

MPUMALANGA PROVINCIAL GOVERNMENT



DEPARTMENT OF EDUCATION

Annual Report 2008 - 2009



Education Component Vote 07

MPUMALANGA
A Pioneering Spirit

Mpumalanga Provincial Government

Department of Education



Annual Report

FOR THE YEAR ENDED 31 MARCH 2009

MPUMALANGA DEPARTMENT OF EDUCATION



VISION

Providing quality education and training towards a better life for all

MISSION

The Mpumalanga Department of Education is committed to rendering quality education and training through good governance, effective teaching and learning, skills development, involvement of stakeholders and maximum utilisation of resources for socio-economic enhancement of all citizens

VALUES

- Uphold the Constitution of the RSA
- Promote the Vision and Mission of the Department
- Promote stakeholder participation
- Uphold Batho Pele Principles
- Promote skills development and equity
- Ensure that all services are rendered effectively and efficiently
- Uphold professionalism and acceptable work ethos and creating a caring environment for UBUNTU

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31 August 2009





PART 1:



GENERAL INFORMATION



1. GENERAL INFORMATION

1.1 Submission of the Annual Report to the Executive Authority

The Public Finance Management Act mandates the Department of Education to provide an Annual Report at the end of each financial year. This document is a culmination of all efforts made to provide Quality Education and Training for a Better Life for All, as expressed by our Vision Statement.

In fulfillment of my obligations as the Acting Accounting Officer of the Mpumalanga Department of Education in terms of the Public Finance Management Act of 1999, I have pleasure in presenting the Annual Report 2008/09 to the Honourable MEC for Education, Mrs Reginah Mhaule.

1.2 Introduction by the Head of the Institution

The 2008/09 financial year mark the beginning of the new MTEF cycle which encapsulated various activities for the attainment and fulfilment of its mandatory obligations assigned to it.

Notwithstanding challenges that still face us in the Department of Education, we believe that the overall systemic improvements to broaden access to education constituted a significant achievement during the year under review. During the year under review the Department invested substantial resources to cater for the increased demand and expansion of opportunities for broadened access to education.

The 2008/09 financial year was a year in which hard work became the pillar to a better life for all as espoused in our Vision. The resilience work of educators shown in rounding up the old curriculum and coming to grips with the implementation of the National Curriculum Statement (NCS), should be commended. The NCS was part of our drive to improve quality, to modernize learning and to offer new opportunities to learners in the Country.

Indeed things changed for the better as the learning field is now opened to all to leverage their potentials. It must be noted from this cohort of learners that wrote the 2008 examinations as the first National examinations of its kind to be administered, was the largest in terms of candidate numbers as compared to 2007. The matric class of 2008 dropped to 51.2% when compared to the 60.7% of 2007.

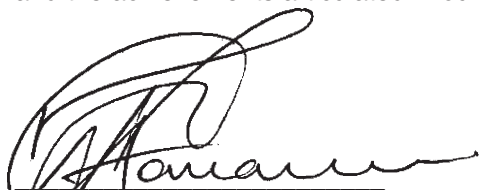
Critically poverty still remained one of the key barriers for learners to access education and, to mitigate the impact of poverty, the Department ensured: a) that the “No-Fee” Schools policy was implemented effectively where 952 schools were declared and gazetted benefiting 420, 238 learners; and b) implementation of the National School Nutrition Programme in all Quintile 1 to 3 primary schools benefiting 573,725 learners. This programme will be extended to all Quintile 1 secondary schools in the new financial year.

The Department was obliged to remove barriers of learning for learners with special needs, including the most vulnerable are now able to participate fully in the education system.

The 2008/09 financial year was the year of implementation of specific priorities such as:

- the universal enrolment of Grade R
- appointment of additional personnel
- infrastructure development
- non-capital non-personnel; and
- resourcing of Public Schools and Inclusive education.

We therefore enter the 2009/10 financial year with sound mind because of the foundation laid down from challenges encountered and the improved conditions of accessing quality education by vulnerable learners and the achievements articulated in our policy directives.



DR T NGOMANE

ACTING HEAD OF DEPARTMENT

1.3 Information on the Ministry

The main function of the Mpumalanga Department of Education is to provide quality education and training. In addition to schools and FET Colleges, Mpumalanga Regional Training Trust, a public entity, also falls under the control of the Executive Authority.

1.4 Mission Statement

The Mpumalanga Department of Education is committed to rendering quality education and training through good governance, effective teaching and learning, skills development, involvement of stakeholders and the maximum utilization of resources for socio-economic enhancement of all citizens.

1.5 Legislative Mandate

The Department derives its Core mandate from the Constitution of the Republic of South Africa, Act 108 of 1996. Section 29 states that:

Everyone has the right:-

- a) to a basic education, including adult basic education; and
- b) to further education, which the State, through reasonable measures, must make progressively available and accessible.

Everyone has the right:-

- to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of this right, the State must consider all reasonable educational alternatives, including single medium institutions, taking into account:
 - a) equity
 - b) practicability; and
 - c) the need to redress the results of past racially discriminatory laws and practices.

Everyone has the right:-

- to establish and maintain, at their own expense, independent educational institutions that:
 - a) do not discriminate on the basis of race
 - b) are registered with the State; and
 - c) maintain standards that are not inferior to standards at comparable public educational institutions.

The following list of Acts further elaborates the legislative mandate of the Department of Education:

- **Skills Development Act (No. 97 of 1998):**
 - It provides an institutional framework to devise and implement National, sector and workplace Strategies
 - To develop and improve the skills of the South African workforce
 - To integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act of 1995
 - To provide for learnerships that lead to recognised occupational qualifications
 - To provide for the financing of skills development by means of a levy grant scheme and a National Skills Fund; and
 - to provide for and regulate employment services; and to provide for matters connected therewith.
- **Adult Basic Education Act (No. 52 of 2000):**

To regulate Adult Basic Education and Training; and to provide for the establishment, governance and funding of public adult learning centres.

- **FET Colleges Act (No. 16 of 2006):**
 - To provide for the regulation of Further Education and Training;
 - To provide for the establishment, governance and funding of public Further Education and Training Colleges;
 - To provide for the employment of staff at public Further Education and Training Colleges;
 - To provide for the registration of private Further Education and Training Colleges;
 - To provide for promotion of quality in Further Education and Training;
 - To provide for transitional arrangements and the repeal or amendment of laws; and
 - To provide for matters connected therewith.

- **National Education Policy Act (No. 27 of 1996):**
It provides for the determination of National Policy for education; and determine policy on salaries and principles that govern education.

- **South African Schools Act (No. 84 of 1996):**
To provide for a uniform system; for the organisation governance and funding of schools; to amend and repeal certain laws to schools; and to provide for matters connected therewith.

- **Mpumalanga School Education Act, 1995:**
It provides for development of regulations and policies within the Province and it is in line with the South African Schools Act No. 84 of 1996.

- **South African Qualifications Authority Act No. 58 of 1995:**
It provides for development and implementation of a National Qualification Framework and, for this purpose, to establish the South African Qualifications Authority, and to provide for matters connected therewith.

- **Public Service Act of 1994:**
The Public Service Regulations of 2001 set up a regulatory framework underpinning the operations of the Department in the discharge of its mandate.

- **Further Education and Training Act (No. 98 of 1998):**
To regulate Further Education and Training and provide for the establishment, governance and funding of Public Further Education and Training institutions.

- **Employment of Educators Act (No. 76 of 1998):**
To provide for the employment of educators by the State and for the regulation of the conditions of service, discipline, retirement and discharge of educators.

- **Public Finance Management Act of 1999:**
To regulate financial management in the National Government and Provincial Governments; and to ensure that all revenue, expenditure, assets and liabilities of those Governments are managed effectively and efficiently.

- **Preferential Procurement Policy Framework Act (No. 5 of 2000):**
To regulate all procurement issues in the department.

- **Employment Equity Act (No. 55 of 1998):**
It provides for the redress on the discriminatory laws and practices, disparities in employment occupation and income within the National labour market.

- **The General and Further Education and Training Quality Assurance Act (No.58 of 2001):**
To provide for the establishment, composition and functioning of the General and Further Education and Training Quality Assurance Council; and to provide for quality assurance in General and Further Education and Training.

PUBLIC ENTITIES:

The Department has the Mpumalanga Regional Training Trust (MRTT) as the only public entity. The focus area of the MRTT is the implementation of the **Skills Development Act No. 97 of 1998**. Furthermore, the main functions of the entity are to:

- deliver technical, entrepreneurial, management and leadership skills training; and
- placement of trainees in employment.

The MRTT is now faced with the challenge to deliver training within a New National Training Policy Framework in a new institutional environment and financing model.

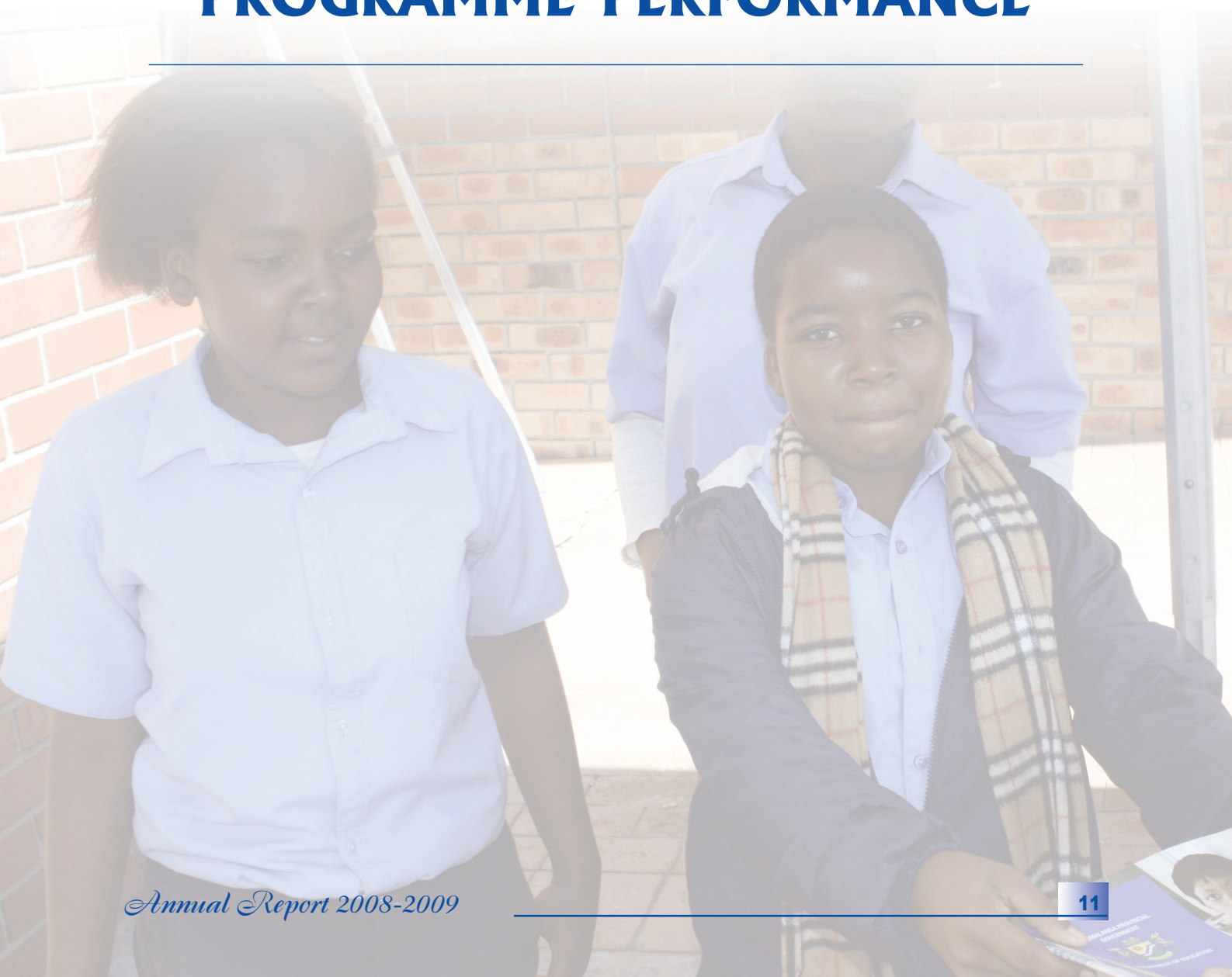
The MRTT, as a public entity, is responsible for the training of out-of-school youth in the Province on skills such as:

- panel beating
- building
- plumbing
- construction; and
- tourism, et cetera

PART 2:



PROGRAMME PERFORMANCE



PART 2

2. PROGRAMME PERFORMANCE

The Programme Performance section of the Annual Report of the Department is in accordance with the Annual Performance Plan as tabled in the Legislature and it clearly provides information on the Department's performance against specified service delivery objectives and targets. The Mpumalanga Department of Education, for the 2008/09 financial year, have adopted uniform budget and programme structures and have also customised the Strategic and Performance Plans to reflect a minimum set of information to be contained within these Plans. The sector further agreed on a minimum set of performance measures and measurable objectives against which the sector would be measured.

