,905	14,804	5,101	74.4%		23,719	20,786
9 Libraries, archives & museum services									
Current payment	-	-	-	-	-	0%		41,078	41,124
Transfers and subsidies	-	-	-	-	-	0%		26,036	24,751
Payment for capital assets	-	-	-	-	-	0%		13,411	150
10 Sport and recreation advancement									
Current payment	-	-	-	-	-	0%		12,482	12,039
Transfers and subsidies	-	-	-	-	-	0%		3,973	3,546
Payment for capital assets	-	-	-	-	-	0%		1,754	148

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

		Appropriation per Programme						2003/2004	
		2004/2005						Final Appropriation	Actual Payment
		Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	R'000	R'000
11 Arts and culture									
Current payment	-	-	-	-	-	-	0%	17,360	17,683
Transfers and subsidies	-	-	-	-	-	-	0%	11,320	9,240
Payment for capital assets	-	-	-	-	-	-	0%	955	116
12 Teacher Training									
Current payment	-	-	-	-	-	-	0%	-	473
13 Special Function									
Current payment	-	-	-	-	3,770	(3,770)	0%	-	2,813
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
Total		13,068,714	-	13,068,714	13,033,271	35,443	99.7%	11,935,781	11,928,368
Reconciliation with Statement of Financial Performance									
Departmental receipts								15,419	
Local and Foreign aid assistance								11,650	
Actual amounts per Statement of Financial Performance (Total Revenue)		13,103,776						11,962,850	
Local and foreign aid assistance									10,627
Actual amounts per Statement of Financial Performance Expenditure		13,033,271							11,938,995

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

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

Appropriation per economic classification									
	2004/2005					2003/2004			
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation	Final Appropriation R'000	Actual Payment R'000	
Current payment									
Compensation of employees	10,821,932	-	10,821,932	10,884,419	(62,487)	100.6%	9,999,369	10,037,829	
Goods and services	1,080,259	-	1,080,259	1,013,032	67,227	93.8%	1,039,908	979,667	
Financial transactions in assets and liabilities	-	-	-	3,770	(3,770)	0.0%	-	2,813	
Transfers and subsidies									
Provinces and municipalities	24,405	(22)	24,383	30,763	(6,380)	126.2%	10,000	42,867	
Departmental agencies and accounts	-	-	-	11,964	(11,964)	0.0%	-	-	
Non-profit institutions	431,765	(1,079)	430,686	568,848	(138,162)	132.1%	325,347	300,243	
Households	-	1,101	1,101	35,330	(34,229)	3208.9%	-	-	
Payment on capital assets									
Buildings and other fixed structures	637,745	37	637,782	440,999	196,783	69.1%	414,350	463,650	
Machinery and equipment	71,108	(37)	71,071	44,146	26,925	62.1%	146,807	101,299	
Software and other intangible assets	1,500	-	1,500	-	1,500	0.0%	-	-	
Total	13,068,714	-	13,068,714	13,033,271	35,443	99.7%	11,935,781	11,928,368	

APPROPRIATION STATEMENT

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

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

Programme per subprogramme	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
1.1 Office of the MEC							
Current payment	7,457	-	7,457	7,380	77	7,675	12,274
Transfers and subsidies	20	-	20	31	(11)	-	-
Payment for capital assets	699	-	699	47	652	-	42
1.2 Education Management							
Current payment	672,133	(8,290)	663,843	663,887	(44)	641,136	686,150
Transfers and subsidies	1,298	-	1,298	14,654	(13,356)	-	-
Payment for capital assets	57,018	(126)	56,892	5,432	51,460	51,622	35,195
Total	738,625	(8,416)	730,209	691,431	38,778	700,433	733,661

Economic Classification	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
Current payment							
Compensation of employees	499,599	(114,011)	385,588	385,588	-	455,696	473,391
Goods and services	179,991	105,721	285,712	285,679	33	193,115	224,334
Transfers and subsidies							
Provinces and municipalities	1,318	-	1,318	1,493	(175)	-	697
Non-profit institutions	-	-	-	161	(161)	-	-
Households	-	-	-	13,031	(13,031)	-	-
Payment for capital assets							
Building and other fixture structures	31,000	-	31,000	321	30,679	30,349	30,326
Machinery and equipment	25,217	(126)	25,091	5,158	19,933	21,273	4,913
Software & other intangible assets	1,500	-	1,500	-	1,500	-	-
Total	738,625	(8,416)	730,209	691,431	38,778	700,433	733,661

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 2: Public ordinary schools**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Public primary schools								
Current payment	6,194,273	58,855	6,253,128	6,512,669	(259,541)	104.2%	5,942,648	5,977,757
Transfers and subsidies	260,748	-	260,748	303,078	(42,330)	116.2%	118,026	121,990
Payment for capital assets	392,305	-	392,305	342,074	50,231	87.2%	290,091	331,092
2.2 Public secondary schools								
Current payment	4,002,746	(60,350)	3,942,396	3,743,879	198,517	95.0%	3,605,569	3,591,809
Transfers and subsidies	59,312	-	59,312	138,868	(79,556)	234.1%	55,955	57,834
Payment for capital assets	239,214	-	239,214	122,268	116,946	51.1%	176,888	177,100
2.3 Public school nutrition programme								
Current payment	196,420	-	196,420	150,463	45,957	76.6%	-	-
Transfers and subsidies	-	-	-	9,869	(9,869)	0.0%	-	-
2.4 Financial management and quality enhancement								
Current payment	45,862	-	45,862	29,157	16,705	63.6%	-	-
Transfers and subsidies	-	-	-	41,969	(41,969)	-	-	-
Payment for capital assets	-	-	-	18	(18)	0.0%	-	-
2.5 Education conditional grant								
Current payment	-	-	-	-	-	0.0%	58,159	54,221
Payment for capital assets	-	-	-	-	-	0.0%	-	76
Total	11,390,880	(1,495)	11,389,385	11,394,312	(4,927)	100.0%	10,247,336	10,311,879

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 2: Public ordinary schools**

Economic Classification	2004/2005						2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payment								
Compensation of employees	9,714,023	58,855	9,772,878	9,835,886	(63,008)	100.6%	8,927,774	9,069,264
Goods and services	725,278	(60,350)	664,928	600,282	64,646	90.3%	678,602	554,523
Transfers and subsidies								
Provinces and municipalities	21,190	-	21,190	27,752	(6,562)	131.0%	-	31,017
Departmental agencies and accounts	-	-	-	11,964	(11,964)	0.0%	-	-
Non-profit Institutions	298,870	-	298,870	433,228	(134,358)	145.0%	173,981	148,807
Households	-	-	-	20,840	(20,840)	0.0%	-	-
Payment for capital assets								
Buildings and other fixed structures	606,745	-	606,745	440,498	166,247	72.6%	384,001	433,324
Machinery and equipment	24,774	-	24,774	23,862	912	96.3%	82,978	74,944
Total	11,390,880	(1,495)	11,389,385	11,394,312	(4,927)	100.0%	10,247,336	10,311,879

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 3: Independent school subsidies**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted	Virement	Final	Actual	Variance	Payments as	Final	Actual
	Appropriation R'000	R'000	Appropriation R'000	Payment R'000	R'000	% of final appropriation	Appropriation R'000	Payment R'000
3.1 Primary schools								
Current payment	-	91	91	91	-	100.0%	-	-
Transfers and subsidies	13,860	474	14,334	22,798	(8,464)	159.0%	12,788	18,060
3.2 Secondary schools								
Current payment	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	19,140	-	19,140	10,676	8,464	55.8%	17,658	13,264
Total	33,000	565	33,565	33,565	-	100.0%	30,446	31,324

Economic Classification	2004/2005						2003/2004	
	Adjusted	Virement	Final	Actual	Variance	Payments as	Final	Actual
	Appropriation R'000	R'000	Appropriation R'000	Payment R'000	R'000	% of final appropriation	Appropriation R'000	Payment R'000
Current payment								
Goods and services	-	91	91	91	-	100.0%	-	-
Transfers and subsidies								
Non-profit institutions	33,000	474	33,474	33,474	-	100.0%	30,446	31,324
Total	33,000	565	33,565	33,565	-	100.0%	30,446	31,324

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 4: Public special school education**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted	Virement	Final	Actual	Variance	Payments as	Final	Actual
	Appropriation R'000	R'000	Appropriation R'000	Payment R'000	R'000	% of final appropriation	Appropriation R'000	Payment R'000
4.1 Special schools								
Current payment	205,375	3,086	208,461	208,461	-	100.0%	196,198	196,374
Transfers and subsidies	40,080	867	40,947	44,592	(3,645)	108.9%	37,526	36,757
Payment for capital assets	-	10	10	10	-	100.0%	-	-
Total	245,455	3,963	249,418	253,063	(3,645)	101.5%	233,724	233,131

Economic Classification	2004/2005						2003/2004	
	Adjusted	Virement	Final	Actual	Variance	Payments as	Final	Actual
	Appropriation R'000	R'000	Appropriation R'000	Payment R'000	R'000	% of final appropriation	Appropriation R'000	Payment R'000
Current payment								
Compensation of employees	205,375	2,871	208,246	208,246	-	100.0%	195,604	195,604
Goods and services	-	215	215	215	-	100.0%	594	770
Transfers and subsidies								
Provinces and municipalities	560	-	560	590	(30)	105.4%	-	669
Non-profit Institutions	39,520	-	39,520	42,938	(3,418)	108.6%	37,526	36,088
Households	-	867	867	1,064	(197)	122.7%	-	-
Payment for capital assets								
Machinery and equipment	-	10	10	10	-	100.0%	-	-
TOTAL	245,455	3,963	249,418	253,063	(3,645)	101.5%	233,724	233,131

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 5: Further education and training**

Programme per subprogramme	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
5.1 FET institutions							
Current payment	185,441	(21,745)	163,696	163,175	521	146,263	142,239
Transfers and subsidies	57,147	2,259	59,406	59,406	-	49,451	56,971
Payment for capital assets	-	79	79	79	-	-	-
Total	242,588	(19,407)	223,181	222,660	521	195,714	199,210

Economic Classification	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
Current payment							
Compensation to employees	171,475	(12,548)	158,927	158,406	521	145,709	141,590
Goods and services	13,966	(9,197)	4,769	4,769	-	554	649
Transfers and subsidies							
Provinces and municipalities	447	3	450	450	-	-	484
Non-profit institutions	56,700	2,027	58,727	58,727	-	49,451	56,487
Households	-	229	229	229	-	-	-
Payment for capital assets							
Machinery & equipment	-	79	79	79	-	-	-
Total	242,588	(19,407)	223,181	222,660	521	195,714	199,210

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 6: Adult basic education and training**

Programme per subprogramme	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
6.1 Public centres							
Current payment	48,560	898	49,458	49,458	-	41,007	39,398
Transfers and subsidies	115	(15)	100	100	-	-	-
Payment for capital assets	1,012	-	1,012	176	836	2,527	242
Total	49,687	883	50,570	49,734	836	43,534	39,640

Programme per subprogramme	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
Current payment							
Compensation of employees	42,142	2,86	44,928	44,928	-	36,935	34,772
Goods and services	6,418	(1,888)	4,530	4,530	-	4,072	4,626
Transfers and subsidies							
Provinces and municipalities	115	(20)	95	95	-	-	-
Households	-	5	5	5	-	-	-
Payment for capital assets							
Machinery and equipment	1,012	-	1,012	176	836	2,527	242
Total	49,687	883	50,570	49,734	836	43,534	39,640

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 7: Early childhood development**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
7.1 Grade R in community centres								
Current payment	42,783	(11,289)	31,494	31,494	-	100.0%	28,151	22,588
Transfers & subsidies	1,632	(1,587)	45	45	-	100.0%	-	-
Expenditure for capital assets	200	37	237	237	-	100.0%	-	-
7.2 Grade R in public schools								
Current payment	33,484	14,263	47,747	47,747	-	100.0%	34,449	-
Transfers & subsidies	2,167	(1,993)	174	174	-	100.0%	350	-
Expenditure for capital assets	-	-	-	-	-	0.0%	110	-
Total	80,266	(569)	79,697	79,697	-	100.0%	63,060	22,588