2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Provincial Equitable Share	8,573,006	8,904,269	8,968,092	(63,823)
Conditional Grant	361,226	452,789	392,887	59,902
Responsible Minister	Member of the Executive Council for Education			
Administering Dept	Mpumalanga Department of Education			
Accounting Officer	Superintendent-General of Education			

2.2 Aim of the Vote

The aim of the Mpumalanga Department of Education is to develop, maintain and support a South African Education and Training System for the 21st century.

2.3 Summary of Programmes

The Education sector adopted a uniform budget and programme structure that reflects the minimum number of programmes. These programmes and its contents are encapsulated in definitions, which explain what are to be included under each programme and sub-programme.

The activities of the Mpumalanga Department of Education are organised under the following eight programmes:

Programme	Sub-programme
1. Administration	1.1 Office of the MEC 1.2 Corporate Services 1.3 Education Management 1.4 Human Resource Development 1.5 Conditional Grants 1.6 Education Management Information System (EMIS)
2. Public Ordinary School Education	2.1 Public Primary Schools 2.2 Public Secondary Schools 2.3 Professional Services 2.4 Human Resource Development 2.5 In-school Sport and Culture 2.6 Conditional Grants
3. Independent School Subsidies	3.1 Primary Phase 3.2 Secondary Phase
4. Public Special School Education	4.1 Schools 4.2 Professional Services 4.3 Human Resource Development 4.4 In-school Sport and Culture 4.5 Conditional Grants
5. Further Education and Training	5.1 Public Institutions 5.2 Youth Colleges 5.3 Human Resource Development
6. Adult Basic Education and Training	6.1 Public Centres 6.2 Human Resource Development
7. Early Childhood Development	7.1 Grade R in Public Schools 7.2 Grade R in Community Centres 7.3 Pre-Grade R 7.4 Human Resource Development
8. Auxiliary and Associated Services	8.1 Payments to SETA 8.2 Conditional Grant Projects 8.3 External Examination

2.4 Overview of the Service Delivery Environment for 2008/09

The Department was charged with the responsibility of provisioning education at Public Ordinary Schools. To accomplish this, the Department provided:

- learner support material and equipment to almost 1,050,000 learners in all educational institutions
- scholar transport to almost 68,388 needy learners in rural areas
- sufficient infrastructure to educational institutions such as water, electricity and security fences
- training on Outcome Based Education to educators in all grades on National Curriculum Statement (NCS)
- equitable and sufficient educators to almost 2,200 educational institutions; and
- food to 573,725 needy learners at 1,400 schools through the NSNP.

The Department also promoted HIV and AIDS Awareness Programmes and Campaigns, the Early Childhood Development (ECD) programme at 1,029 registered centres and Adult Basic Education and Training (ABET) at 282 adult centres.

Poverty remain one of the key barriers to accessing education and development opportunities by the poor households, resulting in children not attending school because parents cannot afford school fees. As part of the National effort to address the plight of the poor, the Province has ensured that the 'No-Fee' Schools' Policy is effectively implemented. To date 952 schools have been declared 'No-Fee' Schools benefitting 420,238 learners.

To mitigate the impact of poverty on poor learners, the implementation of the school nutrition programme benefited 573,725 in the current financial year, representing 40% of the total learner enrolments in the schooling system. This school nutrition programme will be extended to all Quintile 1 in secondary school in the new financial year.

The Department will continue to provide food to needy learners by means of funding from the National Department.

Improved access to quality education remains one of the crucial levers of social development and progress in any developing society such as ours. As a basic human right, education is one of the most powerful tools to develop the human capital that is able to drive high levels of economic growth, reduce poverty and break inter-generational cycles of poverty.

Over the last five years the Department of Education has invested substantial resources to cater for the increased demand and expansion of opportunities for broadened access to education. As part of advancing the achievement of the Millennium Developmental Goals' (MDGs) equity targets, this period has seen the increase in the number of girl learner gaining access to education. Although female enrolments in the system remain slightly less at 49.64%, the overall female enrolment growth trend is a good indication that Mpumalanga will reach the equity targets of the MDGs by 2010.

The Department has seen the importance of Early Childhood Development (ECD) as a mechanism to ensure that learning foundation is provided to impact positively on future learning performance and educational attainment by young children. In this instance, significant progress has been made in expanding access to ECD. The number of learners accessing ECD services grew from 18,301 in 2004 to 62,679 in 2008. The number of ECD practitioners doubled from 750 in 2004 to 1,779 in 2008.

The Department is on course to broaden access and improve quality education through making education a societal phenomenon by:

- repositioning of FET colleges as the recapitalization programme ends
- elimination of fee payments to public schools
- resourcing of poor schools through QIDS-UP Programme
- eradication of illiteracy through the mass literacy campaign - Kha Ri Gude; and
- the implementation of the MST strategy.

2.5 Overview of the Organisational Environment for 2008/09

Critically the challenge facing our education system is ensuring that the Department continues to work hard in order to improve the quality of education and performance of perennially low-performing schools. This will contribute to enhancing learner attainment levels across all grades, including matric.

The Department continued to focus on the establishment of common standards and applied focused intervention strategies to improve the performance of schools in an effort to increase the matriculation pass rate.

The area that impact on service delivery was the shift in municipal boundaries. This impacted tremendously on the provisioning of resources. The handover of Bohlabela District from the Limpopo Province to Mpumalanga with almost 370 schools had huge financial implications. The increase in the compensation of employees increased dramatically and the provisioning of LTSM also had a drastic impact.

The demand to extend the School Feeding Programme to secondary school learners from the conditional grant also had a dramatic impact on the provision of quality education. Although funds allocated are insufficient to cater for the great demand, schools also engaged communities through the provision of food gardens.

The Department had pressure to strike the balance between the construction of schools and the provisioning of maintenance budgets. Current pressure is on reducing the backlog on classroom provisioning and the elimination of kids learning under trees rather than the maintenance of existing school buildings.

One other cardinal factor that impacted on the Department's ability to deliver on its Strategic Plan and services was the dismissal of the DDG: Chief Financial Officer (CFO) for contravening the PFMA.

2.6 Strategic Overview and Key Policy Developments for the 2008/09

Improving Management and Governance at Education Institutions

The Department has focused extensively on improving the management and governance at educational institutions and have focused at all levels to make such institutions quality assets for communities. Initiatives undertaken in this regard included conducting workshops for School Management Teams and School Governing Body personnel on matters related to financial management, people management and conflict management.

Towards Creating a Safe Learning and Teaching Environment

The obligatory mandate of the Department Education is to create a safe and tolerant learning environment that is espoused by innocence and value human dignity. This endeavour is known as Hlayiseka Early Warning System which seeks to be able to detect any signs that would inhibit the smooth running of a school in time.

The goals of safe schools are to:

- develop and maintain a safe, welcoming and violence-free learning environment enabling learners to develop knowledge, skills necessary to prevent and deal with violence appropriately
- ensure educators develop knowledge and skills to recognise and handle violence
- ensure that victims, witnesses and perpetrators know that the school will act to stop or prevent violence
- develop interventions to minimize and reduce sexual and gender-based violence
- help learners to understand acceptable behaviour in school and in society
- educate and encourage learners to actively participate in their school and community; and
- encourage communities, NGOs, faith-based organizations and business to support school safety initiatives and promote a safe learning environment.

The four building blocks towards creating a safe and tolerant learning environment are:

- **Be prepared** – to prevent and manage problems
- **Be aware** – of what is happening in the school
- **Take action** – when something happens; and
- **Take care** – to build a caring school.

Quality Improvement, Development, Support and Upliftment Programme (QIDS-UP)

The QIDS-UP Programme is the Department's initiative to resource poor and disadvantaged schools and to monitor learning outcomes. The planned output was designed to produce and deliver equipment, and learning and teaching resources to the poorest primary schools. The plan also entailed the provisioning of learning support assistants to the poorest primary schools.

During the 2008/09 financial year the programme (QIDS-UP) succeeded in procuring and delivering the following resources:

- 2500 Computers to 100 identified poor and disadvantaged primary schools
- Library books for three QIDS-UP model schools in Nkangala Region
- Literacy material to 503 poor primary schools
- Multilingual and bilingual dictionaries to 503 poor primary schools (50 dictionaries per school)
- 906 Numeracy kits to 203 poor primary schools
- 200 Learning support assistants recruited for 100 identified poorest primary schools, to support learning in the Foundation Phase
- 3 Schools in Delmas were upgraded and renovated; and
- Libraries, laboratories, kitchens for nutrition programmes, toilets and an extra four classes at Swartklip Combined School were renovated and upgraded.

Collective Agreements

- Collective Agreement No.1 of 2008: "Framework for the Establishment of an OSD for Educators in Public Education"
To introduce an Occupation Specific Dispensation (OSD) for Educators
- Collective Agreement No.2 of 2008: "Special Task Teams on OSD"
To establish a task team and to determine its terms of reference
- Collective Agreement No.3 of 2008: "Vote Weights for the Trade Unions that are Parties to the Council"
To establish the vote weights for the trade unions that are parties to the council
- Collective Agreement No.4 of 2008: "Amendment of the ELRC Constitution" as certified by the Registrar of Labour on 25 April 2007 and as ratified by Collective Agreement No. 6 of 2007
The purpose of this agreement is to amend Collective Agreement No.6 of 2007 that ratified the constitution of the ELRC as certified by the Registrar on the 25th April 2007
- Collective Agreement No. 5 of 2008: "Further Education and Training Colleges sector bargaining unit"
To establish a Bargaining and Dispute Resolution Forum for the FETC sector

FET Curriculum

- Regulations Pertaining to the Conduct, Administration and Management of National Senior Certificate Examination – August 2008
This is a regulation gazetted in August 2008 (No. 31337) by the National Department of Education to regulate all aspects of the administration of the National Senior Certificate Examination.
- School Based Assessment (SBA) Policy and Procedures – 2009
This is a Provincial policy in line with the Regulations Gazette No 31337 to establish uniform procedures to manage the School Based Assessment in the Province

2.7 Departmental Receipts

The Department had a 47% over-collection on Own Revenue. This over-collection is mainly due to items of which the collection is irregular in nature, namely, Interest on Bank Account, Commission Insurance and Recovery of Previous Year's Expenditure. The other contributing item is the disposal of capital assets which was not budgeted for.