Economic Classification	2004/2005						2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payment								
Compensation to employees	46,221	21,363	67,584	67,584	-	100.0%	35,805	22
Goods and services	30,046	(18,389)	11,657	11,657	-	100.0%	26,715	22,566
Transfers and subsidies								
Provinces & municipalities	124	-	124	121	3	97.6%	-	-
Non-profit institutions	3,675	(3,580)	95	76	19	80.0%	350	-
Households	-	-	-	22	(22)	0.0%	-	-
Payment for capital assets								
Building & other fixture structures	-	37	37	180	(143)	486.5%	-	-
Machinery & equipment	200	-	200	57	143	28.5%	190	-
Total	80,266	(569)	79,697	79,697	-	100.0%	63,060	22,588

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 8: Auxillary & associated services**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
8.1 Examination								
Current payment	146,178	15,598	161,776	161,776	-	100.0%	137,460	138,995
Transfers & subsidies	343	(5)	338	217	121	64.2%	-	-
Payment for capital assets	727	-	727	239	488	32.9%	686	1,010
8.2 Planning services								
Current payment	11,546	(5,736)	5,810	5,810	-	100.0%	8,987	3,693
Transfers & subsidies	28	-	28	22	6	78.6%	-	-
Payment for capital assets	594	-	594	58	536	9.8%	560	228
8.3 Advisory services								
Current payment	75,166	25,086	100,252	101,498	(1,246)	101.2%	102,170	65,762
Transfers & subsidies	192	-	192	308	(116)	160.4%	-	-
Payment for capital assets	7,016	-	7,016	752	6,264	10.7%	6,619	1,505
8.4 Human resource development								
Current payment	34,767	(10,467)	24,300	20,505	3,795	84.4%	20,829	15,616
Transfers & subsidies	88	-	88	99	(11)	112.5%	-	-
Payment for capital assets	2,468	-	2,468	197	2,271	8.0%	5,054	2,681
8.5 Provincial motor transport								
Payment for capital assets	9,100	-	9,100	13,558	(4,458)	149.0%	10,800	15,362
Total	288,213	24,476	312,689	305,039	7,650	97.6%	293,165	244,852

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 8: Auxiliary & associated services (continued)**

Economic Classification	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
Current payment							
Compensation of employees	143,097	40,684	183,781	183,781	-	175,815	102,813
Goods and services	124,560	(16,203)	108,357	105,809	2,548	93,631	121,253
Transfers & subsidies							
Provinces & municipalities	651	(5)	646	262	384	-	-
Non- profit institutions	-	-	-	244	(244)	-	-
Households	-	-	-	139	(139)	-	-
Payment for capital assets							
Machinery & equipment	19,905	-	19,905	14,804	5,101	23,719	20,786
Total	288,213	24,476	312,689	305,039	7,650	293,165	244,852

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 9: Libraries, archives & museum services**

Programme per subprogramme	2004/2005					2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Final Appropriation R'000	Actual Payment R'000
9.1 Library services							
Current payment	-	-	-	-	-	27,063	30,509
Payment for capital assets	-	-	-	-	-	12,854	(2)
9.2 Archives							
Current payment	-	-	-	-	-	10,688	7,758
Payment for capital assets	-	-	-	-	-	366	-
9.3 Museum services							
Current payment	-	-	-	-	-	3,327	2,857
Payment for capital assets	-	-	-	-	-	191	152
9.4 Subsidy							
Transfers & subsidies	-	-	-	-	-	26,036	24,751
Total	-	-	-	-	-	80,525	66,025

Economic Classification	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	%
Current payment						
Compensation of employees	-	-	-	-	-	0.0%
Goods and services	-	-	-	-	-	0.0%
Transfers & subsidies						
Provinces & municipalities	-	-	-	-	-	0.0%
Non- profit institutions	-	-	-	-	-	0.0%
Payment of capital assets						
Machinery & equipment	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 10: Sport & recreation advancement**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
10.1 In school								
Current payment	-	-	-	-	-	0.0%	4,473	5,308
Transfers & subsidies	-	-	-	-	-	0.0%	1,880	1,678
Payment for capital assets	-	-	-	-	-	0.0%	1,327	112
10.2 Out of school								
Current payment	-	-	-	-	-	0.0%	8,009	6,731
Transfers & subsidies	-	-	-	-	-	0.0%	2,093	1,868
Payment for capital assets	-	-	-	-	-	0.0%	427	36
Total	-	-	-	-	-	0.0%	18,209	15,733

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation to employees	-	-	-	-	-	0.0%	5,231	2,533
Goods and services	-	-	-	-	-	0.0%	7,251	9,506
Transfers & subsidies								
Non- profit institutions	-	-	-	-	-	0.0%	3,973	3,546
Payment of capital assets								
Machinery & equipment	-	-	-	-	-	0.0%	1,754	148
Total	-	-	-	-	-	0.0%	18,209	15,733

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 11: Arts & culture**

Programme per subprogramme	2004/2005						2003/2004	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
11.1 In school								
Current payment	-	-	-	-	-	0.0%	8,048	6,694
Transfers & subsidies	-	-	-	-	-	0.0%	320	300
Payment for capital assets	-	-	-	-	-	0.0%	272	-
11.2 Out of school								
Current payment	-	-	-	-	-	0.0%	9,312	10,989
Transfers & subsidies	-	-	-	-	-	0.0%	11,000	8,940
Payment for capital assets	-	-	-	-	-	0.0%	683	116
Total	-	-	-	-	-	0.0%	29,635	27,039

Economic Classification	2004/2005						2003/2004	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments 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 payment								
Compensation of employees	-	-	-	-	-	0.0%	1,816	1,816
Goods and services	-	-	-	-	-	0.0%	15,544	15,867
Transfers & subsidies								
Non- profit institutions	-	-	-	-	-	0.0%	11,320	9,240
Payment of capital assets								
Machinery & equipment	-	-	-	-	-	0.0%	955	116
Total	-	-	-	-	-	0.0%	29,635	27,039

**KWA-ZULU NATAL - DEPARTMENT OF EDUCATION
VOTE 5**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005
DETAILS PER PROGRAMME 12: Teacher training**

	2004/2005						2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Programme per subprogramme								
12.1 Teacher training Current payment	-	-	-	-	-	0.0%	-	473
Total	-	-	-	-	-	0.0%	-	473

	2004/2005						2003/2004	
	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation R'000	Final Appropriation R'000	Actual Payment R'000
Economic Classification								
Current payment								
Compensation of employees	-	-	-	-	-	0.0%	-	458
Goods and services	-	-	-	-	-	0.0%	-	15
Total	-	-	-	-	-	0.0%	-	473

2004/2005						
Programme per subprogramme	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payments as % of final appropriation %
13.1 Special function						
Current payment	-	-	-	3,770	(3,770)	0.0%
Total	-	-	-	3,770	(3,770)	0.0%

2004/2005						
Economic Classification	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000
Current payment						
Financial transactions in assets & liabilities	-	-	-	3,770	(3,770)	0.0%
Total	-	-	-	3,770	(3,770)	0.0%

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

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-F) to the annual financial statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. **Detail on financial transactions in assets and liabilities**
Detail of these transactions per programme can be viewed in note 7 (Details of special functions (theft and losses)) to the annual financial statements.
4. **Explanations of material variances from Amounts Voted (after virement):**
 - 4.1 Per programme:

Programme	Voted Funds after virement R'000	Actual payment R'000	Variance R'000	%
Administration	730,209	691,431	38,778	5%

The programme underspent on Compensation of Employees as a result of posts not being filled and pension and other contributions were classified as Transfers & Subsidies. In addition, cost allocations in PERSAL were reviewed during February and March 2005 resulting in costs being identified that more correctly belonged to Programmes 2 and 8, the necessary corrections were made. Allowances amounting to R18 million in respect of the move from Ulundi to Pietermaritzburg were also paid.

Goods & Services increased significantly due to the continuing cost of building districts and introducing the new Head Office in Pietermaritzburg. These are likely to be once-off costs as the four-region structure is finalised and should realise significant efficiencies in the future.

Following the Standard Chart of Accounts classification of all capital items with an individual value of less than R5,000 expenditure on Goods & Services increased while expenditure on Machinery & Equipment declined.

No significant expenditure was incurred on buildings.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION **VOTE 5**

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

	Voted Funds after virement R'000	Actual payment R'000	Variance R'000	%
Programme Public ordinary schools	11,389,385	11,394,312	(4,927)	0%

The key drivers in the programme are the cost of educators, infrastructure and Norms & Standards funding:

1. The over-expenditure on the compensation of employees has been largely caused by the need to have more substitute educators than currently provided for. The current provision for substitute educators is 320 posts, at an estimated cost of R35 million, whereas the real demand is for over 3,000 posts at a cost of over R330 million.
2. Expenditure on infrastructure is below that of the prior year and below the budgeted expenditure. This was caused by internal difficulties with the Department's principal implementing agent. Further service level agreements were concluded with Ithala Development Corporation, the Independent Development Trust (IDT) and Umgeni Water. A Fast Track programme was implemented to expedite construction of classrooms while mobile classrooms were purchased to ensure that there are no learners under trees and alleviate hardship following storm damage during December 2004
3. Norms & Standards funding is intended to cover Learner Support Materials, operational costs and equipment in the schools. Once again, there were long delays in finalising delivery of textbooks resulting in later delivery and payment of textbooks. A larger number of schools were given Section 21 status than expected which resulted in an increased level of Transfers and Subsidies but a lower cost for Goods and Services.

Independent school	33,565	33,565	-	0%
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This programme consists of two sub-programmes, namely Primary Phase and Secondary Phase, for the subsidy of current expenditure of independent, primary and secondary schools. The payment of subsidies to private schools is calculated in terms of a National funding formula and is based on the number of pupils enrolled. Overall, the programme performed according to expectation.

KWA-ZULU NATAL – DEPARTMENT OF EDUCATION

VOTE 5

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2005

Programme	Voted Funds after virement R'000	Actual payment R'000	Variance R'000	%
Public special school education	249,418	253,063	(3,645)	-1%
This programme comprises one sub-programme, which provides funding for state-aided special schools for the education and training of children with disabilities. The increase in expenditure over the years is mainly attributed to the improvement of Conditions of Service adjustments and a nominal increase in subsidies paid to special schools. Overall the programme performed according to expectation.				
Further education and training	223,181	222,660	521	0%
This programme comprise a single sub-programme, Public Institutions, aimed at providing further education and training to school leavers in the Province, while maintaining a curriculum that is sensitive to the changing needs of commerce and industry. This sector has grown significantly since 1999/2000, and is expected to accommodate a further increase in student enrolment over the Medium Term Expenditure Framework period. Overall, the programme performed according to expectation.				
Adult basic education & training	50,570	49,734	836	2%

The non-formal education sector has received a nominal increase in allocation over the last few years. The sub-programme is expected to benefit from additional staff appointed, and as a resultant increased allocation over the Medium Term Expenditure Framework Period.