Departmental Revenue	Actual Collection 2007/08	Budgeted Collection 2008/09	Actual Collection 2008/09	% Deviation from Target
Non-taxable revenue	25,330	20,653	30,404	47

Departmental Own Revenue	Actual Collection 2007/08	Budgeted Collection 2008/09	Actual Collection 2008/09	% Deviation from Target
Programme 1	25,330	20,653	30,404	47
TOTAL	25,330	20,653	30,404	47

Examination Certificates

Category	Existing Tariffs 2007/08	Proposed Tariffs 2008/09	Approved Tariffs 2008/09
Senior Certificate	R20.00	R30.00	R30.00
National Senior Certificate	R20.00	R30.00	R30.00
Abet Level 4 and GETC	R20.00	R20.00	R20.00
Subject Certificate, Learning Area Certificate and Subject Statement	R20.00	R30.00	R30.00
National Senior Certificate (Technical)	R40.00	R60.00	R60.00
National Certificate (Vocational)	R40.00	R60.00	R60.00
National N3 Certificate and Subject Statement	R40.00	R60.00	R60.00

Rentals for Accommodation

Description	Existing Tariffs 2007/08	Proposed Tariffs 2008/09	Approved Tariffs 2008/09
House Rental	R200.00	R500.00	R500.00

Rental on Hiring of Office Buildings and Halls

Description	Existing Tariffs 2007/08	Proposed Tariffs 2008/09	Approved Tariffs 2008/09
Rental of Boardroom charge for utilisation (non-refundable fee)	R250.00	R500.00	R500.00
Rental of Boardroom deposit fee: forfeited if damages are incurred; refundable if there are no damages.	R500.00	R500.00	R500.00

Rental on Hiring of Office Buildings and Halls

Description	Existing Tariffs 2007/08	Proposed Tariffs 2008/09	Approved Tariffs 2008/09
Rental of hall. Charge for utilisation. Non-refundable fee.	R500.00	R500.00	R500.00
Rental of Hall deposit fee: forfeited if damages are incurred; refundable if there are no damages.	R500.00	R500.00	R500.00

Telephone and Faxes

Distance	Existing Tariffs 2007/08	Proposed Tariffs 2008/09	Approved Tariffs 2008/09
0 – 50 km	R0.52 per minute	R0.99 per minute	R0.99 per minute
50km and above	R0.86 per minute	R1.89 per minute	R1.89 per minute

Photocopies

Description	Existing Tariffs 2007/08	Proposed Tariffs 2008/09	Approved Tariffs 2008/09
Photocopies	R 1.50	R 1.50	R 1.50

Specific Challenges and Responses

Challenge 1: Shortage of Staff

Shortage of staff in Division: Departmental Debt.

Response to Challenge 1

Filling of vacant posts and approval of proposed Division: Departmental Debt structure.

Challenge 2: Money for Examination

Separation between receiving of money for examination-related applications and progress with regard to the processing of applications.

Response to Challenge 2

Establishing a cash office at the examination offices (Valencia) so that applicants can make enquiries at the service point where they made their applications.

Issues Requiring Ongoing Attention

- Monitoring and inspection of Own Revenue collection at all cash offices across the Province
- Introduction of a system that will ensure that employee contact details are constantly updated; and
- The establishment of a functional database of all State property in the Department of Education so as to determine the expected rental income from tenants that benefit from State accommodation.

2.8 Departmental Payments

Programmes	Voted for 2008/09	Roll-overs and Adjustments	Virement	Total Voted	Actual Expenditure	% Deviation from Voted /Variance
Administration	1 010 604	30 000	3 264	1 043 868	889 014	15 %
Public Ordinary School Education	7 227 282	391 900	(3 264)	7 615 918	7 849 008	(3) %
Independent School Subsidies	12 500	0	0	12 500	11 136	11 %
Public Special School Education	158 051	0	0	158 051	130 042	18 %
Further Education and Training	215 935	5	0	215 940	205 757	5 %
Adult Basic Education and Training	124 598	0	(24 000)	100 598	69 798	31 %
Early Childhood Development	91 551	0	0	91 551	63 096	31 %
Auxiliary and Associated Services	93 711	921	24 000	118 632	143 128	(21) %
TOTAL	8 934 232	422 826	0	9 357 058	9 360 979	(0.04) %

Occupation Specific Dispensation (OSD) implementation - among other cost drivers - led the Department to overspend on its Vote during the period under review with an amount of R3.9 million. The key cost drivers and their impact on the financial position of the Mpumalanga Department of Education (MDoE) are:

- The implementation of OSD for educators during the period under review seriously impacted on the budget. The OSD agreement was reached and signed in April 2008 and was required to be retroactively implemented from January 2008. The additional funding received to address the OSD did not adequately allow for the carry through effect of the implementation of OSD in the Compensation of Personnel Budget of the MDoE.
- The tariff increment of markers for the November 2008 examinations was agreed and implemented after budget adjustment.
- Additional support programmes offered to address the exam preparation needs of Grade 12 learners in Mpumalanga also impacted on the budget.
- The significant adjustment of scholar transport tariff rates for the service providers also contributed towards the over expenditure.
- The contractual obligations of the MDoE towards infrastructure projects undertaken by the MDoE's Implementing Agents dating back to 2004 also became key cost drivers during the period under review. Due to the required management intervention certain planned projects had to be reprioritised.

Conditional grant funding had been spent to finance over- expenditure on goods and services as well as compensation of employees. An amount of R64 371 141.42 of conditional grants has been utilized to off-set current expenditure (equitable share). This amount is defined as unauthorised expenditure in terms of the prescribed definition as the funds were utilized to decrease the overspending of the Vote. The Department has also overspent on Programmes 2 and 8 with a total amount of R257 593 314.44 which is also classified as unauthorised expenditure. The Department has, by overspending the total budget for Compensation of Employees with R414 005 781.66 also incurred irregular expenditure for the 2008/09 financial year.

Specific Challenges and Responses

Challenge 1: Overspending of Budget
Budget Constraints
Response to Challenge 1
The Department has placed a moratorium on the filling of posts, implemented cost curtailment measures and also reprioritized the budget for the 2009/10 financial year to address possible overspending in future

Issues Requiring Ongoing Attention

None.

2.9 Programme Performance

The Mpumalanga Department of Education has provided measurable objectives for each main division within the Department's Vote in the Annual Performance Plan for 2008/09 financial year according to Section 27(4) of the PFMA. The programme performance is in accordance with the Annual Performance Plan as tabled in the Legislature.

Performance measures and targets as required by Provincial Treasury and the National Departments of Education and National Treasury are reflected in paragraph 2.10.

2.10 Service Delivery Achievements

Provincial Education Sector

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM001: Number of children of compulsory school going age that attend schools	628,776	643,021	644,821	1.800	0.99
PM002: Number of youths above compulsory school going age attending schools and other educational institutions	243,189	236,963	238,554	1.591	0.98
PM003: Public expenditure on the poorest learners as a percentage of public expenditure on the least poor learners	74.3%	78.9%	76.5%	2.4%	2.4%
PM004: Years of input per FETC graduate	12.58	12.6	12.5	0.1	1.008
PM005: Average highest school grade attained by adults in the population	9	10	10	0	0
PM006: Adult literacy rate	25,38	27,459	27,851	392	0.98

Programme 1: ADMINISTRATION

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

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM101: Number of schools implementing the School Administration and Management System	854	1,754	1,165	589	34
PM102: Number of schools that can be contacted electronically by the Department	288	1,754	772	982	56
PM103: Number of black women in senior management positions	5	21	7	14	67
PM104: Current expenditure going towards non-personnel items	310,036	2,309,929	1,239,381	1,070,548	46

Specific Challenges and Responses

Challenge 1: Data Coordination in the Department

Inconsistent and incorrect data received at times

Response to Challenge 1

A system that ensure accuracy, reliability and uniformity of all data to be developed by EMIS Section

Issues Requiring Ongoing Attention

- Consultation and continuous support to public schools
- Employment equity targets to be reached in term of Employment Equity Act; and
- Sustainability and enhancement of the corporate image of the Department.

Programme 2: PUBLIC ORDINARY SCHOOL EDUCATION

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

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
* PM: Number of learners benefiting from scholar transport	35,953	51,376	68,388	17,012	(33)
* PM201: Number of learner days covered by the nutrition programme	35,953	113,597,550	110,728,925	2,868,625	2.5
* PM202: Number of learners in public ordinary schools with special needs	17,884	17,644	18,004	(36.0)	(2)
PM203: Number of public ordinary schools with a water supply	1,623	1,877	1,683	194	10
* PM204: Number of public ordinary schools with electricity	1,631	1,506	1,613	(107)	(7)
PM205: Number of schools with an adequate number of functional toilets	488	600	538	62	10
PM206: Expenditure on maintenance as a percentage of the value of school infrastructure	1,1%	15,656,000	16,000,000	344,000	(2)
PM207: Number of schools with more than 40 learners per class	352	200	536	(336)	(168)
PM208: Number of non-Section 21 schools with all LTSMs and other required materials delivered on day one of the school year	0	0	0	0	0
PM209: Number of schools with Section 21 status	1,801	1,915	1,888	27	1.4
PM210: Number of working days lost due to educator absenteeism in public ordinary schools	138,230	142,082	129,556	12,526	9
PM211: Number of learner days lost due to learner absenteeism in public ordinary schools	3,104,228	3,314,562	3,148,232	166,330	5

***NOTE: PM number of learners benefiting from scholar transport: the Department experiences challenges in this item and had to conduct a forensic audit. The figure 68,388 actual number learners benefiting as per audit findings.**

***NOTE: PM201 refers: The Performance Measure was wrongly calculated due to the formula not being understood and has been corrected after consultation with Treasury.**

***NOTE: PM202 refers: The prescripts in the Annual Survey indicates that only learners certified by a professional may be indicated as learners with special needs; therefore the figure does NOT indicate the real situation and we do not do justice to these learners.**

***NOTE: PM204 refers: The majority of projects referred to here were previous years projects since only one project for the 2008/09 financial year was completed.**

Sub-Programme 2.1: Public Primary Phase

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

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM212: The performance ratio of the least advantaged schools to the most advantaged schools with regard to Grade 3	1:1,53	1:1,51	1:1,48	0.03	1.9
PM213: Repetition rate in Grades 1 to 7	0,074	0,066	12,34	(12.2)	(18.6)
PM214: Number of learners in Grade 3 attaining acceptable outcomes in Numeracy and Literacy	80,637	82,534	83,457	(923)	(1.1)
PM215: Number of learners in Grade 6 attaining acceptable outcomes in Mathematics, Literacy and Natural Sciences	74,980	72,557	77,872	(5.315)	(7.3)

Specific Challenges and Responses

Challenge 1: Reading and Numeracy Performance

Low learners' levels of performance at Foundation Phase in Literacy and Numeracy

Response to Challenge 1

Reading Strategy launched to alleviate the poor performance

Issues Requiring Ongoing Attention

- Lack of sports facilities, Science and Technology equipment in farm, rural and public ordinary schools; and
- Training of educators on MultiGrade Teaching (MGT) in farm and rural schools

Sub-Programme 2.2: Public Secondary Phase

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

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM216: Number of girl learners who take Mathematics and Science in Grades 10 to 12	54,887	59,477	40,743	18,734	31
PM217: The performance ratio of the least advantaged schools to the most advantaged schools with respect to the Grade 12 pass rate	1:2.1	1:1.9	1:2.1	0.2	20
PM218: Repetition rate in Grades 8 to 12	28,64	13.67%	39.6%	2.593	52.5
PM219: Pass ratio in Grade 12 examinations	60,8%	76.8%	51.65%	2.515	32.7
PM220: Pass ratio in Grade 12 for Mathematics and Science	1:1.03	2%	0.7%	5.318	1.3
PM221: Number of learners in Grade 9 attaining acceptable educational outcomes in all learning areas	58,295	65,278	60,454	4.824	7

Specific Challenges and Responses

Challenge 1: Poor content knowledge of educators to implement the NCS Curriculum

A large percentage of the educators do not have adequate knowledge and skills to implement the NCS Curriculum effectively to realise the outcomes in classrooms

Response to Challenge 1

- Short content enrichment courses are conducted for all the subjects during school holidays
- Bursaries are given to educators to pursue accredited courses like ACE

Challenge 2: Lack of proper assessment techniques

- The educators are not conversant with the depth of content required for assessment purposes
- Many educators struggle to formulate quality assessment tasks in line with the NCS requirements
- Lack of skills to do practical work effectively in practical subjects

Response to Challenge 2

- Examination guidelines are compiled and distributed to all educators
- Exemplar assessment tasks are compiled in all subjects and distributed to all educators
- Short training courses are conducted on practical work. Science kits are distributed where formal laboratories are not available

Issues Requiring Ongoing Attention

- Grade 12 learners to be continuously supported for maximum results
- Resorting of the Regions in the implementation of the New Curriculum Statement (NCS)
- Schools offering IT and CAT to be supplied with resources required; and
- Implementation of MST in schools.