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

Programme	Voted Funds after virement R'000	Actual payment R'000	Variance R'000	%
Early childhood development	79,697	79,697	-	0%
The Early Childhood Development programme had enjoyed significant growth since inception, due to the conditional grant received from National Department of Education, which was discontinued from 31 March 2004, and the programme was sustained out of departmental funds.				
Auxiliary and associated services	312,689	305,039	7,650	2%
Archive, Library and Museum Services, which where previously part of this programme were moved to the Department of Arts, Culture and Tourism and the Office of the Premier with effect from 1 April 2004.				
The principal causes of under-expenditure in this programme were under-expenditure on capital assets on advisory services and human resource development, which is attributable to the reclassification of minor purchases in terms of the Standard Chart of Accounts introduced from 1 April 2004.				
Provincial Motor Transport overspent on capital assets due to new vehicle purchases arriving earlier than expected and a carry over from the prior year				
Libraries, archives & museum services	-	-	-	0%
This programme has been transferred to the Department of Arts, Culture and Tourism				
Sport and recreation	-	-	-	0%
This programme has been transferred to the Department of Sport and Recreation				

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

Programme	Voted Funds after virement R'000	Actual payment R'000	Variance R'000	%
Arts and culture	-	-	-	0%
This programme has been transferred to the Department of Arts, Culture and Tourism				
Teacher training	-	-	-	0%
This programme was discontinued from the 1 April 2003.				
Special function	-	3,770	(3,770)	0%
This expenditure relates to thefts and losses				

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

	Notes	2004/05 R'000	2003/04 R'000
REVENUE			
Annual Appropriation	1	13,068,129	11,935,174
Statutory appropriation	2	585	607
Departmental revenue	3	35,062	15,419
Local and foreign aid assistance	4	-	11,650
TOTAL REVENUE		13,103,776	11,962,850
EXPENDITURE			
Current expenditure			
Compensation of employees	5	10,884,419	10,037,829
Goods and services	6	1,013,032	979,667
Financial transactions in asset and liabilities	7	3,770	2,813
Local and foreign aid assistance	4	-	10,627
Total current expenditure		11,901,221	11,030,936
Transfers and subsidies	10	646,905	343,110
Expenditure for capital assets			
Buildings and other fixed structures	11	440,999	463,650
Machinery and Equipment	11	44,146	101,299
Total expenditure for capital assets		485,145	564,949
TOTAL EXPENDITURE		13,033,271	11,938,995
NET SURPLUS		70,505	23,855
Add back unauthorised expenditure	8	12,341	102,697
Add back fruitless and wasteful expenditure	9	2,548	764
NET SURPLUS FOR THE YEAR		85,394	127,316
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund	16	50,332	110,874
Departmental revenue to be surrendered to revenue fund	17	35,062	15,419
Local and foreign aid assistance	4	-	1,023
NET SURPLUS FOR THE YEAR		85,394	127,316

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

**STATEMENT OF FINANCIAL POSITION
As at 31 March 2005**

	Notes	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		624,252	626,664
Unauthorised expenditure	8	432,682	420,341
Fruitless and wasteful expenditure	9	5,083	2,535
Cash and cash equivalents	12	4,107	37
Prepayments and advances	13	6,217	52,275
Receivables	14	176,163	151,476
Non-current assets		990	866
Investments	15	990	866
TOTAL ASSETS		<u>625,242</u>	<u>627,530</u>
LIABILITIES			
Current liabilities		611,028	626,661
Voted funds to be surrendered to the Revenue Fund	16	24,102	-
Departmental revenue to be surrendered to the Revenue Fund	17	35,062	-
Bank overdraft	18	491,269	-
Payables	19	53,884	619,950
Local and Foreign aid assistance repayable	4	6,711	6,711
Non-current liabilities			
Payable	20	993	869
TOTAL LIABILITIES		<u>612,021</u>	<u>627,530</u>
NET ASSETS		<u>13,221</u>	<u>-</u>
Represented by:			
Recoverable revenue		13,221	-
TOTAL		<u>13,221</u>	<u>-</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

	2004/05 R'000	2003/04 R'000
Recoverable revenue		
Debts raised	13,221	-
Closing balance	<u>13,221</u>	<u>-</u>
	<u>13,221</u>	<u>-</u>
12. TOTAL	<u>13,221</u>	<u>-</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		13,139,487
Annual appropriated funds received		13,068,129
Statutory appropriated funds received		585
Departmental revenue received		35,062
Net decrease in working capital		35,711
Surrendered to Revenue Fund		(26,230)
Current payments		(12,481,627)
Transfers and subsidies paid		(646,905)
Net cash utilised by operating activities	21	(15,275)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for capital assets		(485,145)
Net cash flow available from investing activities		(485,145)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in loans received		13,221
Net cash flows from financing activities		13,221
Net decrease in cash and cash equivalents		(487,199)
Cash and cash equivalents at beginning of period		37
Cash and cash equivalents at end of period		(487,162)

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

1 Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation 2004/05 R'000	Actual Funds Received 2004/05 R'000	Variance over/ (under) 2004/05 R'000	Total Appropriation 2003/04 R'000
Administration	729,624	728,743	881	700,433
Public ordinary schools	11,389,385	11,366,525	22,860	10,247,336
Independent school subsidies	33,565	33,498	67	30,446
Public special school education	249,418	248,917	501	233,724
Further education and training	223,181	222,733	448	195,714
Adult basic education and training	50,570	50,468	102	43,534
Early childhood development	79,697	79,537	160	63,060
Auxiliary and associated services	312,689	312,060	629	293,165
Libraries, archives & museum services	-	-	-	80,525
Sports and recreation advancement	-	-	-	18,209
Arts & culture	-	-	-	29,635
Total	13,068,129	13,042,481	25,648	11,935,781

The material variance arose in programme 2 due to the increase in the number of substitute educators that the Department had to employ in comparison to the budget at an additional cost of R26,230,000. Goods & Services were under-expended, by an amount of R26,697,000 due to late delivery by suppliers and delays in processing. A larger number of schools were given S21 status than anticipated by the Department, resulting in over-expenditure of R134,358,000. The Department underspent its capital budget by an amount of R166,247,000 due to internal difficulties experienced by the implementing agent of the Department. The Department has applied for a rollover of R54,760,000 in respect to conditional grants.

	2004/05 R'000	2003/04 R'000
1.2 Conditional Grants		
Total grants received	Annexure 1A 493,202	312,110

(** It should be noted that the conditional grants are included in the amounts per Total Appropriation in Note 1.1)

2 Statutory appropriation

Member of executive committee	585	607
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**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

				2004/05 R'000	2003/04 R'000
3	Departmental revenue				
	Description				
	Sales of goods & services other than capital assets				5,254
	Interest, dividends and rent on land				2,328
	Financial transactions in assets & liabilities	3.1		16,719	7,837
	Total revenue collected				15,419
	Departmental revenue collected				15,419
3.1	Financial transactions in assets and liabilities				
	Nature of loss recovered				
	Material losses recovered				2,179
	Other				5,658
					7,837
4.	Local and foreign aid assistance				2004/05 R'000
4.1	Assistance received in cash	Opening Balance	Revenue	Expenditure	Closing Balance
	Name of donor and purpose				
	Local				
	National department of education	6,431	-	-	6,431
	National department of education – Freedom day	100	-	-	100
	National department of education – Sport & recreation	180	-	-	180
		6,711	-	-	6,711
	Analysis of Balance				
	Local and foreign aid payable to RDP fund donors				6,711
	Closing balance				6,711
					2004/05 R'000
4.2	Assistance received in kind				2003/04 R'000
	Name of donor & purpose				
	Local				
	Zimbala / Afrisun				700
					700
	Foreign				
	US Aid				1
					1
	Total local & foreign aid assistance received in kind				701

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

		2004/05 R'000	2003/04 R'000
5. Compensation of employees			
5.1 Salaries and Wages			
Basic salary		8,020,664	7,368,858
Performance award		35,333	26,444
Service based		16,330	44,823
Compensative/circumstantial		92,761	149,352
Periodic payments		74,512	-
Other non-pensionable allowances		802,216	757,119
		9,041,816	8,346,596
5.2 Social contributions			
5.2.1 Short term employee benefits			
Pension		1,223,320	1,107,497
Medical		617,017	581,624
UIF		74	18
Bargain council		758	444
Official unions and associations		1,433	1,650
Insurance		1	-
		1,842,603	1,691,233
 13. Total compensation of employees		 10,884,419	 10,037,829
Average number of employees		83,974	84,747
 6. Goods and Services			
Advertising		6,317	4,933
Bank charges and card fees		46	93
Bursaries (employees)		8,482	6,187
Cash discount (temporary)		6	-
Communication		30,654	27,708
Computer Services		13,457	15,648
Consultants, contractors and special services		37,567	16,133
Courier and delivery services		67	234
Drivers licences and permits		-	229
Entertainment		2,154	11,234
External audit fee	6.1	10,441	6,051
Equipment less than R5000		118,357	117,490
Freight services		105	-
Honoraria (voluntary workers)		32	19,674
Inventory	6.2	488,008	376,541
Legal fees		1,349	287
Maintenance, repair and running costs		55,974	79,493
Medical services		114	-
Operating leases		35,742	29,443
Personnel agency fees		320	-
Photographic services		641	1,041
Printing & publications		22,237	-
Professional bodies & membership fees		28	1,525
Resettlement costs		28,540	2,937
Balance c/f		860,638	716,881

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

		2004/05 R'000	2003/04 R'000
Balance b/f		860,638	716,881
Subscriptions		289	-
Owned and leasehold property expenditure		35,084	68,203
Translations and transcriptions		16	-
Transport provided as part of the departmental activities		3,992	-
Travel and subsistence	6.3	79,512	108,122
Venue and facilities		17,291	-
Protective, special clothing & uniforms		299	-
Training & staff development		15,911	55,165
Previous years unallocated items		-	31,296
Total Goods and Services		1,013,032	979,667
6.1 External audit fees			
Regulatory audits		10,441	6,051
Total external audit fees		10,441	6,051
6.2 Inventory			
Domestic consumables		11,928	24,333
Learning and teaching support material		229,725	270,044
Food and food supplies		153,236	29,087
Fuel, oil and gas		51	4
Laboratory consumables		395	-
Parts and other maintenance material		22,912	-
Stationery and printing		69,423	52,194
Medical supplies		338	879
Total inventory		488,008	376,541
6.3 Travel and subsistence			
Local		78,304	107,440
Foreign		1,208	682
Total travel and subsistence		79,512	108,122
7 Financial transactions in assets and liabilities			
Material losses through criminal conduct	7.1	3,753	-
Other material losses written off	7.2	17	2,308
Debt written off	7.4	-	505
		3,770	2,813
7.1 Material losses through criminal conduct			
Nature of losses			
Unauthorised excess to BAS resulting in fraudulent payment		3,720	-
Theft of equipment		33	-
Total		3,753	-
7.2 Other material losses written off in Statement of Financial Performance			
Nature of losses			
Vehicle collision and damage		-	1,673
Vehicle theft		-	635
Other		17	-
		17	2,308

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

		2004/05 R'000	2003/04 R'000
7.4 Bad debts written off			
Nature of debts written off			
Staff debts		-	505
Total		<u>-</u>	<u>505</u>
8. Unauthorised expenditure			
8.1 Reconciliation of unauthorised expenditure			
Opening balance		420,341	317,644
Unauthorised expenditure – current year		12,341	102,697
Unauthorised expenditure awaiting authorisation		<u>432,682</u>	<u>420,341</u>
8.2 Unauthorised expenditure			Total
Incident	Disciplinary steps taken/ criminal proceedings		
Programme 2			4,927
Programme 4			3,645
Special functions			3,769
			<u>12,341</u>
9. Fruitless and wasteful expenditure			
9.1 Reconciliation of fruitless & wasteful expenditure			
Opening balance		2,535	1,771
Fruitless & wasteful expenditure – current year		2,548	764
Fruitless & wasteful expenditure awaiting condonement		<u>5,083</u>	<u>2,535</u>
Incident	Disciplinary steps taken/ criminal proceedings		
Fraudulent processing of a fictitious transaction	Matter is being investigated by the South African Police Service		<u>2,548</u>
10. Transfers and subsidies			
	Note		
Provinces and municipalities	Annexure 1B & 1C	30,763	42,867
Departmental agencies and accounts	Annexure 1D	11,964	-
Non-profit institutions	Annexure 1E	568,848	300,243
Households	Annexure 1F	35,330	-
Total Transfers and Subsidies		<u>646,905</u>	<u>343,110</u>
11. Expenditure for capital assets			
Buildings and other fixed structures	Annexure 3	440,999	463,650
Machinery and equipment	Annexure 3	44,146	101,299
Total Expenditure for capital assets		<u>485,145</u>	<u>564,949</u>
12. Cash and cash equivalents			
Consolidated Paymaster General Account		4,025	
Cash receipts		45	
Cash on hand		37	37
		<u>4,107</u>	<u>37</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

13. Prepayments and advances

Description

Travel and subsistence	6,217	7,709
Advances paid to other entities	-	44,566
	<u>6,217</u>	<u>52,275</u>

14. Receivables

					2004/05 R'000	2003/04 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by other entities	Annexure 4	34,772	6,875	-	41,647	3,737
Staff debtors	14.1	35,062	41,227	24,102	100,391	112,066
Clearing accounts	14.2	27,280	-	-	27,280	30,666
Other debtors	14.3	-	6,845	-	6,845	5,007
		<u>97,114</u>	<u>54,947</u>	<u>24,102</u>	<u>176,163</u>	<u>151,476</u>

Amounts of R 38,025,745 (2004: R42,000,000) included above may not be recoverable, but has not been written off in the Statement of financial performance. The amount is an estimate made by management in respect to out of service debts.

		2004/05 R'000	2003/04 R'000
14.1 Staff debtors			
Subsidised transport insurance		4	-
Debtor debt		100,386	73,364
Damage vehicle		1	-
Debt: Breach of contract 100% housing		-	39
Debt control persal other		-	14,246
Debt control state guarantee		-	329
Debt control tax other		-	3,833
Debt control vehicle accident		-	1
Debt employee miscellaneous		-	187
Debt interim account		-	13,168
Debts personal		-	168
Housing guarantee payment		-	1,631
Pension receipts		-	5,063
Salary deduction pension debt		-	37
		<u>100,391</u>	<u>112,066</u>

14.2 Clearing accounts

Disallowance miscellaneous	21,229	-
Salary tax debt	5,399	-
Salary: Financial institution study loans	7	-
Salary: Insurance deductions	142	-
Salary: Compliant loan deductions	7	-
Salary: Official unions	28	-
Salary: Garnishee order	7	-
Salary: Medical aid	238	-
Salary: UIF	2	-
Salary: Pension debt	221	-
Salary reversal account	-	24,628
Deduction disallowance account	-	1,314
Persal disallowance control: current	-	2,660
Persal disallowance control: prior	-	180
Balance c/f	27,280	28,782

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

	2004/05	2003/04
	R'000	R'000
Balance b/f	27,280	28,782
Inter responsibility clearing account	-	487
Journal suspense	-	455
Receipt suspense	-	47
Sundry disallowance: credit revenue	-	233
Supplier disallowance control	-	662
	<u>27,280</u>	<u>30,666</u>
14.3 Other debtors		
Nature of advances		
Conversion account	3,887	-
Revenue accrual account	25	-
Contract deposits	-	67
Dishonoured cheques	880	3,304
Remark exam scripts	-	10
Subsidised transport insurance	-	2
Theft and loss awaiting approval	2,053	1,624
	<u>6,845</u>	<u>5,007</u>
15. Investments		
Investee	Nature of investment	
(Reflected at cost)		
JMNA Hershensohn school fund general	Trust funds	130
JMNA Hershensohn medical college	Trust funds	35
JMNA Hersh	Trust funds	2
Robert Acutt scholarship fund	Trust funds	59
Robert Acutt scholarship fund	Trust funds	99
FL Johnsson scholarship fund	Trust funds	14
FL Johnsson scholarship fund	Trust funds	23
FL Johnsson scholarship fund	Trust funds	43
Harry Escombe scholarship fund	Trust funds	10
Harry Escombe scholarship fund	Trust funds	17
Harry Escombe scholarship fund	Trust funds	73
HA Koch Scholarship fund	Trust funds	296
HA Koch Scholarship fund	Trust funds	185
Jean Miller memorial prize fund	Trust funds	3
Jean Miller memorial prize fund	Trust funds	1
	<u>990</u>	<u>866</u>
These amounts have been bequested to the Department by individuals		
16. Voted Funds to be surrendered to the Revenue Fund		
Opening Balance	-	-
Transfer from Statement of financial Performance	50,332	110,874
Surrendered at year end	(26,230)	(110,874)
Closing Balance	<u>24,102</u>	<u>-</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

17. Departmental revenue to be surrendered to revenue fund

Transfer from Statement of financial Performance	35,062	15,419
Paid during the year	-	(15,419)
Closing Balance	35,062	-

18. Bank overdraft

Paymaster General Account	491,269	-
	491,269	-

No comparatives are presented for the financial year ended 31 March 2004 as this is the first year that the Department of Education has maintained it's own bank account.

19. Payables – current description

Description		30 days	30+ Days	2004/05 Total	2003/04 Total
Advances received	19.1	-	1,519	1,519	-
Clearing accounts	19.2	-	6,230	6,230	2,531
Other payments	19.3	-	46,135	46,135	617,419
		-	53,884	53,884	619,950

19.1 Advances received

	2004/05 R'000	2003/04 R'000
Advances from National departments	531	-
Mpumalanga Provincial administration	91	-
Guateng Provincial administration	234	-
Advances from public corporation and private enterprises	663	-
	1,519	-

19.2 Clearing accounts

Description		
Salary: ACB Recalls	2,249	-
Salary: Disallowance account	695	-
Salary: Regional service council	49	-
Salary: Income Tax	1,667	-
Salary: Finance other institution	53	-
Salary: Persal interface control	21	-
Salary: Pension fund	1,435	-
Salary: Bargaining council	61	-
Journal suspense	-	374
Receipts suspense	-	228
Persal disallowance control: previous	-	364
Persal disallowance control: current	-	172
Inter responsibility clearing	-	1,393
	6,230	2,531

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

		2004/05 R'000	2003/04 R'000
19.3 Other payables			
Description			
Debt suspense		322	-
Third party transactions erroneous		6	-
Pension recoverable account		29,045	35,091
Rental deposits		10	-
Contract deposits		-	129
Remark examination scripts		-	539
Private telephone control account		24	18
Debt control telephone		-	5
Housing instalment suspense		-	2
Tax comm.		-	35
Debt control bursary		-	10
Salary reversal control account		1,602	9,389
Deduction disallowance		786	1,829
Disallowance miscellaneous		9,226	-
Salary: Tax debt		4,291	-
Salary: Pension debt		185	-
Thefts and losses awaiting approval		431	-
Debt control persal other		-	696
Debts personnel		-	71
Debt breach of contract 100% Housing		-	14
Debt control state guarantee		-	452
Debt control tax debt		-	780
House guarantee payment		-	338
Debt employee miscellaneous		-	454
Debtor debt		207	437
Debt interim account		-	5,418
Provincial Treasury		-	560,898
S & T control account		-	814
		46,135	617,419

20. Payables – Non current description

		One to two years	Two to three years	More than three years	Total	Total
Other payables	20.1	-	-	993	993	869
		-	-	993	993	869

20.1 Other payables

Description			
JMNA Hersensohnn school fund general		130	122
JMNA Hersensohnn Medical College		40	40
Robert Acutt scholarship fund		158	158
FL Johnsson scholarship fund		38	38
FL Johnsson scholarship fund		43	-
Harry Escombe scholarship fund		27	27
Harry Escombe scholarship fund		73	-
HA Koch scholarship fund		479	479
Umkomaas War Memorial prize fund		1	1
Jean Miller memorial fund		4	4
		993	869

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

	2004/05 R'000	2003/04 R'000
21. Reconciliation of net cash flow utilised by operating activities to surplus		
Net surplus as per Statement of Financial Performance	85,394	
Increase in receivables – current	(24,687)	
Increase in prepayments and advances	46,058	
Decrease in other current assets	(14,889)	
Decrease in other non-current assets	(124)	
Decrease in payables- current	(566,066)	
Increase in non-current liabilities	124	
Surrenders	(26,230)	
Capital expenditure	485,145	
Net cash flow utilised by operating activities	<u>(15,275)</u>	
22. Appropriated funds and departmental revenue surrendered		
Appropriated funds surrendered	(50,332)	(110, 873)
Departmental revenue surrendered	(35,062)	(15,419)
	<u>(85,394)</u>	<u>(126,292)</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements.

		Note	2004/05 R'000	2003/04 R'000
23. Contingent Liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	Annexure 2	155,497	160,319
Other departments (unconfirmed balances)		Annexure 5	68,375	1,615
Capped Leave commitments			1,796,044	2,086 054
Other			148,303	11,912
			<u>2,168,219</u>	<u>2,259,900</u>

24. Commitments

Current Expenditure

Approved and contracted	151,017	10,827
Approved but not yet contracted	480,450	-
	<u>631,467</u>	<u>10,827</u>

Capital Expenditure

Approved and contracted	466,422	608,585
Approved but not yet contracted	1,254,112	912,318
	<u>1,720,534</u>	<u>1 520,903</u>

Total Commitments

<u>2,352,001</u>	<u>1 531,730</u>
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The capital expenditure commitments are for a period greater than one year and are for the provision of schools, classrooms and toilets.

25. Accruals

By economic classification	30 Days	30+ Days	Total	Total
Goods and services	55,111	58,705	113,816	18,055
Transfers and subsidies	1,402	26,689	28,091	77
Building & other fixture structures	-	1,733	1,733	550
Machinery and Equipment	2,329	249	2,578	1,536
Software & other tangible assets	11	-	11	-
	<u>58,853</u>	<u>87,376</u>	<u>146,229</u>	<u>20,218</u>

	2004/05 R'000	2003/04 R'000
Listed by programme level		
Administration	88,299	3,655
Public ordinary schools	38,455	16,376
Further education and training	16,000	
Adult basic education and training	762	-
Auxillary and associated services	2,713	187
	<u>146,229</u>	<u>20,218</u>

Confirmed balances with other departments	Annexure 5	5,028	54
		<u>5,028</u>	<u>54</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

26. Employee benefits

Leave entitlement	74,716	54,305
Thirteenth cheque	349,471	327,759
	<u>424,187</u>	<u>382,064</u>

The leave not taken by the 30th June, will be forfeited

27. Leases

27.1 Operating leases

	Buildings and other fixed structures	Machinery and equipment	Total	Total
Not later than 1 year	9,920	17,851	27,771	5,207
Later than 1 year and not later than 3 years	23,974	13,127	37,101	4,792
Later than 3 years	17,093	-	17,093	1,737
Total present value of lease liabilities	<u>50,987</u>	<u>30,978</u>	<u>81,965</u>	<u>11,736</u>

27.2 Finance Leases

Not later than 1 year	-	666	666	-
Later than 1 year and not later than 3 years	-	977	977	-
Later than 3 years	-	489	489	-
Present value of lease liabilities	<u>-</u>	<u>2,132</u>	<u>2,132</u>	<u>-</u>
Total present value of lease liabilities	<u>50,987</u>	<u>33,110</u>	<u>84,097</u>	<u>-</u>

The department has not calculated the future finance charges as these finance leases are for office equipment

	2004/05 R'000	2003/04 R'000
28. Irregular expenditure		
28.1 Reconciliation of irregular expenditure		
Opening Balance	47,656	38,694
Irregular expenditure – current year	295,534	8,962
Irregular expenditure awaiting condonement	<u>343,190</u>	<u>47,656</u>
Analysis		
Current	295,534	8,962
Prior years	<u>47,656</u>	<u>38,694</u>
	<u>343,190</u>	<u>47,656</u>

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

28.2 Irregular expenditure

Incident	Disciplinary steps taken / criminal proceedings	
Expenditure on capital projects	-	5,473
Amount paid to Divine life society	-	886
Amount spent not in accordance with procurement procedures	-	2,603
Purchase of PABX : Head Office	600	-
Stationery: Ukhahlamba	11,391	-
Stationery: Zululand	21,142	-
Cleaning: Head office	433	-
Security: Head office	203	-
Infrastructure: Ethekeini	2,000	-
Consultants fees	6,543	-
Over expenditure on compensation Of employees	62,487	-
Over expenditure on transfers and subsidies	190,735	-
	295,534	8,962

29. Related party transactions

The Department operates the KwaZulu-Natal Education Development trust - Education and the KwaZulu-Natal Education Development Trust - General. These trusts are operated in conjunction with major donors in the private sector. The Department exercises significant influence over the activities of the trust as the majority of trustees are officials of the Department of Education. No amounts were transferred to the Trusts during the financial year.