Programme 3: INDEPENDENT SCHOOLS

Programme Objective: To support independent schools in accordance with the South African Schools' Act

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM301: Number of funded independent schools visited for monitoring purposes	44	68	34	34	50

Specific Challenges and Responses

Challenge 1: Lack of clear communication channels

A clear line of communication between Head Office and the Regions with the independent schools to ensure a uniform implementation approach

Response to Challenge 1

Designed a coordinated and integrated management plan between Head Office and the Regions guided by the Provincial policy

Issues Requiring Ongoing Attention

- Finalisation of the Provincial policy on the management of Independent schools according to SASA; and
- Submission of Audited Financial Statement by schools to fast track transfer payments.

Programme 4: PUBLIC SPECIAL SCHOOL EDUCATION

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 provide specific public special schools with resources

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM401: Number of children with special needs aged 6 to 15 not enrolled in educational institutions	3,120	1,560	716	844	45.8

NOTE: Very difficult to determine as data is not available on out-of-school learners.

Specific Challenges and Responses

Challenge 1: Upgrading of Infrastructure Delay in the tendering processes and upgrading of physical facilities at special schools, reform schools and schools of industries
Response to Challenge 1 Task team to be established to fast track the upgrading processes
Challenge 2: Curriculum Adaptation Educators experience difficulties with curriculum adaptation and differentiation
Response to Challenge 2 Arrangement and facilitation of capacity building workshop for educators on curriculum adaptation and differentiation be put in place

Issues Requiring Ongoing Attention

- Empowerment, capacity building and training of Youth and Child Care Workers at Reform schools
- Provision of additional space in institutions for out of school disabled youth
- Outreach programme for learners suffering from autism; and
- Shortage of specialized social support staff with high level support needs.

Programme 5: FURTHER EDUCATION AND TRAINING

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	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM501: Number of FET students relative to youth in the Province	15,608	19,063	20,604	1,541	8
PM502: Number of female students who are in technical fields	5,648	6,000	7,397	1,397	23
PM503: FET College throughput rate	70	75	44.6	30	30
PM504: Number of learners placed in learnerships through FET Colleges	820	811	1,555	744	91

Specific Challenges and Responses

Challenge 1: Low throughput rate

Low throughput rate in all subjects

Possible Reasons:

- Textbooks not delivered on time in 2008
- Lack of clear guidelines regarding the depth of the content coverage
- Lack of qualified lecturers to teach almost all subjects; and
- In technical subjects the high standard of the Mathematics curriculum which is compulsory
The learners are generally not able to cope with the demands of the curriculum.

Response to Challenge 1

- Arrangements are made to deliver textbooks on time
- Examination guidelines are compiled and distributed; and
- Discussions are initiated with the National Department to revise the Mathematics curriculum.

Issues Requiring Ongoing Attention

- Submission of audited statements on time by FET Colleges for the transfer of payments; and
- Shortage of classrooms and equipment at FET Colleges.

Programme 6: ADULT BASIC EDUCATION AND TRAINING

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

Sub-programme 6.1: Public Centres

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

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM601: Number of ABET learners relative to adults in the Province	26,339	28,000	23,667	4,333	15.4

Specific Challenges and Responses

Challenge 1: Shortage of qualified staff

The Unit is presently in dire need of qualified educators

Response to Challenge 1

Human Resource Management to assist in coming up with a strategy to retain educators

Issues Requiring Ongoing Attention

- Educators to undergo capacity training so as to be able to accommodate adult learners experiencing barriers in learning; and
- Procurement of adult learner packs for Literary and Numeracy

Programme 7: EARLY CHILDHOOD DEVELOPMENT

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	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
PM701: Number of learners in publicly funded Grade R	28,652	32,330	52,000	(19,670)	(60.8)

Specific Challenges and Responses

Challenge 1:

Some CGB members not pitching up for training due to other commitments

Response to Challenge 1

Regions to train outstanding CGB members to ensure that they deliver on their mandate

Issues Requiring Ongoing Attention

- Late submission of transfers of subsidies to Grade R schools
- Advocacy campaign to be held on ECD matters with all relevant stakeholders; and
- ECD educators be capacitated on NQF Levels 4 and 5.

Programme 8: AUXILIARY AND ASSOCIATED SERVICES

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

Sub-programme 8.3: External Examinations

Sub-programme objective: To provide for Departmentally managed examination services

Description of Objective and Performance Measure	Actual Outputs 2007/08	Target Outputs 2008/09	Actual Outputs 2008/09	Deviation from Target	
				Units	%
The extent to which examinations as a whole are conducted according to relevant National policy and Provincial guidelines in terms of entries, timetabling, distribution, marking, remarking, moderation, certification and payment	100%	100%	90%	10	10
The extent to which Provincial examination papers for Grade 12 and Grade 12 supplementary examinations are developed three (3) months prior to commencement of examinations	100%	100%	100%	0	0

Specific Challenges and Responses

<p>Challenge 1: 2008 National Senior Certificate (NSC) entries</p> <ul style="list-style-type: none"> The introduction of the new IECS led to varied challenges ranging from double candidate registration to some Grade 11 candidates erroneously captured as Grade 12 candidates; and Electrical power load shedding and connectivity challenges due to narrow bandwidth led to downtime and sluggishness in the transmission of data from the Province to the central National server.
<p>Response to Challenge 1</p> <ul style="list-style-type: none"> Double entry candidates were traced and deregistered from the system to remain with single candidates. Grade 11 candidates' registration was suspended as a contingency measure and those erroneously appearing on Grade 12 were deleted; and The bandwidth was increased to accommodate the transmission of sufficient data.
<p>Challenge 2: 2008 NSC Marks Capturing</p> <ul style="list-style-type: none"> Double registration resulted in the candidates having incomplete results as marks were captured in different candidate profiles The IECS lost marks captured as the system has only a central server that does not allow Provincial control or back-up data and it was also being developed and maintained while capturing was taking place; and The IECS is a web-based system and it was mostly slow and impeded the progress of the capturers.
<p>Response to Challenge 2</p> <p>More capturers were introduced and they worked overtime to overcome challenges encountered.</p>
<p>Challenge 3: Marks retrieval</p> <p>Due to the lack of a proper script and mark sheets filing system and storage, it became convoluted to retrieve mark sheets and scripts to re-capture the required marks.</p>
<p>Response to Challenge 3</p> <p>Staff from various sections within the Province were mobilised and deployed to rescue the situation.</p>
<p>Challenge 4: Marking Tariff increase</p> <p>The NDE increased marking tariffs for all marking categories and this led to an increased cost for the payment of markers.</p>
<p>Response to Challenge 4</p> <p>The Directorate anticipated over-expenditure and requested more allocation of funds from the Budget Section.</p>

Issues Requiring Ongoing Attention

- Consistent monitoring of all examination-related procedures and processes from Grades 1 to 12 throughout the academic year; and
- Capturing of Grades 10 to 11 as per the new National system and finalization of Grade 12 registration processes.

2.11 Transfer Payments

Transfers were made to the following institutions in the 2008/09 financial year:

Name of Institution	Amount Transferred R'000
Mpumalanga Regional Training Trust (MRTT)	23,000
Independent Schools	11,136
Special Schools	27,248
Further Education and Training Centres	29,241
Early Childhood Development Centres	39,586
Section 21 schools	112,215
No-Fee Schools	60,089
TOTAL	302,515

2.12 Conditional Grants

Summary of Conditional Grants for 2008/09

Conditional Grant	Total Allocation	Total Transfers	Actual Expenditure
Infrastructure Development	171,673	232,626	218,439
HIV and AIDS	13,848	14,769	13,592
NSNP	136,606	166,290	121,753
FET Recapitalization	39,099	39,104	39,103
TOTAL	361,226	452,789	392,887

2.12.1 Infrastructure Development

- The following **challenges** were encountered: Cash flow: some projects had to come to a stand still due to delays in payments. Project closure proceeds at a very slow pace. Procurement of movable classroom has been stalled by the Implementation Agency. The vacancies within the Department have rendered monitoring of projects ineffective. This also affects the preparation of projects before being referred to the Implementation Agency. The eradication of inappropriate structures and old projects seem not to be registering any progress. There is space challenge for proper keeping of files. Lack of expertise among the personnel on filing of documents. Project management is a serious challenge; projects stays longer on retention when they are expected to stay for three months only.
- **Achievements** registered are that projects that reached the highest level of completion during the year are 97. The breakdown is as follows: Completed Projects: 38; Retention Stage: 31 projects; Delivery Stage: 18; and Closed Projects are 10.

2.12.2 HIV and AIDS Programme

The HIV and Aids Programme succeeded in carrying out the following programmes during the year under review:-

Teacher Development

3 630 Educators were capacitated on Life Skills HIV and AIDS programmes: Sexuality Education, Care and Support of Orphaned and Vulnerable Children.

Turning Schools into Nodes of Care and Support

392 Schools turned into Nodes of Care and Support.

Peer Support Programme

2 061 Grade 10 learners were empowered on a Peer Support Programme to promote positive living style.

Care and Support

One major coordinated service delivery campaign was organized: 80 schools were reached and 4 290 learners assisted with Birth Certificates and Identity documents.

EMGD to Empower School Management Teams (SMTs) on Policy Development

400 SMTs empowered on HIV and AIDS Policy Development

2.12.3 FET Recapitalization

The NC(V) Curriculum was implemented successfully from Levels 2 to 4 in all of the colleges. The enrolment of learners has increased from 1 901 in 2007 to 8 119 in 2009 as per the statistics given below.

MPUMALANGA NC(V) ENROLMENT STATISTICS (2007 - 2009)

2007				2008				2009			
Level 2	Level 3	Level 4	Total	Level 2	Level 3	Level 4	Total	Level 2	Level 3	Level 4	Total
1 901	0	0	1 901	4 126	827	0	4 953	5 790	1 917	412	8 119

Achievements

NKANGALA FET COLLEGE

- 128 Lecturers were trained in line with the delivery of NCV programmes
- 3 Workshops were upgraded
- 54 Classrooms were upgraded
- 3 Student support units were established
- 14 Workshops were equipped to offer Engineering and Hospitality related Programmes at 4 campuses
- 29 Classrooms were installed with modern equipment
- 9 429 Textbooks purchased

GERT SIBANDE FET COLLEGE

- 114 Lecturers were trained in line with the delivery of NCV programmes
- Part of a hostel converted into a hospitality centre
- 1 Student support unit established
- 24 Classrooms built
- 4 Workshops were built to offer Engineering related Programmes related programmes at 3 campuses
- 13 Offices built
- 1 Laboratory established
- 23 730 Textbooks purchased.

EHLANZENI FET COLLEGE

- 72 Lecturers were trained in line with the delivery of NCV programmes
- 3 Classrooms upgraded
- 2 laboratories established
- 3 Workshops were installed with equipment to offer Engineering related Programmes at 3 campuses
- 8 New classrooms built
- Multi-purpose centre completed.

2.12.4 National School Nutrition Programme (NSNP)

Challenges

- The economic meltdown affected food prices
- The cash-flow challenges in the Department resulted in the late payment of suppliers' invoices; and
- The quintile ranking of schools has persistently posed a threat to vulnerable and needy learners of being removed from the feeding programme.

Responses to Challenges

- Service providers' prices were adjusted following funding received during the appropriation
- Invoices for the last quarter of 2008/09 handled as accruals in the 2009/10 financial year; and
- Submission made to EMIS for the re-ranking of schools.

Achievements

- 573 725 Learners in 1 400 schools fed for 193 days
- 3 227 Food handlers paid a stipend of R400 per month for the preparation and serving of meals; and
- 185 Vegetable gardens established and 751 gardens maintained.

2.13 Capital Investment, Maintenance and Asset Management Plan

Capital Investment

- Projects that reached the highest level of completion during the year under review, are 20. The breakdown is as follows: Completed Projects: 8; Retention Stage: 5 projects; Delivery Stage 5; and Closed Projects are 2
- Projects that started and are still in progress are 724. To state exactly when these projects will be completed is one of the challenges. Planned dates change every month; and
- There are no indications to close down or down grade facilities

Maintenance Backlog

Previously no proper maintenance took place to save for the renovations and refurbishment of facilities. The current maintenance backlog is almost 85% of the schools. The Department is in a process to develop a reactive maintenance programme. A start was made during 2008/09 whereby Regions were allocated a sum of R4 million each. With the aid of this programme 79 schools were maintained.

The impact is that the Department is likely to overspend due to projects which started in the previous years which were not completed by then. These schools need to be completed during this financial year in order to streamline the budget allocation to the MTEF. The maintenance of facilities must also be institutionalised to ensure that buildings are kept in a good working order. This will cause a further dent in the available budget. In addition, 21 schools were affected by storms in Bushbuckridge and Ehlanzeni Regions alone. The Department responded effectively. Due to over commitment the Department could not respond to emergencies similar to those of Bushbuckridge and Ehlanzeni Regions which occurred in the Gert Sibande Region.

Asset Management Plan

During the 2008/09 financial year the Department of Education's current asset holding was as follows:

Assets	2007/08	2008/09
Mainstream Schools	1,881	1,888
LSEN Schools	18	14 and 4 Reform Schools
FET Colleges	3	3
ABET Centres	335	282
ECD Sites	1,029	1,029
EDCs	15	14

Immovable assets are managed through the Education Management Information System (EMIS) and the Schools Register of Needs Information System (SRNIS), which are updated annually.

The Departmental Asset Management Component has been established and most of the posts have been filled. The Department has complied with the minimum requirements and all movable assets have been bar-coded and recorded on the asset register as prescribed.

Asset Management Action Plan for 2008/09

	PROGRESS	CHALLENGES	ACTION PLAN
Asset Registers	Our Asset Register meets the required data as per National Treasury. All assets were updated as new assets were received.	Un-authorized movement of assets.	Continuous asset verification. Asset Management is presently capturing the assets.
Asset Management (Operational issues, performance and disposals)	Disposal Committee members appointed		Disposal to be done during 2008/2009 financial year. All to items be disposed has been identified and listed.
Immovable Property	The Asset Register for immovable property has been initiated for schools, Departmental houses and Circuit offices. The manual Asset Register has been compiled for all Government owned houses and all schools around Mpumalanga Province. (See attached Register). All closed projects have been identified and will be transferred to the Department of Public Works as they are the custodians.	2004/2005 files were not available for the compilation of information for Audit purpose	Reconciliation on immovable property done on a monthly basis.
Audit and Internal Audit	External audit conducted during the period 2008/2009 and the audit response was forwarded to the Director of Finance and all audit queries were addressed. The 2 nd audit findings from the interim regularity audit and the audit performance of the Department on assets was done for the year ended 2009-03-31. The root causes and recommendations were mentioned. All the audit queries for the financial year ending were addressed.		All assets have been bar-coded to address the audit queries mentioned for the financial year ended. See attached comments from Asset Management.
Link between Asset Management, supply chain and budgeting.	All the quotations have been done by SCM. The Log 1 has been forwarded to Asset Management for capturing of assets according to their asset categories. All of the movable assets have been received at the main warehouse in Loco Street where they were distributed to various chief users. Link between SCM and Asset Management exist.		
Controls over assets	The receipts and issue of assets have been centralised as well as bar-coding thereof. All of the received assets were bar-coded as per chief user location. This is done for the proper control of assets.		



PART 3:



REPORT OF THE AUDIT COMMITTEE



REPORT OF THE AUDIT COMMITTEE

Provincial Department of Education (Mpumalanga Province)

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2009.

Audit Committee Members and Attendance:

The Audit committee had a full membership compliment and have met a minimum of 4 times for the period under review as per the approved terms of reference. During the period under review the term of contract of the chairperson of the committee expired and one member resigned. Both vacant positions were appropriately filled. The details of attendance of meetings are recorded below.

Name of Member	Number of Meetings Attended
Mr. T T Ntuli (appointed Chairperson 19 March 2009)	3
Ms. R Kalidass (Chairperson to 19 March 2009)	3
Mr. B De Jager (resigned July 2008)	0
Mr. M Sibanyoni	4
Dr. H Jooste (appointed 01 November 2008)	2
Mr. A C Keyser (appointed 01 November 2008)	2

Audit Committee Responsibility

The Audit Committee is pleased to report that it has complied with its responsibilities arising from section 38 (1) (a) of the PFMA and Treasury Regulation 3.1. Further it also has adopted appropriate formal terms of reference as its audit committee charter, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls is designed to provide assurance that the Department maintain effective, efficient and transparent systems of financial and risk management, safeguarding of assets and efficient management of available working capital. In line with the Public Finance Management Act and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. Management strive to establish good internal controls by means of a prudent risk management process, as well as identification of corrective actions on issues identified by internal auditors and/or implementation of suggested enhancements to the controls and processes as per their recommendation. Significant control weaknesses continued to be reported through both internal and external audit reports. Inadequate policies and procedures, proper implementation of controls and as well as organizational staffing capacity, continued to be major factors contributing to the internal control weakness. The Department operated without a Chief Financial Officer for at least eight months during the financial year. We can therefore, not report that the system of internal controls for the period under review was efficient and effective.

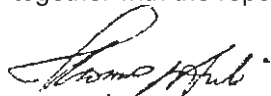
The quality of management and monthly/ quarterly reports submitted was in terms of the PFMA and the Division of Revenue Act. The Audit Committee has taken note of the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. The area of concern for the Audit Committee relates to risk management, timeous submission of financial reports and reporting on performance information.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and Accounting Officer;
- reviewed the Auditor-General's management letter and management's response thereto;
- noted no changes in accounting policies and practices; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusion on the annual financial statement, and recommends that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Mr TT Ntuli
Chairperson of the Audit Committee

Date: 24th August 2008



PART 4:



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2009

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

REPORT OF THE ACCOUNTING OFFICER

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

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**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

REPORT OF THE ACCOUNTING OFFICER

Report of the Accounting Officer for the year ended 31 March 2009

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

The 2008/09 financial year was extremely demanding for Mpumalanga Department of Education (MDoE). The capacity and capabilities of the Department was tested in terms of delivery against its core mandate versus the reality of operational constraints. These constraints resulted in a number of challenges regarding the financial affairs of the MDoE.

The MDoE was allocated a budget vote of R9,357 billion for the period under review. During this period the MDoE was required to implement the Occupational Specific Dispensation (OSD) regarding the remuneration of Educators. OSD implementation among other cost drivers led the Department to over spend its vote by an amount of R3,9 million (0.04% of the budget vote). The impact of the financial pressure posted by the various cost drivers was contained to a minimum by prudent and vigorous management intervention in the financial affairs of the Department. The key cost drivers and their impact on the financial position of the MDoE are:

- The implementation of OSD for compensation of educators during the period under review seriously impacted on the budget. The OSD agreement was reached and signed in April 2008 and was required to be retroactively implemented from January 2008. The additional funding received to address the OSD did not adequately allow for the carry through effect of the implementation of OSD in the Compensation of Personnel Budget of MDoE.
- The tariff increment for markers for the November 2008 examinations was agreed and implemented after the budget adjustment. The MDoE was also faced with a challenge in releasing Grade 12 results on time during the period under review.
- Additional support program offered to address the exam preparation needs of Grade 12 learners in Mpumalanga also impacted on the budget.
- The significant adjustment of scholar transport tariff rates for the service providers also contributed towards the over expenditure. The forensic investigation continued for the period under review.
- The contractual obligations of MDoE towards infrastructure projects undertaken by the MDoE's Implementing Agents dating back to 2004 also became key cost drivers during the period under review. Due to the required management intervention certain planned projects had to be reprioritised.

The impact of the key cost drivers and the resultant overspending of R3,9 million on an adjusted vote of R 9,357 billion is not indicative of a 100% spend on all programs, including Conditional Grants, and the resultant accruals, but portrays the results of management interventions to control potential rampant overspending on the allocated vote. This according to legislation is an unauthorized expenditure. The department also withheld an amount of R22 million at the end of the financial year in order to control the cash flow, however it was subsequently paid during April 2009.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

REPORT OF THE ACCOUNTING OFFICER

2. Service rendered by the Mpumalanga Department of Education

MDoE is the custodian of education and training in the province. The governance and provisioning of education is the primary mandate of the Department.

This primary mandate of governance and provisioning of education to more than 1 million learners in Mpumalanga is facilitated through:

- 1 928 public schools, 3 Further Education and Training colleges (FET) and a public entity (Mpumalanga Regional Training Trust - MRTT).
- The technical, administrative and managerial support provided by 67 circuit offices and 4 regional offices and 11 Education Development Centres (EDC) that are coordinated by a head office based in Nelspruit.
- A staff complement in excess of 44 000 officials comprising of educators and administrators.
- Specific interventions to address special needs are addressed through – 18 Special Schools, 282 Public Adult Learning Centres (PALC) offering Adult Basic Education and Training (ABET) and 1 029 Early Childhood Development (ECD) Centres.
- The governance of home education (669 learners) and 78 Independent schools, of which 36 are funded, is also managed by MDoE.
- To date 952 schools had been declared 'No fee' schools benefitting 420 238 learners.

MDoE facilitated the following key services:

- The transportation of more than seventy thousand learners in rural areas to and from school.
- All stationary packages for the 2009 school year were delivered to schools in November 2008 and 98.3% of text and prescribed books were delivered to schools during January 2009.
- 573 725 Learners were fed through the National School Nutrition Program.
- 25 000 learners benefited from the ABET program.
- Stakeholder involvement was strengthened – Teacher summits and Learner summits were undertaken.
- The Ligbron e-learning program in Gert Sibande Region was implemented in the year under review. This is a simultaneous interactive electronic teaching program that benefits five schools. This is the first intervention of its kind in South Africa.
- Self administration of FET institutions – this ensured that the FET institutions were able to self administer in the following financial year.
- Singita / Bushbuckridge Disaster Project – MDoE used the opportunity that the disaster created to address the infrastructure repair needs of schools in the affected area.
- Supporting of the implementation of the new curriculum in Grade 12.
- The Dial-in tutoring service to support Grade 12 learners received an award recognising excellence from National Government
- The mobile career guidance centre was refurbished and is being utilised to provide career information to learners through out the province
- Adopting and implementing of National School infrastructure norms and standards.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

REPORT OF THE ACCOUNTING OFFICER

3. Capacity constraints

MDoE faced serious financial and administrative management constraints as a result of disciplinary action taken against senior officials within the Chief Financial Officer's branch.

The financial constraints mentioned above resulted in a moratorium on the filling of administrative public service staff posts during the financial year under review. This further hampered efficiency within the supply chain management and asset management units.

4. Utilisation of donor funds

The Department received no donor funding (cash or kind) during the year under review.

5. Trading entities and public entities

Mpumalanga Regional Training Trust (MRTT) is the public entity operating under the governance of MDoE. The main functions of MRTT are to deliver technical, entrepreneurial, management and leadership skills training.

MRTT has an academy that offers training in hotel management, catering and environmental affairs. The academy delivers short courses and targets the development of skills among the youth. During the period under review a total of 2 837 out-of-school youths were trained.

An amount of R23 million has been transferred to this institution during the year under review.

MRTT is gazetted as a public entity in government gazette dated 19th July 2002 under Notice 1283 of 2002 issued by National Treasury.

6. Organisations to whom transfer payments have been made

The Department made no transfer payments to organisations other than educational institutions. A list of transfers that have been made to these institutions can be viewed in **Annexure 1C**, statement of transfers to non-profit institutions.

7. Public private partnerships (PPP)

The Department manages its PPPs through the Mpumalanga Educational Development Trust (MEDT). The oversight of this entity is managed through representation on the board of trustees.

During the financial year under review the following projects were undertaken by MEDT

- The MTN Science Centre Project (Piet Retief)
- ABSA Foundation Project on e-learning (Ermelo)
- Mondi Career guidance and science centre project (Piet Retief)
- Whole School Development Project initiative with the Kagiso Development Trust (Nkangala)
- Sasol Project - establishment and equipping of science laboratories (Ithemba and Mpuluzi educational centres)

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

REPORT OF THE ACCOUNTING OFFICER

8. Corporate governance arrangements

Good governance in MDoE is viewed as a priority. A number of initiatives have been implemented to ensure that corporate governance is institutionalised:

- The Audit Committee has been constituted and is fully functional.
- Head of internal audit (IA) post was filled after a protracted period. The Head of IA reports functionally to the Audit Committee and administratively to the Accounting Officer.
- A unit to facilitate enterprise risk management functions was established in the year under review.
- All governance committees as required by the Preferential Procurement Policy Framework Act (PPPFA) have been constituted and are fully functional.
- Policy reviews have been undertaken pertaining to Human Resource Management.