30. Senior management personnel

	2004/05 R'000	2003/04 R'000
- The MEC, Head of Department	1,568	1,611
- Deputy Director Generals	1,803	1,880
- Chief Directors	6,523	6,530
- Directors	27,701	28,547
	37,595	38,568

31. Public Private Partnership

The Department has not entered into any Public Private Partnership

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 1 A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Amount received by department	Amount Spent by department	% of Available funds spent	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 Department of Education – HIV / AIDS	29,188	-	-	29,188	29,188	16,133	55.3%	30,027	30,128
National Department of Education – Primary school	181,420	-	-	181,420	181,420	148,459	81.8%	-	-
National Department of Education – Financial management and quality enhancement	-	-	-	-	-	-	0.0%	58,159	54,297
National Department of Education – Early childhood development	-	-	-	-	-	-	0.0%	23,352	22,588
Provincial Treasury –Provincial Infrastructure	282,594	-	-	282,594	282,594	282,594	100.0%	200,572	202,404
	493,202	-	-	493,202	493,202	447,186		312,110	309,417

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 1B
STATEMENT OF TRANSFERS TO PUBLIC ENTITIES

NAME OF ENTITY	GRANT ALLOCATION			TRANSFER		SPENT			2003/04
	Division of Revenue Act	Roll Overs	Total Available	Actual Transfer	% of Available Transferred	Amount Received by municipality	Amount Spent by municipality	% of Available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Amafa Akwazulu Natali	-	-	-	-	0.0%	-	-	0.0%	10,000
	-	-	-	-		-	-		10,000

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 1C

STATEMENT OF TRANSFER PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2003/04
	Division of Revenue Act	Roll Overs	Total Available	Actual Transfer	% of Available Transferred	Amount Received by municipality	Amount Spent by municipality	% of Available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Ukhahlamba	-	-	-	2	-	-	-	0.0%	-
Ethekwini	-	-	-	7,098	-	-	-	0.0%	-
Umgungdlovu	-	-	-	3,280	-	-	-	0.0%	-
Ugu	-	-	-	2,336	-	-	-	0.0%	-
Uthungulu	-	-	-	3,335	-	-	-	0.0%	-
Umkhanyathi	-	-	-	2,296	-	-	-	0.0%	-
Indlovu	-	-	-	1,251	-	-	-	0.0%	-
Uthukela	-	-	-	1,972	-	-	-	0.0%	-
Zululand	-	-	-	3,473	-	-	-	0.0%	-
Ilembe	-	-	-	2,349	-	-	-	0.0%	-
Amajuba	-	-	-	1,296	-	-	-	0.0%	-
Ukhanyakude	-	-	-	2,074	-	-	-	0.0%	-
Metsweding	-	-	-	1	-	-	-	0.0%	-
Total for all Municipalities	24,383	-	24,383	-	-	-	-	0.0%	32,867
	24,383	-	24,383	30,763		-	-		32,867

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 1D

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation Act R'000
FASSET	-	-	-	-	11,964	0.0%	-
Total	-	-	-	-	11,964		

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 1E

STATEMENT OF TRANSFERS / SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATIONS	TRANSFER ALLOCATION			EXPENDITURE		2003/04
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred
	R'000	R'000	R'000	R'000	R'000	%
Transfers						
Public ordinary schools	298,870	-	-	298,870	433,228	145.0%
Independent schools	33,000	-	474	33,474	33,474	100.0%
Special schools	39,520	-	-	39,520	42,938	108.6%
FET Institutions	56,700	-	2,027	58,727	58,727	100.0%
Early childhood development	3,675	-	(3,580)	95	76	80.0%
Sports and recreation	-	-	-	-	-	0.0%
Arts & Culture	-	-	-	-	-	0.0%
Local authority libraries	-	-	-	-	-	0.0%
Administration	-	-	-	-	161	-
Auxiliary & associated services	-	-	-	-	244	-
TOTAL	431,765	-	(1,079)	430,686	568,848	300,243

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 1F

STATEMENT OF TRANSFERS / SUBSIDIES TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2003/04 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	
NON PROFIT ORGANISATIONS							
Transfers							
Employees	1,101	-	-	1,101	35,017	3180.5%	-
Claims against the state	-	-	-	-	313	-	-
TOTAL	1,101	-	-	1,101	35,330		-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

ANNEXURE 2

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

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

Guarantor Institution	Guarantee in respect of	Original	Opening	Guarantees	Guarantees	Guaranteed	Closing	Realised
		Guaranteed	Balance 1	issued	Released	interest	balance	losses i.r.o.
		capital amount	April 2004	during the	during the	as at 31	31 March	claims paid
		R'000	R'000	year	year	March 2005	2005	out
				R'000	R'000	R'000	R'000	R'000
Housing								
Standard Bank		-	22,599	268	3,842	-	19,025	-
FNB		-	42,073	2,893	5,260	-	39,706	-
Nedbank		-	11,976	1,636	8,424	-	5,188	-
ABSA		-	41,224	2,172	6,685	-	36,711	-
Peoples Bank FBC		-	948	5,283	125	-	6,106	-
Old Mutual		-	35,643	2,204	888	-	36,959	-
Hlano		-	14	-	-	-	14	-
Ithala		-	5,355	5,965	-	-	11,320	-
Free State		-	33	-	-	-	33	-
Green Stuart		-	59	-	-	-	59	-
The African Bank		-	395	-	19	-	376	-
Total		-	160,319	20,421	25,243	-	155,497	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 3

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	440,999	-	-	-
Non-residential buildings	440,999	-	-	-
Other structures (infrastructure assets)	-	-	-	-
MACHINERY AND EQUIPMENT	44,146	-	-	-
Furniture and office equipment	25,776	-	-	-
Other machinery and equipment	4,744	-	-	-
Transport assets	13,626	-	-	-
	485,145	-	-	-

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

BUILDINGS AND OTHER FIXED STRUCTURES	463,650	-	-	-
Dwellings	10	-	-	-
Non-residential buildings	448,143	-	-	-
Other structures (infrastructure assets)	15,497	-	-	-
MACHINERY AND EQUIPMENT	101,299	-	-	-
Computer equipment	12,032	-	-	-
Furniture and office equipment	69,269	-	-	-
Other machinery and equipment	4,636	-	-	-
Transport assets	15,362	-	-	-
	564,949	-	-	-

The Department have transferred assets to the newly created Departments of Sport and Recreation, Arts, Culture and Tourism. The value of the assets transferred has not been established.

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 4

INTER – DEPARTMENTAL RECEIVABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Department				
KwaZulu Natal Department of Art, Culture and Tourism	-	-	29,143	-
KwaZulu Natal Department of Social Welfare	-	-	2,494	-
KwaZulu Natal Office of the Premier	-	-	949	-
KwaZulu Natal Department of Sports and Recreation	-	-	5,679	-
Other	-	-	3,382	-
Department of correctional services	-	-	-	15
Free State provincial administration	-	-	-	12
Gauteng provincial administration	-	-	-	296
KwaZulu Natal provincial administration	-	-	-	218
Local government and housing	-	-	-	22
National department of education	-	-	-	3,096
North West provincial administration	-	-	-	78
TOTAL	-	-	41,647	3,737

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

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

ANNEXURE 5

INTER – DEPARTMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance		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				
Department of Transport	2,147	-	-	-
Department of Health	970	-	-	-
Department of Housing	10	-	31	-
Department of Works			63,338	
National department of Education	-	-	4,508	-
Department of Justice	1,901	-	-	1,615
SAMD	-	54	173	-
Mpumalanga Provincial Administration	-	-	91	-
Gauteng Provincial Administration	-	-	234	-
Total	5,028	54	68,375	1,615

Section 4: Oversight Report

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

HR TABLES

1. Personnel Expenditure

TABLE 1.1 - Personnel costs by Programme							
Programme	Total Voted Expenditure (R'000)	Compensation of Employees (R'000)	Expenditure (R'000)	Professional and Special Services (R'000)	of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	
Programme 1	691,431	385,588	-	-	55.77%	33.99	11,345
Programme 2	11,394,312	9,835,886	-	-	86.32%	138.33	71,105
Programme 3	33,565	-	-	-	0.00%	-	-
Programme 4	253,063	208,246	-	-	82.29%	212.93	978
Programme 5	222,660	158,406	-	-	71.14%	181.45	873
Programme 6	49,734	44,928	-	-	90.34%	44.93	1,000
Programme 7	79,697	67,584	-	-	84.80%	50.89	1,328
Programme 8	305,039	183,781	-	-	60.25%	252.45	725
Special functions	3,770	-	-	-	0.00%	0	
Total	13,033,271	10,884,419	-	-	83.51%	124.60	87,354

TABLE 1.2 - Personnel costs by Salary band					
Salary Bands	Compensation of Employees (R'000)	Percentage of Total Personnel Cost	Average Compensation Cost per Employee (R'000)	Total Personnel Cost	Number of Employees
Lower skilled (Levels 1-2)	209,708	1.93%	53.63	10,884,419	3,910
Skilled (Levels 3-5)	1,250,414	11.49%	122.54	10,884,419	10,204
Highly skilled production (Levels 6-8)	7,775,959	71.44%	122.42	10,884,419	63,519
Highly skilled supervision (Levels 9-12)	1,610,743	14.80%	166.88	10,884,419	9,652
Senior management (Levels 13-16)	37,595	0.35%	544.86	10,884,419	69
TOTAL	10 884 419		124.60		87,354

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	(R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost		HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical ss. as % of Personnel Cost	Personnel Cost (R'000)
Programme 1	331,188	85.89%	13,445	3.49%	6,057	1.57%	27,773	7.20%	385,588
Programme 2	7,323,376	74.46%	768	0.01%	93,794	0.95%	565,460	5.75%	9,835,886
Programme 4	154,462	74.17%	139	0.07%	2,685	1.29%	12,170	5.84%	208,246
Programme 5	117,926	74.45%	140	0.09%	1,771	1.12%	7,561	4.77%	158,406
Programme 6	34,792	77.44%	3	0.01%	43	0.10%	185	0.41%	44,928
Programme 7	22,884	33.86%	2	0.00%	322	0.48%	1,364	2.02%	67,584
Programme 8	36,036	19.61%	5,679	3.09%	653	0.36%	2,502	1.36%	183,781
TOTAL	8,020,664	73.69%	20,176	0.19%	105,325	0.97%	617,015	5.7	10,884,419

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	(R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Lower skilled (Levels 1-2)	146,260	69.74%	1,407	0.67%	1,809	0.86%	10,003	4.77%	209,708
Skilled (Levels 3-5)	890,415	71.21%	5,773	0.46%	5,679	0.45%	88,226	7.06%	1,250,414
Highly skilled production (Levels 6-8)	5,758,908	74.06%	10,875	0.14%	79,160	1.02%	446,523	5.74%	7,775,959
Highly skilled supervision (Levels 9-12)	1,202,855	74.68%	2,121	0.13%	18,681	1.16%	71,116	4.42%	1,610,743
Senior management (Levels 13-16)	22,226	59.12%	-	0.00%	-4	-0.01%	1,147	3.05%	37,595
TOTAL	8,020,664	73.69%	20,176	0.19%	105,325	0.97%	617,015	5.67%	10,884,419