9. Discontinued activities/activities to be discontinued

No activities were discontinued during the financial year under review.

10. New/proposed activities

No new proposed activities have been implemented during the financial year under review. Although there were no new activities during the financial year under review, new priorities were identified by the National Department of Education (DoE). Funding of these new priorities was ring-fenced by the MDoE. Expenditures on the new priorities alongside with previous year's priorities were reported on, on a monthly basis to DoE. These new priorities consisted of the following:

- Inclusion of secondary schools in the National Schools Nutrition Programme.
- Additional infrastructure development
- Supply of learner and teacher support material in Grades 10-12.

11. Asset management

Asset management has not been adequately attended to in the past and current period. About 50% of the payment vouchers to update the asset register to the value of R769 million has been obtained but could not be made available on time.

- Development of policies on asset management and disposal.
- Appointment of the Loss and Disposal Committee.
- Considerable attention was given to the reconciliation of assets on the Basic Accounting System (BAS) and Logistical Information System (LOGIS), but this was insufficient to reconcile the assets as per BAS and LOGIS.

12. Events after the reporting date

An acting Head of Department was appointed on the 1st of May 2009.

13. Performance information

The overall performance of the Department can be seen in the program performance as described in Part 2 of the Annual Report of the Department.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

REPORT OF THE ACCOUNTING OFFICER

14. SCOPA resolutions

No SCOPA resolutions were taken in the financial year under review.

15. Prior modifications to audit reports

An intervention plan was developed wherein all qualifications, emphasis of matters and other issues raised in the previous audit report were listed. Action plans indicating deliverables, target dates and responsible officials were developed. These action plans are expected to mitigate all issues previously reported.

16. Exemptions and deviations received from the National Treasury

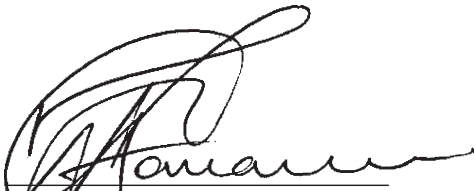
No exemptions from the Public Finance Management Act or Treasury Regulations or deviation from the financial reporting requirements were received for the current and/or prior financial year.

17. Other

During the financial year under review there were no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

18. Approval

The Annual Financial Statements set out on pages 56 to 110 have been approved by the Accounting Officer.



**DR T NGOMANE
ACTING HEAD OF DEPARTMENT
31 MAY 2009**

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 7: DEPARTMENT OF EDUCATION FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Education which comprise the statement of financial position as at 31 March 2009, and the appropriation statement, statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 56 to 110.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2008 (Act No. 2 of 2008) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Capital assets

7. I was unable to obtain sufficient appropriate audit evidence concerning the completeness and accuracy of capital assets at 31 March 2009 to the amount of R1 246 003 000, as disclosed in note 27 and 29 to the financial statements. The department did not perform a reconciliation or submit any explanations or supporting documentation regarding the difference of R833 533 073 between the fixed asset register and the amount disclosed in the financial statements. I could also not perform any alternative procedures to gain adequate audit assurance in this regard.
8. I was unable to obtain sufficient appropriate audit evidence concerning the accuracy of the adjustments to the opening balance of major capital assets of R51 914 000, as presented in disclosure note 27 to the financial statements, due to the lack of supporting documentation for these adjustments. I was also unable to perform any alternative audit procedures to gain adequate audit assurance with regard to the accuracy of this amount.
9. I was unable to obtain sufficient appropriate audit evidence concerning the existence of non-residential buildings to the amount of R849 366 000 as disclosed in note 29 to the financial statements. I was also unable to perform any alternative audit procedures to gain adequate audit assurance with regard to the existence of this amount.
10. I was unable to obtain sufficient appropriate audit evidence concerning the accuracy of the non-cash additions to the amount of R21 009 000 in disclosure note 27.2 to the financial statements, as the department did not provide sufficient supporting documentation for these additions. I was unable to carry out any alternative audit procedures I would consider necessary to gain adequate audit assurance as to the accuracy of this amount.
11. In terms of the definition of assets included in the basis of accounting, assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
 - Included in disclosure note 27.1 were additions to computers and equipment to the amount of R31 000 000 which were not under the control of the department. These additions should have been transferred to the respective schools. Therefore, additions as well as capital assets at 31 March 2009 as disclosed in note 27.1 to the financial statements were overstated by R31 000 000.
 - The department did not disclose residential properties in the financial statements although rental income of R969 431 was received in respect of the lease of residential buildings. The value of the buildings by which the capital assets were understated could not be determined, as it was impracticable to do so.

Commitments

12. I could not obtain sufficient appropriate evidence as to the accuracy and completeness of commitments to the amount of R438 221 000 and lease commitments to the amount of R668 352 000 as disclosed in notes 20 and 23 to the financial statements, respectively. Accordingly, I was unable to determine whether any adjustments might have been necessary to the amounts disclosed in the financial statements for commitments and lease commitments.

Accruals

13. In terms of the definition of an accrual, accruals represent goods/services that have been received, but where no invoice has been received from suppliers at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system. The department did not accrue for invoices amounting to R31 131 500, due to a lack of internal controls. Therefore, accruals at 31 March 2009 as disclosed in note 21 to the financial statements were understated by R31 131 500.

Expenditure

14. I was unable to obtain sufficient appropriate audit evidence concerning the validity of goods and services as disclosed in the statement of financial performance, as the department could not provide sufficient audit evidence for expenditure amounting to R44 423 700. I was unable to carry out any alternative audit procedures I would consider necessary to gain adequate audit assurance as to the accuracy of this amount.

Qualified opinion

15. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Education as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

Emphasis of matters

I draw attention to the following matters on which I do not express a qualified opinion:

Basis of accounting and amendment to the applicable basis of accounting

16. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1.

17. As disclosed in note 29 to the financial statements, the department has recognised certain immovable assets that might belong to the provincial Department of Public Works, due to the uncertainty regarding the legal title of the assets.

Irregular expenditure

18. As disclosed in note 25 to the financial statements, irregular expenditure to the amount of R414 005 000 was incurred, as the budgeted amount of compensation of employees was exceeded.

Unauthorised expenditure

19. As disclosed in note 9 to the financial statements, unauthorised expenditure amounting to R321 964 000 was incurred, as certain programmes were overspent and conditional grant amounts were utilised to pay for goods and services.

Material underspending of the budget

20. As disclosed in the appropriation statement, the department has materially underspent the budget on certain programmes to the amount of R253 665 000. This underspending relates to the following programmes: administration, independent schools, public special schools, adult basic education and training as well as early childhood development.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Public Finance Management Act

21. Certain employees of the department did not declare their business interests, as required by section 50(3)(a) and (b) of the PFMA.
22. The accounting officer did not comply with section 85(1)(a) and (e) of the PFMA, read with Treasury Regulation 4.3.4, dealing with the submission of a report to the relevant treasury and Auditor-General on the outcome of disciplinary hearings.
23. Payments due to creditors were not always made within 30 days from receipt of an invoice, as required in terms of section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Governance framework

24. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and the key governance responsibilities addressed below:

Internal control deficiencies

25. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for qualified opinion	CE	RA	CA	IC	M
7, 8, 9, 10 11 and 12	Capital assets	6	5	3		1
12	Commitments	6	5	3		1
14	Accruals	6	5	3		1
14	Expenditure	6	5	3		1

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7

RA = Risk assessment	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.	7
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self-assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Key governance responsibilities

26. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		N
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		N
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	Y	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	Y	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.		N

No.	Matter	Y	N
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	The department had an audit committee in operation throughout the financial year.	Y	
	The audit committee operates in accordance with approved, written terms of reference.	Y	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	Y	
7.	Internal audit		
	The department had an internal audit function in operation throughout the financial year.	Y	
	The internal audit function operates in terms of an approved internal audit plan.	Y	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	Y	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		N
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		N
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	Y	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	Y	
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	Y	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.		N
14.	SCOPA resolutions have been substantially implemented.		N
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		N
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).	Y	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	Y	

Investigations

27. An investigation is being conducted with the aim to establish whether all the employees currently on the department's payroll are valid employees of the department. The investigation was still ongoing at the reporting date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

28. I have reviewed the performance information as set out on pages 12 to 35.

The accounting officer's responsibility for the performance information

29. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

The Auditor-General's responsibility

30. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

31. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

32. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information

Reported performance information not relevant

33. All targets with regard to the subprogrammes: public primary schools, public secondary schools and infrastructure were not time bound in specifying the time period or deadline for delivery:

Reported performance information not reliable

Source information not accurate and complete

34. The source information or evidence provided to support the reported performance information with regard to the subprogramme: infrastructure did not adequately support the accuracy and completeness of the facts.

APPRECIATION

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

Auditor - General

Nelspruit

27 August 2009



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

	Appropriation per programme									
	2008/09					2007/08				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
1. Programme 1										
Current payment	1 001 441	-	-	1 001 441	859 305	142 136	85.8%	798 114	730 323	
Transfers and subsidies	2 971	-	-	2 971	2 811	160	94.6%	2 825	2 523	
Payment for capital assets	38 128	-	-	38 128	25 570	12 558	67.1%	35 225	25 261	
2. Programme 2										
Current payment	7 014 170	-	-	7 014 170	7 295 095	(280 925)	104.0%	6 156 688	6 138 086	
Transfers and subsidies	206 174	-	-	206 174	189 463	16 711	91.9%	174 530	157 384	
Payment for capital assets	395 574	-	-	395 574	364 450	31 124	92.1%	382 976	242 775	
3. Programme 3										
Current payment	12 500	-	-	12 500	11 136	1 364	89.1%	11 190	9 610	
Transfers and subsidies										
Payment for capital assets										
4. Programme 4										
Current payment	106 453	-	-	106 453	102 651	3 802	96.4%	90 657	88 067	
Transfers and subsidies	27 578	-	-	27 578	27 391	187	99.3%	25 903	25 616	
Payment for capital assets	24 020	-	-	24 020	-	24 020	-	11 000	93	

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

	Appropriation per programme							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5. Programme 5									
Current payment	119 993	-	-	119 993	113 595	6 398	94.7%	104 963	102 288
Transfers and subsidies	95 947	-	-	95 947	92 162	3 785	96.1%	106 184	104 284
Payment for capital assets	-	-	-	-	-	-	-	-	-
6. Programme 6									
Current payment	100 346	-	-	100 346	69 733	30 613	69.5%	87 236	72 903
Transfers and subsidies	252	-	-	252	65	187	25.8%	240	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
7. Programme 7									
Current payment	40 585	-	-	40 585	23 489	17 096	57.9%	31 358	20 849
Transfers and subsidies	50 966	-	-	50 966	39 607	11 359	77.7%	32 853	39 193
Payment for capital assets	-	-	-	-	-	-	-	-	-
8. Programme 8									
Current payment	114 634	-	-	114 634	139 137	(24 503)	121.4%	61 817	59 629
Transfers and subsidies	3 998	-	-	3 998	3 991	7	99.8%	3 775	3 742
Payment for capital assets	-	-	-	-	-	-	-	-	-
Subtotal	9 355 730	-	-	9 355 730	9 359 651	(3 921)	100.0%	8 117 534	7 822 626

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

Appropriation per programme										
2008/09										2007/08
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Statutory Appropriation	-			-	-		-	-	-	-
Current payment	1 328	-	-	1 328	1 328	-	-	773	773	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-	-
TOTAL	9 357 058	-	-	9 357 058	9 360 979	(3 921)	100.0%	8 118 307	7 823 399	

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

	2008/09		2007/08	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	9 357 058	9 360 979	8 118 307	7 823 399
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	30 404		25 782	
Actual amounts per statement of financial performance (total revenue)	9 387 462		8 144 089	
ADD				
Aid assistance		-		-
Direct Exchequer payments		-		-
Prior year unauthorised expenditure approved without funding		-		-
Actual amounts per statement of financial performance (total expenditure)		9 360 979		7 823 399