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

2. Employment And Vacancies

TABLE 2.1 - Employment and Vacancies by Programme at end of period				
Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Filled Additional to the Establishment
Programme 1: Permanent	11,433	9,910	13.32%	134
Programme 1: Temporary	-	1,435	-	-
Programme 2: Permanent	74,104	61,942	16.41	683
Programme 2, Temporary	-	6,491	-	-
Programme 2, Substitute	1,353	2,672	-	-
Programme 4, Permanent	1,038	978	5.78%	14
Programme 5: Permanent	1,400	803	42.64%	77
Programme 5, Temporary	-	70	0	-
Programme 6, Permanent	1,000	1,000	-	13
Programme 7: Permanent	900	900	-	1
Programme 7: ECD Practitioners	1,280	428	66.56%	-
Programme 8, Permanent	-	725	-	88
TOTAL	92,508	87,354	5.57%	1,010

TABLE 2.2 - Employment and Vacancies by Salary Band at end of period				
Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	4,564	4,019	11.94%	38
Skilled (Levels 3-5), Permanent	14,510	12,331	15.02%	162
Skilled (Levels 3-5), Temporary	8	2	75.00%	-
Highly skilled production (Levels 6-8), Permanent	63,917	62,120	2.81%	715
Highly skilled production (Levels 6-8), Temporary	22	22	-	-
Highly skilled supervision (Levels 9-12), Permanent	9,405	8,791	6.53%	95
Senior management (Levels 13-16), Permanent	82	69	15.85%	-
TOTAL	92,508	87,354	5.57%	1,010

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period				
Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	27	23	14.81%	-
Advocates, Permanent	5	5	-	-
Agriculture related, Permanent	105	93	11.43%	-
Appraisers-valuers and related professionals, Permanent	1	1	-	-
Archivists curators and related professionals, Permanent	3	2	33.33%	-
Artisan project and related superintendents, Permanent	8	8	-	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Auxiliary and related workers, Permanent	172	124	27.91%	-
Boiler and related operators, Permanent	39	24	38.46%	1
Building and other property caretakers, Permanent	378	329	12.96%	-
Bus and heavy vehicle drivers, Permanent	98	92	6.12%	-
Chaplain and related professionals, Permanent	1	1	-	-
Cleaners in offices workshops hospitals etc., Permanent	2,257	2 042	9.53%	28
Cleaners in offices workshops hospitals etc., Temporary	1	1	-	-
Client inform clerks (switchboard, reception, inform clerks), Permanent	20	19	5.00%	1
Communication and information related, Permanent	7	5	28.57%	-
Educationists., Permanent	-	2 052	-	-
Farm hands and labourers, Permanent	60	51	15.00%	1
Farming forestry advisors and farm managers, Permanent	9	6	33.33%	-
Finance and economics related, Permanent	6	6	-	-
Financial and related professionals, Permanent	26	25	3.85%	-
Financial clerks and credit controllers, Permanent	182	160	12.09%	-
Food services aids and waiters, Permanent	118	99	16.10%	-
Food services aids and waiters, Temporary	1	1	-	-
Food services workers, Permanent	3	3	-	-
General legal administration & rel. professionals, Permanent	7	7	-	-
Head of department/chief executive officer, Permanent	640	597	6.72%	-
Health sciences related, Permanent	13	12	7.69%	-
Household and laundry workers, Permanent	961	833	13.32%	7
Household and laundry workers, Temporary	1	1	-	-
Household food and laundry services related, Permanent	5	4	20.00%	-
Housekeepers laundry and related workers, Permanent	130	111	14.62%	1
Human resources & organisational development & related professions, Permanent	83	74	10.84%	-
Human resources clerks, Permanent	455	403	11.43%	8
Human resources related, Permanent	107	93	13.08%	-
Identification experts, Permanent	1	1	-	1
Information technology related, Permanent	1	1	-	-
Language practitioners interpreters & other communication, Permanent	7	5	28.57%	-
Librarians and related professionals, Permanent	65	57	12.31%	-
Librarians and related professionals, Temporary	1	1	-	-
Library mail and related clerks, Permanent	257	210	18.29%	-
Library mail and related clerks, Temporary	1	1	-	-
Light vehicle drivers, Permanent	66	57	13.64%	1
Logistical support personnel, Permanent	6	4	33.33%	-
Material-recording and transport clerks, Permanent	182	169	7.14%	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period				
Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Messengers porters and deliverers, Permanent	50	43	14.00%	-
Motor vehicle drivers, Permanent	4	2	50.00%	-
Motorised farm and forestry plant operators, Permanent	2	2	-	-
Other administrat & related clerks and organisers, Permanent	3,765	3118	17.18%	52
Other administrat & related clerks and organisers, Temporary	25	19	24.00%	-
Other administrative policy and related officers, Permanent	82	64	21.95%	-
Other information technology personnel., Permanent	19	3	84.21%	-
Other machine operators, Permanent	1	1	-	-
Other occupations, Permanent	24,082	22,450	6.78%	854
Photographic lithographic and related workers, Permanent	7	6	14.29%	1
Printing and related machine operators, Permanent	13	13	-	-
Professional nurse, Permanent	32	27	15.63%	-
Rank: Education specialist (feti), Permanent	90	78	13.33%	-
Rank: Education specialist (office-based), Permanent	6	-	100.00%	-
Rank: Education specialist (school-based), Permanent	3,118	2886	7.44%	-
Rank: Education specialist chief (office-based), Permanent	33	30	9.09%	-
Rank: Education specialist deputy chief (office-based), Permanent	114	108	5.26%	-
Rank: Education specialist senior (office-based), Permanent	52	48	7.68%	-
Rank: Education therapist (ther/psyc), Permanent	81	48	40.74%	-
Rank: Education therapist., Permanent	15	10	33.33%	-
Rank: Head of department (s), Permanent	11	3	72.73%	-
Rank: Head of division (feti), Permanent	42	36	14.29%	-
Rank: Head of division (t), Permanent	1	-	100.00%	-
Rank: Lecturer (c), Permanent	5	3	40.00%	-
Rank: Lecturer (feti), Permanent	453	414	8.61%	4
Rank: Lecturer (t), Permanent	1	-	100.00%	-
Rank: Lecturer: senior (c), Permanent	1	1	-	1
Rank: Principal (p2), Permanent	21	13	38.10%	-
Rank: Principal (p3s3t3ss3), Permanent	240	115	52.08%	1
Rank: Principal (p4s4t4ss4), Permanent	76	36	52.63%	-
Rank: Principal (t5), Permanent	1	1	-	-
Rank: Principal deputy (feti), Permanent	9	9	-	-
Rank: Principal deputy (school-based), Permanent	1,070	964	9.91%	-
Rank: Principal deputy senior (feti), Permanent	8	6	25.00%	-
Rank: Principal gr10, Permanent	1,448	1320	8.84%	-
Rank: Principal gr11 (feti), Permanent	1	-	100.00%	-
Rank: Principal gr7, Permanent	30	20	33.33%	-
Rank: Principal gr8, Permanent	374	304	18.72%	-
Rank: Principal gr9 (feti), Permanent	1	1	-	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Rank: Principal gr9, Permanent	2,468	2211	10.41%	1
Rank: Principal: deputy (s), Permanent	6	-	100.00%	-
Rank: Principal: senior deputy (t), Permanent	1	-	100.00%	-
Rank: Teacher (school-based), Permanent	47,100	44228	6.10%	46
Secretaries & other keyboard operating clerks, Permanent	243	207	14.81%	1
Security guards, Permanent	621	551	11.27%	-
Security officers, Permanent	29	22	24.14%	-
Senior managers, Permanent	90	78	13.33%	-
Social sciences supplementary workers, Permanent	18	17	5.56%	-
Social work and related professionals, Permanent	1	1	-	-
Staff nurses and pupil nurses, Permanent	4	3	25.00%	-
Statisticians and related professionals, Permanent	2	2	-	-
Trade labourers, Permanent	25	19	24.00%	-
TOTAL	92,508	87,354	5.57%	1 010

3. Employment changes

TABLE 3.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	4,504	167	174	3.86%
Skilled (Levels 3-5), Permanent	10,022	3,759	3,699	36.91%
Skilled (Levels 3-5), Temporary	-	-	3	-
Highly skilled production (Levels 6-8), Permanent	57,525	6 450	10,216	17.76%
Highly skilled production (Levels 6-8), Temporary	-	-	3	-
Highly skilled supervision (Levels 9-12), Permanent	10,650	9	186	1.75%
Senior Management Service Band A, Permanent	55	-	2	3.64%
Senior Management Service Band B, Permanent	12	-	4	33.33%
Senior Management Service Band C, Permanent	3	-	1	33.33%
Senior Management Service Band D, Permanent	1	-	1	100.00%
TOTAL	82,772	10,385	14,289	17.26%

TABLE 3.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Rate
Administrative related, Permanent	28	-	2	7.14%
Agriculture related, Permanent	1	-	-	-
All artisans in the building metal machinery etc., Permanent	1	-	1	100.00%
Archivists curators and related professionals, Permanent	1	-	-	-
Artisan project and related superintendents, Permanent	3	-	-	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 3.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Auxiliary and related workers, Permanent	106	5	10	9.43%
Biochemistry pharmacol. zoology & life scie.techni, Permanent	-	-	1	-
Boiler and related operators, Permanent	35	1	2	5.71%
Building and other property caretakers, Permanent	307	5	16	5.21%
Bus and heavy vehicle drivers, Permanent	70	7	4	5.71%
Cleaners in offices workshops hospitals etc., Permanent	1,823	91	94	5.16%
Cleaners in offices workshops hospitals etc., Temporary	-	-	1	-
Client inform clerks(switchb recept inform clerks), Permanent	16	-	-	-
Communication and information related, Permanent	2	2	2	100.00%
Dieticians and nutritionists, Permanent	-	-	1	-
Diplomats, Permanent	21	-	-	-
Educationists., Permanent	398	-	4	1.00%
Farm hands and labourers, Permanent	39	3	2	5.13%
Farming forestry advisors and farm managers, Permanent	3	-	-	-
Finance and economics related, Permanent	6	-	-	-
Financial and related professionals, Permanent	19	-	1	5.26%
Financial clerks and credit controllers, Permanent	143	22	21	14.68%
Food services aids and waiters, Permanent	54	13	6	11.11%
Food services workers, Permanent	1	-	-	-
General legal administration & rel. professionals, Permanent	-	1	-	-
Head of department/chief executive officer, Permanent	3	-	1	33.33%
Health sciences related, Permanent	3	-	-	-
Horticulturists foresters agricul.& forestry techn, Permanent	-	-	1	-
Household and laundry workers, Permanent	768	15	47	6.12%
Household food and laundry services related, Permanent	2	1	1	50.00%
Housekeepers laundry and related workers, Permanent	5	3	-	-
Human resources & organisat developm & relate prof, Permanent	60	13	2	3.33%
Human resources clerks, Permanent	402	29	35	8.71%
Human resources related, Permanent	40	3	-	-
Information technology related, Permanent	1	-	-	-
Language practitioners interpreters & other commun, Permanent	1	-	-	-
Legal related, Permanent	2	-	-	-
Librarians and related professionals, Permanent	6	-	-	-
Library mail and related clerks, Permanent	214	6	15	7.01%
Library mail and related clerks, Temporary	-	-	1	-
Light vehicle drivers, Permanent	32	7	1	3.13%
Logistical support personnel, Permanent	5	-	-	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 3.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Material-recording and transport clerks, Permanent	109	-	2	1.83%
Medical technicians/technologists, Permanent	1	-	-	-
Messengers porters and deliverers, Permanent	39	11	1	2.56%
Motor vehicle drivers, Permanent	2	2	1	50.00%
Motorised farm and forestry plant operators, Permanent	1	-	-	-
Other administrat & related clerks and organisers, Permanent	1,759	234	119	6.77%
Other administrat & related clerks and organisers, Temporary	-	-	4	-
Other administrative policy and related officers, Permanent	67	-	3	4.48%
Other information technology personnel., Permanent	4	-	-	-
Other occupations, Permanent	23,543	9,864	12,209	51.89%
Photographic lithographic and related workers, Permanent	3	1	-	-
Physiotherapy, Permanent	1	-	-	-
Printing and related machine operators, Permanent	11	-	-	-
Professional nurse, Permanent	17	2	3	17.65%
Rank: Education specialist: senior (o), Permanent	-	-	1	-
Rank: Educational specialist: first (o), Permanent	-	-	1	-
Rank: Head of department (s), Permanent	2	-	17	850.00%
Rank: Lecturer (feti), Permanent	-	-	4	-
Rank: Lecturer (t), Permanent	-	-	11	-
Rank: Principal (p3s3t3ss3), Permanent	1	-	4	400.00%
Rank: Principal (p4s4t4ss4), Permanent	-	-	2	-
Rank: Principal: deputy (s), Permanent	1	-	3	300.00%
Rank: Teacher (school-based), Permanent	-	1	1,591	-
Rank: Teacher(pl1), Permanent	51,792	-	1	-
Secretaries & other keyboard operating clerks, Permanent	177	7	3	1.69%
Security guards, Permanent	488	35	25	5.12%
Security officers, Permanent	17	-	-	-
Senior managers, Permanent	76	-	7	9.21%
Social sciences supplementary workers, Permanent	16	-	-	-
Social work and related professionals, Permanent	-	-	1	-
Staff nurses and pupil nurses, Permanent	2	1	1	50.00%
Trade labourers, Permanent	22	-	3	13.64%
TOTAL	82,772	10,385	14,289	17.26%

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 4.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death, Permanent	449	3.14%	0.54%
Resignation, Permanent	748	5.23%	0.90%
Resignation, Temporary	3	-	-
Expiry of contract, Permanent	12,318	86.21%	14.88%
Dismissal-operational changes, Permanent	16	0.12%	-
Discharged due to ill health, Permanent	211	1.48%	0.25%
Dismissal-misconduct, Permanent	5	-	-
Retirement, Permanent	432	3.02%	0.52%
Retirement, Temporary	1	-	-
Other, Permanent	104	0.80%	0.13%
Other, Temporary	2	-	-
TOTAL	14,289	100.00%	17.26%

TABLE 4.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	28	1	3.57	7	25.00%
Agriculture related	1	-	-	-	-
All artisans in the building metal machinery etc.	1	-	-	-	-
Archivists curators and related professionals	1	-	-	2	200.00%
Artisan project and related superintendents	3	-	-	1	33.33%
Auxiliary and related workers	106	-	-	36	33.96%
Boiler and related operators	35	-	-	5	14.29%
Building and other property caretakers	307	-	-	104	33.88%
Bus and heavy vehicle drivers	70	-	-	54	77.14%
Cleaners in offices workshops hospitals etc.	1,823	-	-	590	32.36%
Client inform clerks(switchb recept inform clerks)	16	-	-	12	75.00%
Communication and information related	2	-	-	-	-
Diplomats	21	-	-	15	71.43%
Educationists.	398	-	-	126	31.7%
Farm hands and labourers	39	-	-	3	7.69%
Farming forestry advisors and farm managers	3	-	-	1	33.33%
Finance and economics related	6	-	-	1	16.67%
Financial and related professionals	19	2	10.53	14	73.68%
Financial clerks and credit controllers	143	5	3.50	54	37.76%
Food services aids and waiters	54	1	1.85	46	85.19%
Food services workers	1	-	-	1	100.00%
Head of department/chief executive officer	3	-	-	-	-
Health sciences related	3	-	-	-	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 4.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Household and laundry workers	768	2	0.26	338	44.01%
Household food and laundry services related	2	-	-	1	50.00%
Housekeepers laundry and related workers	5	-	-	4	80.00%
Human resources & organisat developm & relate prof	60	3	5.00	8	13.33%
Human resources clerks	402	14	3.48	250	62.19%
Human resources related	40	3	7.50	4	10.00%
Information technology related	1	-	-	-	-
Language practitioners interpreters & other commun	1	-	-	1	100.00%
Legal related	2	-	-	-	-
Librarians and related professionals	6	-	-	3	50.00%
Library mail and related clerks	214	1	0.47	117	54.67%
Light vehicle drivers	32	-	-	18	56.25%
Logistical support personnel	5	-	-	4	80.00%
Material-recording and transport clerks	109	1	0.92	72	66.06%
Medical technicians/technologists	1	-	-	-	-
Messengers porters and deliverers	39	-	-	25	64.10%
Motor vehicle drivers	2	-	-	2	100.00%
Motorised farm and forestry plant operators	1	-	-	-	-
Other administrat & related clerks and organisers	1,759	6	0.34	716	40.70%
Other administrative policy and related officers	67	-	-	25	37.31%
Other information technology personnel.	4	-	-	1	25.00%
Other occupations	23,543	1,344	5.71	64,753	275.00%
Photographic lithographic and related workers	3	-	-	-	-
Physiotherapy	1	-	-	-	-
Printing and related machine operators	11	-	-	1	9.09%
Professional nurse	17	-	-	17	100.00%
Rank: Education specialist (school-based)	-	4	-	-	-
Rank: Head of department (s)	2	-	-	-	-
Rank: Principal (p3s3t3ss3)	1	-	-	-	-
Rank: Principal: deputy (s)	1	-	-	-	-
Rank: Teacher (school-based)	51,792	7	-	108	0.21%
Secretaries & other keyboard operating clerks	177	2	1.13	88	49.72%
Security guards	488	-	-	233	47.75%
Security officers	17	-	-	16	94.12%
Senior managers	76	3	3.95	9	11.84%
Social sciences supplementary workers	16	-	-	-	-
Staff nurses and pupil nurses	2	-	-	3	150.00%
Trade labourers	22	-	-	5	22.73%
TOTAL	82,772	1,399	1.69	67,894	82.03%

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 4.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	4,504	-	-	1,234	27.40%
Lower skilled (Levels 1-2), Temporary	-	-	-	2	-
Skilled (Levels 3-5), Permanent	10,022	12	0.12	6,967	69.52%
Skilled (Levels 3-5), Temporary	-	-	-	2	-
Highly skilled production (Levels 6-8), Permanent	57,525	874	1.52	51,778	90.00%
Highly skilled production (Levels 6-8), Temporary	-	-	-	9	-
Highly skilled supervision (Levels 9-12), Permanent	10,650	507	4.76	7,899	74.17%
Senior management (Levels 13-16), Permanent	71	6	8.45	3	4.23%
TOTAL	82,772	1,399	1.69	67,894	82.03%

4. Employment Equity

TABLE 4.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Legislators, senior officials and managers, Permanent	43	2	4	49	8	28	-	3	31	2	90
Professionals, Permanent	20,279	333	3,015	23,627	936	45,109	748	5,364	51,221	2,700	78,484
Clerks, Permanent	714	9	258	981	15	2,062	66	574	2,702	429	4,127
Clerks, Temporary	-	-	-	-	-	-	1	2	3	22	25
Service and sales workers, Permanent	536	8	11	555	2	57	-	2	59	4	620
Craft and related trades workers, Permanent	8	-	-	8	1	1	-	-	1	-	10
Plant and machine operators and assemblers, Permanent	110	3	59	172	1	9	1	-	10	-	183
Elementary occupations, Permanent	1,867	34	86	1,987	37	1,405	64	175	1,644	133	3,801
Elementary occupations, Temporary	-	-	1	1	-	2	1	1	4	-	5
Other, Permanent	1	-	1	2	-	4	-	3	7	-	9
TOTAL	23,558	389	3,435	27,382	1,000	48,677	881	6,124	55,682	3,290	87,354

	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	Total
Employees with disabilities	-	-	1	1	-	2	-	-	2	-	3

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 4.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	
Top Management, Permanent	1	-	-	1	1	-	-	-	-	-	2
Senior Management, Permanent	36	2	5	43	7	13	-	2	15	2	67
Professionally qualified and experienced specialists and mid-management, Permanent	4,378	112	1,170	5,660	472	3,241	96	898	4,235	750	11,117
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13,592	227	2,012	15,831	454	38,110	668	4,752	43,530	2,234	62,049
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	-	-	-	-	-	-	-	1	1	13	14
Semi-skilled and discretionary decision making, Permanent	3,454	29	208	3,691	49	6,222	82	386	6,690	264	10,699
Semi-skilled and discretionary decision making, Temporary	-	-	1	1	-	-	1	2	3	9	13
Unskilled and defined decision making, Permanent	2,095	19	38	2,152	17	1,086	33	82	1,201	18	3,388
Unskilled and defined decision making, Temporary	-	-	-	-	-	2	1	-	3	-	3
Not Available, Permanent	2	-	1	3	-	3	-	1	4	-	7
TOTAL	23,558	389	3,435	27,382	1,000	48,677	881	6,124	55,682	3,290	87,354

TABLE 4.3 – Recruitment

Occupational Bands	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
Professionally qualified and experienced specialists and mid-management, Permanent	7	-	-	7	-	-	-	2	2	-	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1,354	3	100	1,457	61	5,330	21	644	5,995	256	7,769
Semi-skilled and discretionary decision making, Permanent	1,313	6	118	1,437	27	2,509	11	251	2,771	100	4,335
Unskilled and defined decision making, Permanent	98	-	5	103	1	75	-	1	76	4	184
TOTAL	2,772	9	223	3,004	89	7,914	32	898	8,844	360	12,297

TABLE 4.4 - Promotions

Occupational Bands	African	Male Coloured	Male Indian	Male Total Blacks	White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
Senior Management, Permanent	-	-	1	1	2	3	-	-	3	3	9
Professionally qualified and experienced specialists and mid-	3,891	85	686	4,662	360	2,596	66	325	2,987	424	8,433

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

management, Permanent											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	12,026	204	1,729	13,959	396	32,453	556	3,688	36,697	1 639	52,691
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	-	-	-	-	-	-	-	1	1	8	9
Semi-skilled and discretionary decision making, Permanent	2,330	13	91	2,434	13	4,260	41	178	4,479	54	6,980
Semi-skilled and discretionary decision making, Temporary	-	-	-	-	-	-	1	1	2	-	2
Unskilled and defined decision making, Permanent	617	16	53	686	4	411	19	111	541	4	1,235
Unskilled and defined decision making, Temporary	-	-	-	-	-	2	-	-	2	-	2
TOTAL	18,864	318	2,560	21,742	775	39,725	683	4,304	44,712	2 132	69,361

	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
Employees with disabilities	-	-	-	-	-	1	-	-	1	-	1

TABLE 4.5 – Terminations											
Occupational Bands	Male African	Male Coloured	Male Indian	Male Total Blacks	White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
Top Management, Permanent	2	-	-	2	-	-	-	-	-	-	2
Senior Management, Permanent	2	-	-	2	2	1	-	-	1	-	5
Professionally qualified and experienced specialists and mid-management, Permanent	80	2	19	101	25	67	1	11	79	27	232
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1,481	20	211	1,712	109	5,346	86	893	6,325	509	8,655
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	-	-	-	-	-	-	-	-	-	4	4
Semi-skilled and discretionary decision making, Permanent	1,064	5	101	1,170	30	1,924	24	265	2,213	69	3,482
Semi-skilled and discretionary decision making, Temporary	-	-	-	-	-	-	-	1	1	4	5
Unskilled and defined decision making, Permanent	170	-	5	175	4	96	2	6	104	6	289
TOTAL	2,799	27	336	3,162	170	7,434	113	1,176	8,723	619	12,674

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 4.6 – Disciplinary Action											
Occupational Bands	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	Total
Top Management, Permanent	-	-	-	-	-	-	-	-	-	-	-