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2009**

Appropriation per economic classification									
	2008/09					2007/08			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	6 949 619	-	-	6 949 619	7 363 624	(414 005)	105.9%	5 955 984	5 995 562
Goods and services	1 548 003	-	-	1 548 003	1 239 381	308 622	80%	1 374 849	1 216 583
Departmental agencies and accounts	3 991	-	-	3 991	3 991	-	100%	3 768	3 742
Non-profit institutions	366 682	-	-	366 682	341 619	25 063	93.1%	325 442	324 847
Households	29 713	-	-	29 713	21 016	8 697	70.7%	28 290	13 763
Buildings and other fixed structures	409 718	-	-	409 718	347 302	62 416	84.8%	392 056	246 211
Machinery and equipment	48 004	-	-	48 004	40 803	7 201	85.0%	37 145	21 048
Software and other intangible assets	-	-	-	-	1 915	(1 915)	-	-	870
Total	9 355 730	-	-	9 355 730	9 359 651	(3 921)	100.0%	8 117 534	7 822 626

Statutory Appropriation									
	2008/09					2007/08			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Direct charges against the National/Provincial Revenue Fund									
Member of executive committee / parliamentary officers	1 328	-	-	1 328	1 328	-	100%	773	773

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 1	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	5 702	-	-	5 702	4 683	1 019	82.1%	3 514	4 524
Transfers and subsidies	13	-	-	13	-	13	-	13	-
1.2 Education Management									
Current payment	563 913	-	-	563 913	496 968	66 945	88.1%	458 250	388 679
Transfers and subsidies	1 847	-	-	1 847	1 887	(40)	102.2%	1 672	2 107
Payment for capital assets	24 026	-	-	24 026	21 622	2 404	90.0%	6 795	8 387
1.3 Corporate Services									
Current payment	377 370	-	-	377 370	343 758	33 612	91.1%	309 332	307 757
Transfers and subsidies	1 109	-	-	1 109	924	185	83.3%	1 138	416
Payment for capital assets	14 102	-	-	14 102	3 948	10 154	28.0%	13 430	12 653
1.4 Human Resource Development									
Current payment	2 968	-	-	2 968	700	2 268	23.6%	8 800	9 217
1.5 Education Management Information Systems									
Current payment	51 488	-	-	51 488	13 196	38 292	25.6%	18 218	20 146
Transfers and subsidies	2	-	-	2	-	2	-	2	-
Payment for capital assets	-	-	-	-	-	-	-	15 000	4 221
Total	1 042 540	-	-	1 042 540	887 686	154 854	85.1%	836 164	758 107

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Programme 1: Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	562 714	-	-	562 714	548 273	14 441	97.4%	433 193	420 286
Goods and services	438 727	-	-	438 727	311 032	127 695	70.9%	364 921	310 037
Households	2 971	-	-	2 971	2 811	160	94.6%	2 825	2 523
Buildings and other fixed structures	7 000	-	-	7 000	3 917	3 083	56.0%	5 580	3 936
Machinery and equipment	31 128	-	-	31 128	19 738	11 390	63.4%	29 645	20 455
Software and other intangible assets	-	-	-	-	1 915	(1 915)	-	-	870
Total	1 042 540	-	-	1 042 540	887 686	154 854	85.1%	836 164	758 107

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 2	2008/09					2007/08			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Public Primary Schools									
Current payment	4 296 466	-	-	4 296 466	4 425 584	(129 118)	103.0%	3 865 349	3 722 509
Transfers and subsidies	128 753	-	-	128 753	122 044	6 709	94.8%	101 034	97 840
Payment for capital assets	117 535	-	-	117 535	121 776	(4 241)	103.6%	93 224	136 300
2.2 Public Secondary Schools									
Current payment	2 467 272	-	-	2 467 272	2 666 296	(199 024)	108.1%	2 113 410	2 256 394
Transfers and subsidies	77 421	-	-	77 421	67 419	10 002	87.1%	73 496	59 544
Payment for capital assets	69 447	-	-	69 447	64 903	4 544	93.5%	64 297	80 816
2.3 Human Resource Development									
Current payment	31 758	-	-	31 758	16 589	15 169	52.2%	29 960	27 390
2.4 In School Sports & Culture									
Current payment	28 350	-	-	28 350	23 924	4 426	84.4%	19 000	10 053
Payment for capital assets	-	-	-	-	281	(281)	-	-	-
2.5 Conditional Grants									
Current payment	190 324	-	-	190 324	162 702	27 622	85.5%	128 969	121 740
Payment for capital assets	208 592	-	-	208 592	177 490	31 102	85.1%	225 455	25 659
Total	7 615 918	-	-	7 615 918	7 849 008	(233 090)	103.1%	6 714 194	6 538 245

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Programme 2: Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	6 006 326	-	-	6 006 326	6 451 846	(445 520)	107.4%	5 232 678	5 306 459
Goods and services	1 007 844	-	-	1 007 844	843 249	164 595	83.7%	924 010	831 627
Non-profit institutions	182 357	-	-	182 357	172 304	10 053	94.5%	151 849	146 528
Households	23 817	-	-	23 817	17 159	6 658	72.0%	22 681	10 856
Buildings and other fixed structures	378 698	-	-	378 698	343 385	35 313	90.7%	375 476	242 182
Machinery and equipment	16 876	-	-	16 876	21 065	(4 189)	124.8%	7 500	593
Total	7 615 918	-	-	7 615 918	7 849 008	(233 090)	103.1%	6 714 194	6 538 245

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 3	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Primary Phase									
Transfers and subsidies	7 500	-	-	7 500	7 506	(6)	100.1%	6 970	6 604
3.2 Secondary Phase									
Transfers and subsidies	5 000	-	-	5 000	3 630	1 370	72.6%	4 220	3 006
Total	12 500	-	-	12 500	11 136	1 364	89.1%	11 190	9 610

Programme 3: Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies to:									
Non-profit institutions	12 500	-	-	12 500	11 136	1 364	89.1%	11 190	9 610
Total	12 500	-	-	12 500	11 136	1 364	89.1%	11 190	9 610

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 4	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Schools									
Current payment	105 830	-	-	105 830	102 551	3 279	96.9%	90 070	87 940
Transfers and subsidies	27 578	-	-	27 578	27 391	187	99.3%	25 903	25 616
Payment for capital assets	24 020	-	-	24 020	-	24 020	-	11 000	93
4.2 Human Resource Development									
Current payment	623	-	-	623	100	523	16.1%	587	127
Total	158 051	-	-	158 051	130 042	28 009	82.3%	127 560	113 776

Programme 4: Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	104 563	-	-	104 563	102 046	2 517	97.6%	87 807	87 752
Goods and services	1 890	-	-	1 890	605	1 285	32.0%	2 850	315
Transfers and subsidies to:									
Non-profit institutions	27 248	-	-	27 248	27 248	-	100.0%	25 596	25 596
Households	330	-	-	330	143	187	43.3%	307	20
Buildings and other fixed structures	24 020	-	-	24 020	-	24 020	-	11 000	93
Total	158 051	-	-	158 051	130 042	28 009	82.3%	127 560	113 776

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 5	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Public Institutions									
Current payment	119 413	-	-	119 413	113 595	5 818	95.1%	104 416	101 972
Transfers and subsidies	29 373	-	-	29 373	30 059	(686)	102.3%	28 908	27 013
5.2 Youth Colleges									
Transfers and subsidies	27 470	-	-	27 470	23 000	4 470	83.7%	29 000	29 000
5.3 Human Resource Development									
Current payment	580	-	-	580	-	580	-	547	316
5.4 Conditional Grants									
Transfers and subsidies	39 104	-	-	39 104	39 103	1	100.0%	48 276	48 271
Total	215 940	-	-	215 940	205 757	10 183	95.3%	211 147	206 572

Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 5:									
Per Economic classification									
Current payments									
Compensation of employees	116 796	-	-	116 796	112 519	4 277	96.3%	100 355	100 298
Goods and services	3 197	-	-	3 197	1 076	2 121	33.7%	4 608	1 990
Transfers and subsidies to:									
Non-profit institutions	93 611	-	-	93 611	91 345	2 266	97.6%	103 954	103 949
Households	2 336	-	-	2 336	817	1 519	35.0%	2 230	335
Total	215 940	-	-	215 940	205 757	10 183	95.3%	211 147	206 572

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 6	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Public Centres									
Current payment	99 641	-	-	99 641	68 533	31 108	68.8%	86 563	72 467
Transfers and subsidies	252	-	-	252	65	187	25.8%	240	-
6.2 Human Resource Development									
Current payment	705	-	-	705	1 200	(495)	170.2%	673	436
Total	100 598	-	-	100 598	69 798	30 800	69.4%	87 476	72 903

Programme 6: Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	84 448	-	-	84 448	65 698	18 750	77.8%	72 480	59 616
Goods and services	15 898	-	-	15 898	4 035	11 863	25.4%	14 756	13 287
Transfers and subsidies to:									
Households	252	-	-	252	65	187	25.8%	240	-
Total	100 598	-	-	100 598	69 798	30 800	69.4%	87 476	72 903

**MPUMALANGA DEPARTMENT OF EDUCATION
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**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 7	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Grade R in Public Centres									
Current payment	40 497	-	-	40 497	23 334	17 163	57.6%	31 266	20 757
Transfers and subsidies	33 164	-	-	33 164	34 045	(881)	102.7%	7 241	23 211
7.2 Grade R in Community Centres									
Transfers and subsidies	17 802	-	-	17 802	5 562	12 240	31.2%	25 612	15 982
7.3 Human Resource Development									
Current payment	88	-	-	88	155	(67)	176.1%	92	92
Total	91 551	-	-	91 551	63 096	28 455	68.9%	64 211	60 042

Programme 7: Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	14 812	-	-	14 812	13 129	1 683	88.6%	13 974	12 829
Goods and services	25 773	-	-	25 773	10 360	15 413	40.2%	17 384	8 020
Transfers and subsidies to:									
Non-profit institutions	50 966	-	-	50 966	39 586	11 380	77.7%	32 853	39 164
Households	-	-	-	-	21	(21)	-	-	29
Total	91 551	-	-	91 551	63 096	28 455	68.9%	64 211	60 042

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2009**

Detail per sub-programme 8	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Payment to SETA									
Transfers and subsidies	3 991	-	-	3 991	3 991	-	100.0%	3 768	3 742
8.2 Conditional Grants									
Current payment	14 769	-	-	14 769	13 592	1 177	92.0%	13 010	12 433
8.3 External Examination									
Current payment	99 865	-	-	99 865	125 545	(25 680)	125.7%	48 807	47 196
Transfers and subsidies	7	-	-	7	-	7	-	7	-
Total	118 632	-	-	118 632	143 128	(24 496)	120.6%	65 592	63 371

Programme 8: Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	59 960	-	-	59 960	70 113	(10 153)	116.9%	15 497	8 322
Goods and services	54 674	-	-	54 674	69 024	(14 350)	126.2%	46 320	51 307
Transfers and subsidies to:									
Departmental agencies and accounts	3 991	-	-	3 991	3 991	-	100.0%	3 768	3 742
Households	7	-	-	7	-	7	-	7	-
Total	118 632	-	-	118 632	143 128	(24 496)	120.6%	65 592	63 371

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2009**

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (B-D) 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 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Programme 1: Administration	1 043 868	889 014	154 854	15%
The under-expenditure on this programme is as a result of the invoices which could not be processed due to the cash flow challenges.				
Programme 2: Public Ordinary Schools	7 615 918	7 849 008	(233 090)	(3%)
The over-expenditure is as a result of compensation of employees, which was affected by the implementation of OSD and its carry-through effect.				
Programme 3: Independent Schools	12 500	11 136	1 364	11%
There were no transfers which were processed during the month of March 2009 as there were no claims submitted.				
Programme 4: Public Special Schools	158 051	130 042	28 009	18%
The under-expenditure on this programme is as a result of cash flow challenges.				
Programme 5: Further Education and Training	215 940	205 757	10 183	5%

The under-expenditure on this programme can be attributed to the compensation of employees as a result of staff turnover which resulted in variances.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2009**

Programme 6: Adult Basic Education and Training	100 598	69 798	30 800	31%
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The overall expenditure for goods and services on this programme is low due to the outstanding payments on LTSM.

Programme 7: Early Childhood Development	91 551	63 096	28 455	31%
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There was an over allocation on this programme.

Programme 8: Auxiliary and Associated Services	118 632	143 128	(24 496)	(21%)
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This over expenditure can be attributed to external examination for the claims paid to the examination markers.