5. Performance Rewards

TABLE 5.1 - Performance Rewards by Race, Gender and Disability					
	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	577	48,677	1.18%	4,577	7,932
African, Male	464	23,558	1.97%	3,260	7,027
Asian, Female	193	6,124	3.15%	1,189	6,159
Asian, Male	162	3,435	4.72%	1,302	8,035
Coloured, Female	18	881	2.04%	124	6,909
Coloured, Male	6	389	1.54%	29	4,886
Total Blacks, Female	789	55,682	1.42%	5,897	7,475
Total Blacks, Male	632	27,382	2.31%	4,591	7,265
White, Female	119	3,290	3.62%	699	5,871
White, Male	33	1,000	3.30%	289	8,770
TOTAL	1,575	87,354	1.80%	11,489	7,295
Employees with a disability	2	3	66.67%	13	6,317

TABLE 5.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service					
Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	283	3,909	7.24%	766	2,816
Skilled (Levels 3-5)	515	10,204	5.05%	3,059	5,940
Highly skilled production (Levels 6-8)	729	63,461	1.15%	6,500	8,916
Highly skilled supervision (Levels 9-12)	48	9,652	0.50%	896	18,667
TOTAL	1,575	87,354	1.79%	11,221	7,175

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 5.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	14	27	51.85%	220	15,714
Agriculture related	-	1	-	-	-
Archivists curators and related professionals	2	2	100.00%	35	17,500
Artisan project and related superintendents	-	5	-	-	-
Auxiliary and related workers	12	125	9.60%	47	3,917
Boiler and related operators	10	34	29.41%	55	5,500
Building and other property caretakers	15	354	4.24%	61	4,067
Bus and heavy vehicle drivers	18	91	19.78%	106	5,889
Cleaners in offices workshops hospitals etc.	91	2,113	4.31%	281	3,088
Client inform clerks(switchb receipt inform clerks)	8	16	50.00%	41	5,125
Communication and information related	-	4	-	-	-
Diplomats	-	14	-	-	-
Educationists.	-	116	-	-	-
Farm hands and labourers	4	46	8.69%	11	2,750
Farming forestry advisors and farm managers	-	5	-	-	-
Finance and economics related	2	4	50.00%	15	7,500
Financial and related professionals	11	23	47.83%	136	12,364
Financial clerks and credit controllers	126	199	63.34%	1,252	9,937
Food services aids and waiters	8	77	10.39%	22	2,750
Food services workers	-	1	-	-	-
General legal administration & rel. professionals	-	5	-	-	-
Head of department/chief executive officer	1	2	50.00%	24	24,000
Health sciences related	-	3	-	-	-
Household and laundry workers	35	912	3.84%	94	2,686
Household food and laundry services related	-	2	-	-	-
Housekeepers laundry and related workers	-	14	-	-	-
Human resources & organisat developm & relate prof	23	77	29.87%	294	12,783
Human resources clerks	282	392	71.94%	2,304	8,170
Human resources related	15	72	20.83%	329	21,933
Identification experts	-	1	-	-	-
Information technology related	1	1	100.00%	22	22,000
Language practitioners interpreters & other commun	-	5	-	-	-

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 5.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Legal related	-	3	-	-	-
Librarians and related professionals	17	9	188.88%	73	4,294
Library mail and related clerks	87	197	44.16%	536	6,161
Light vehicle drivers	7	47	14.89%	36	5,143
Logistical support personnel	4	5	80.00%	56	14,000
Material-recording and transport clerks	37	103	35.92%	255	6,892
Medical technicians/technologists	-	1	-	-	-
Messengers porters and deliverers	20	47	42.55%	62	3,100
Motor vehicle drivers	2	3	66.67%	10	5,000
Motorised farm and forestry plant operators	-	1	-	-	-
Other administrat & related clerks and organisers	419	3,037	13.80%	2,904	6,931
Other administrative policy and related officers	38	61	62.30%	487	12,816
Other information technology personnel.	3	3	100.00%	20	6,667
Other occupations	61	78,092	0.08%	442	7,367
Photographic lithographic and related workers	3	5	60.00%	18	6,000
Physiotherapy	-	1	-	-	-
Printing and related machine operators	2	7	28.57%	10	5,000
Professional nurse	2	27	7.41%	15	7,500
Rank: Education specialist (school-based)	-	4	-	-	-
Rank: Education specialist chief (office-based)	1	-	-	22	22,000
Rank: Teacher (school-based)	1	14	7.14%	4	4,000
Rank: Unknown	-	10	-	-	-
Secretaries & other keyboard operating clerks	65	208	31.25%	601	9,246
Security guards	95	580	16.38%	252	2,653
Security officers	11	20	55.00%	58	5,273
Senior managers	15	86	17.44%	254	16,933
Social sciences supplementary workers	-	16	-	-	-
Social work and related professionals	-	1	-	-	-
Staff nurses and pupil nurses	-	3	-	-	-
Trade labourers	6	20	30.00%	13	2,167
Trade/industry advisers & other related profession	1	0	0	5	5,000
TOTAL	1,575	87,354	1.80%	11,482	7,295

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 5.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service							
SMS Band	Number of Beneficiaries	Total Employment	Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	5	52	9.61%	131	2,620	0.38%	34,046
Band B	4	15	26.67%	106	2,650	1.31%	8,094
Band C	-	2	-	-	-	-	-
Band D	1	-	-	24	2,400	2.72%	882
TOTAL	10	69	14.49%	261	2,610	0.61%	43,022

6. Foreign Employees

TABLE 6.1 - Foreign Workers by Salary Band									
Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Lower skilled (Levels 1-2)	-	-	3	2.23%	3	9.67%	103	134	31
Skilled (Levels 3-5)	15	14.56%	22	16.42%	7	22.58%	103	134	31
Highly skilled production (Levels 6-8)	73	70.87%	92	68.66%	19	61.29%	103	134	31
Highly skilled supervision (Levels 9-12)	14	13.59%	16	11.94%	2	6.46%	103	134	31
Senior management (Levels 13-16)	1	0.88%	1	0.75%	-	-	103	134	31
TOTAL	103	100.00%	134	100.00%	31	100	103	134	31

TABLE 6.2 - Foreign Workers by Major Occupation									
Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	3	2.91%	5	3.73%	2	6.45%	103	134	31
Elementary occupations	1	0.97%	1	0.75%	-	-	103	134	31
Other occupations	-	-	3	2.23%	3	9.68%	103	134	31
Professionals and managers	1	0.97%	1	0.75%	-	-	103	134	31
Rank: lecturer (t)	98	95.15%	-	-	-98	-316.10%	103	134	31
Rank: principal gr10	-	-	124	92.54%	124	400.00%	103	134	31
TOTAL	103	100	134	100.00%	31	100	103	134	31

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

7. Leave utilisation for the period 1 January 2004 to 31 December 2004

TABLE 7.1 - Sick Leave							
Salary Band	Total Days	% Days with Medical Certification	Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	7,505	76.1%	1,027	5%	7	1,017	5,713
Skilled (Levels 3-5)	14,382	72.8%	1,866	9%	8	2,658	10,471
Highly skilled production (Levels 6-8)	115,743	72.1%	15,705	75.8%	7	40,241	83,497
Highly skilled supervision (Levels 9-12)	13,769	76.1%	2,071	10%	7	7,422	10,478
Senior management (Levels 13-16)	78	82.1%	18	0.1%	4	147	64
Not Available	655	96.5%	42	0.2%	16	198	632
TOTAL	152,132	72.9%	20,729	100	7	51,683	110,855

TABLE 7.2 - Disability Leave (Temporary and Permanent)							
Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	1,076	100%	24	3.3%	45	147	1,076
Skilled (Levels 3-5)	1,480	99.9%	41	5.7%	36	282	1,479
Highly skilled production (Levels 6-8)	23,197	99.8%	580	80.8%	40	8,449	23,145
Highly skilled supervision (Levels 9-12)	2,312	100%	67	9.3%	35	1,247	2,312
Not Available	83	100%	6	0.8%	14	27	83
TOTAL	28,148	99.8%	718	100%	39	10,152	28,095

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 7.3 - Annual Leave			
Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	11,414	10	1,134
Skilled (Levels 3-5)	17,866	11	1,572
Highly skilled production (Levels 6-8)	40,799	7	6,056
Highly skilled supervision (Levels 9-12)	19,921	12	1,691
Senior management (Levels 13-16)	754	12	64
Not Available	99	9	11
TOTAL	90,854	9	10,528

TABLE 7.4 - Capped Leave for Jan 2004 to Dec 2004						
	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004	Number of Employees	Total number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Levels 1-2)	285	7	79	42	259,585	3,278
Skilled (Levels 3-5)	1,499	4	71	345	488,772	6,926
Highly skilled production (Levels 6-8)	16,760	4	80	4,574	3,616,242	45,242
Highly skilled supervision (Levels 9-12)	5,417	6	117	893	1,074,303	9,167
Senior management (Levels 13-16)	1	1	192	1	7,679	40
Not Available	61	12	0	5	0	0
TOTAL	24,023	4	84	5,860	5,446,581	64,653

TABLE 7.5 - Leave Payouts			
Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	384	43	8,930
Capped leave payouts on termination of service for 2004/05	13,478	3,355	4,017
Current leave payout on termination of service for 2004/05	73	13	5,615
TOTAL	13,935	3,411	4,085

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

8. Labour Relations

TABLE 8.1 - Collective Agreements	
	Date
Grievance Procedures for School Based Educators	16 November 2004

TABLE 8.2 - Misconduct and Discipline Hearings Finalised			
Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	96	50%	192

TABLE 8.3 - Types of Misconduct Addressed and Disciplinary Hearings		
Type of misconduct	Number	% of total
Fraud & Theft	44	22.92%
Sexual Assault	21	10.94%
Assault	36	18.75%
Absenteeism	38	19.79%
Mismanagement of school funds	35	18.23%
Fake qualifications	5	2.60%
Other	13	6.77%
Total	192	100.00%

TABLE 8.4 - Grievances Lodged		
Number of grievances addressed	Number	
Resolved	215	54.43%
Not resolved	180	45.57%
Total	395	100.00%

TABLE 8.5 - Disputes Lodged		
Number of disputes addressed	Number	% of total
Upheld	25	16.34%
Dismissed / Settled	128	83.66%
Total	153	100.00%

TABLE 8.6 - Strike Actions	
Strike Actions	
Total number of person working days lost	19986
Total cost(R'000) of working days lost	R4,996,000
Amount (R'000) recovered as a result of no work no pay	R 4,746,000

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

TABLE 8.7 - Precautionary Suspensions	
Precautionary Suspensions	–
Number of people suspended	13
Number of people whose suspension exceeded 30 days	13
Average number of days suspended	150
Cost (R'000) of suspensions	R 5,200

9. Skills Development

TABLE 9.1 - Training Needs Identified						
Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Professionals	Female	-	394	-	-	394
	Male	-	400	-	-	400
Technicians and associate professionals	Female	-	-	205	-	205
	Male	-	-	185	-	185
Gender sub totals	Female	-	394	205	-	599
	Male	-	400	185	-	585
Total		-	794	390	-	1184

TABLE 9.2 - Training Provided						
Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	forms of training	Total
Professionals	Female	228	3,451	-	-	3,679
	Male	176	3,995	-	-	4,171
Technicians and associate professionals	Female	0	1,106	-	-	1,106
	Male	0	472	-	-	472
Clerks	Female	0	1,358	-	-	1,358
	Male	0	900	-	-	900
Skilled agriculture and fishery workers	Female	0	1,566	-	-	1,566
	Male	0	1,182	-	-	1,182
Gender sub totals	Female	228	7,481	-	-	7,709
	Male	176	6,549	-	-	6,725
Total		404	14,030	-	-	14,434

**KWA-ZULU NATAL – DEPARTMENT OF EDUCATION
VOTE 5**

10. Injury on duty

TABLE 10.1 - Injury on Duty		
Nature of injury on duty	Number	% of total
Required basic medical attention only	502	72.03%
Temporary Total Disablement	96	13.77%
Permanent Disablement	51	7.32%
Fatal	48	6.88%
Total	697	100.00%