4.2 Per Economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	6 950 947	7 364 952	(414 005)	(6%)
Goods and services	1 548 003	1 239 381	308 622	20%
Transfers and subsidies				
Departmental agencies and accounts	3 991	3 991	-	0%
Non-profit institutions	366 682	341 619	25 063	7%
Households	29 713	21 016	8 697	29%
Payments for capital assets				
Buildings and other fixed structures	409 718	347 302	62 416	15%
Machinery and equipment	48 004	40 803	7 201	15%
Software and other intangible assets	-	1 915	(1 915)	0%

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
REVENUE			
Annual appropriation	<u>1</u>	9 355 730	8 117 534
Statutory appropriation	<u>2</u>	1 328	773
Departmental revenue	<u>3</u>	30 404	25 782
TOTAL REVENUE		9 387 462	8 144 089
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	7 364 952	5 994 082
Goods and services	<u>5</u>	1 239 381	1 216 583
Financial transactions in assets and liabilities	<u>6</u>	-	2 253
Total current expenditure		8 604 333	7 212 918
Transfers and subsidies		366 626	342 352
Transfers and subsidies	<u>7</u>	366 626	342 352
Expenditure for capital assets			
Tangible capital assets	<u>8</u>	388 105	267 259
Software and other intangible assets	<u>8</u>	1 915	870
Total expenditure for capital assets		390 020	268 129
TOTAL EXPENDITURE		9 360 979	7 823 399
SURPLUS FOR THE YEAR		26 483	320 690
Reconciliation of Net Surplus for the year			
Voted funds		(3 921)	294 908
Departmental revenue	<u>13</u>	30 404	25 782
SURPLUS FOR THE YEAR		26 483	320 690

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**STATEMENT OF FINANCIAL POSITION
at 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
ASSETS			
Current assets		328 708	201 272
Unauthorised expenditure	<i>9</i>	321 964	-
Fruitless and wasteful expenditure	<i>10</i>	125	125
Cash and cash equivalents	<i>11</i>		176 712
Receivables	<i>12</i>	28 790	24 435
TOTAL ASSETS		350 879	201 272
LIABILITIES			
Current liabilities		325 337	197 283
Voted funds to be surrendered to the Revenue Fund	<i>13</i>	318 043	190 922
Departmental revenue to be surrendered to the Revenue Fund	<i>14</i>	244	107
Bank overdraft	<i>15</i>	22 171	-
Payables	<i>16</i>	7 050	6 254
TOTAL LIABILITIES		347 508	197 283
NET ASSETS		3 371	3 989
Represented by:			
Recoverable revenue		3 371	3 989
TOTAL		3 371	3 989

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Recoverable revenue			
Opening balance		3 989	3 585
Transfers		(618)	404
Debts revised		(465)	404
Debts recovered (included in departmental revenue)		(153)	-
Closing balance		3 371	3 989
TOTAL		3 371	3 989

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**CASH FLOW STATEMENT
for the year ended 31 March 2009**

	<i>Note</i>	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		9 386 993	8 040 103
Annual appropriated funds received	<u>1.1</u>	9 355 730	8 013 548
Statutory appropriated funds received	<u>2</u>	1 328	773
Departmental revenue received	<u>3</u>	29 935	25 782
Net (increase)/decrease in working capital		(325 523)	(4 405)
Surrendered to Revenue Fund		(221 189)	(80 334)
Current payments		(8 282 369)	(7 212 918)
Transfers and subsidies paid		(366 626)	(342 352)
Net cash flow available from operating activities	<u>17</u>	<u>191 286</u>	<u>400 094</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(390 020)	(268 129)
Proceeds from sale of capital assets	<u>3.3</u>	469	-
Net cash flows from investing activities		<u>(389 551)</u>	<u>(268 129)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(618)	404
Net cash flows from financing activities		<u>(618)</u>	<u>404</u>
Net increase/(decrease) in cash and cash equivalents		(198 883)	132 369
Cash and cash equivalents at the beginning of the period		176 712	44 343
Cash and cash equivalents at end of period	<u>18</u>	<u><u>(22 171)</u></u>	<u><u>176 712</u></u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

The 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 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2008.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The 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.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the Statement of Financial Performance.

Unexpended statutory appropriations are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.3 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.3.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.3.6 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.

2.3.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 Direct Exchequer receipts

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received.

All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexure to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system.

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social 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 financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system.

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system.

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system.

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

3.3 Interest and rent on land

Interest and rental payments 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 for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

3.6 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable in the Statement of Financial Performance.

3.9 Expenditure for capital assets

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.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest.

4.5 Loans

Loans are recognised in the Statement of Financial Position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost.

4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

4.7 Capital assets

4.7.1 Movable assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

4.7.2 Immovable assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

5.3 Direct Exchequer receipts to be surrendered to the Revenue Fund

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

Amounts received must be surrendered to the relevant revenue fund on receipt thereof. Any amount not surrendered at year end is reflected as a current payable in the Statement of Financial Position.

5.4 Bank overdraft

The bank overdraft is carried in the Statement of Financial Position at cost.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

5.5 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.6 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements.

5.7 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.8 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.9 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.10 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance leases payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating leases

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**ACCOUNTING POLICIES
for the year ended 31 March 2009**

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation R'000	Actual Funds Received R'000	Funds Not Requested/ Not Received R'000	Appropriation Received 2007/08 R'000
Programmes				
1: Administration	1 042 540	1 042 540	-	836 164
2: Public Ordinary School Education	7 615 918	7 615 918	-	6 610 208
3: Independent School Education	12 500	12 500	-	11 190
4: Public Special School Education	158 051	158 051	-	127 560
5: Further Education and Training	215 940	215 940	-	211 147
6: Adult Basic Education and Training	100 598	100 598	-	87 476
7: Early Childhood Development	91 551	91 551	-	64 211
8: Auxiliary and Associated Services	118 632	118 632	-	65 592
Total	9 355 730	9 355 730	-	8 013 548

1.2 Conditional grants

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Total grants received	<i>Annex 1A</i>	452 789	311 724
		452 789	311 724

2. Statutory Appropriation

Member of executive committee/parliamentary officers	1 328	773
Total	1 328	773

3. Departmental revenue

Sales of goods and services other than capital assets	3.1	10 313	9 160
Interest, dividends and rent on land	3.2	11 175	8 640
Sales of capital assets	3.3	469	-
Financial transactions in assets and liabilities	3.4	8 447	7 982
Total revenue collected		30 404	25 782
Departmental revenue collected		30 404	25 782

3.1 Sale of goods and services other than capital assets

Sales of goods and services produced by the department	10 313	9 160
Sales by market establishment	969	-
Other sales	9 344	9 160
Total	10 313	9 160

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

3.2 Interest, dividends and rent on land	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Interest	3	11 175	8 640
Total		11 175	8 640
3.3 Sale of capital assets	3		
Tangible capital assets		469	-
Machinery and equipment	23	469	-
Total		469	-
3.4 Financial transactions in assets and liabilities	3		
Loans and advances		2	-
Receivables		1 674	-
Stale cheques written back		-	249
Other Receipts including Recoverable Revenue		6 771	7 733
Total		8 447	7 982
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		5 423 345	4 333 797
Performance award		37 081	38 584
Service Based		11 814	8 327
Compensative/circumstantial		139 409	167 810
Periodic payments		16 975	10 840
Other non-pensionable allowances		688 073	562 287
Total		6 316 697	5 121 645
4.2 Social contributions			
Employer contributions			
Pension		696 578	574 090
Medical		348 975	296 322
Bargaining council		585	433
Official unions and associations		2 117	1 592
Insurance		-	-
Total		1 048 255	872 437
Total compensation of employees		7 364 952	5 994 082
Average number of employees		44 007	41 847

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

5. Goods and services

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Administrative fees		559	50 660
Advertising		6 600	4 182
Assets less than R5,000	<u>5.1</u>	32 731	37 018
Bursaries (employees)		6 323	2 290
Catering		16 883	-
Communication		27 632	27 482
Computer services	<u>5.2</u>	18 174	13 701
Consultants, contractors and agency/outsourced services	<u>5.3</u>	296 669	178 314
Entertainment		43	-
Audit cost – external	<u>5.4</u>	2 558	2 111
Government motor transport		11 349	9 736
Inventory	<u>5.5</u>	244 231	533 979
Maintenance, repairs and running costs		-	8 354
Operating leases		72 653	76 856
Owned and leasehold property expenditure	<u>5.6</u>	59 987	4 803
Transport provided as part of the departmental activities		287 944	187 376
Travel and subsistence	<u>5.7</u>	105 208	70 031
Venues and facilities		18 351	9 690
Training and staff development		28 739	-
Other operating expenditure	<u>5.8</u>	2 747	-
Total		1 239 381	1 216 583
5.1 Assets less than R5 000	<u>5</u>		
Tangible assets		32 731	36 851
Machinery and equipment		32 731	36 851
Intangible assets		-	167
Total		32 731	37 018
5.2 Computer services	<u>5</u>		
SITA computer services		15 354	9 526
External computer service providers		2 820	4 175
Total		18 174	13 701
5.3 Consultants, contractors and agency/outsourced services	<u>5</u>		
Business and advisory services		68 701	253
Infrastructure and planning		89 767	-
Legal costs		671	1 703
Contractors		15 620	120 423
Agency and support/outsourced services		121 910	55 935
Total		296 670	178 314

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
5.4 Audit cost - External	<u>5</u>		
Regularity audits		2 558	2 111
Total		2 558	2 111
5.5 Inventory	<u>5</u>		
Learning and teaching support material		205 846	368 915
Food and food supplies		244	125 970
Other consumable materials		2 702	4 407
Maintenance material		5 100	5 068
Stationery and printing		30 339	29 619
Total		244 231	533 979
5.6 Owned and leasehold property expenditure	<u>5</u>		
Municipal services		4 573	4 803
Rent of photocopier machines and other expenditure		55 414	-
Total		59 987	4 803
5.7 Travel and subsistence	<u>5</u>		
Local		104 773	69 983
Foreign		435	48
Total		105 208	70 031
5.8 Other operating expenditure	<u>5</u>		
Professional bodies, membership and subscription fees		332	-
Resettlement costs		2 415	-
Total		2 747	-
6. Financial transactions in assets and liabilities			
Debts written off	6.1	-	2 253
Total		-	2 253
6.1 Debts written off			
Ex employees	<u>6</u>	-	2 253
Total		-	2 253

No debts were written off for 2008/2009 fin year.

**MPUMALANGA DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

7. Transfers and subsidies

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Departmental agencies and accounts	<i>Annex 1B</i>	3 991	3 742
Non-profit institutions	<i>Annex 1C</i>	341 618	324 847
Households	<i>Annex 1D</i>	21 017	13 763
Total		366 626	342 352

8. Expenditure for capital assets

Tangible assets		388 105	267 259
Buildings and other fixed structures	<i>27.1</i>	347 302	246 211
Machinery and equipment	<i>25.1</i>	40 803	21 048
Software and other intangible assets		1 915	870
Computer software	<i>27.1</i>	1 915	870
Total		390 020	268 129

8.1 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	388 105		388 105
Buildings and other fixed structures	347 302	-	347 302
Machinery and equipment	40 803	-	40 803
Software and other intangible assets	1 915		1 915
Computer software	1 915	-	1 915
Total	390 020	-	390 020

8.2 Analysis of funds utilised to acquire capital assets – 2007/08

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Total assets acquired	268 129	-	268 129

**MPUMALANGA DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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9. Unauthorised expenditure

	<i>Note</i>	2008/09 R'000	2007/08 R'000
9.1 Reconciliation of unauthorised expenditure			
Opening balance			
Unauthorised expenditure – discovered in the current year	<u>13</u>	321 964	-
Less: Amounts approved by Parliament/Legislature with funding			
Less: Amounts approved by Parliament/Legislature without funding			
Current			
Capital			
Transfers and subsidies			
Less: Amounts transferred to receivables for recovery			
Unauthorised expenditure awaiting authorisation		321 964	-
Analysis of awaiting condonement per economic classification			
Current		317 494	-
Capital			
Transfers and subsidies		4 470	-
Total		321 964	-

9.2 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings
The unauthorised expenditure was as a result of over expenditure on compensation of employees.	The Department still have to determine the liability.

**MPUMALANGA DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

10. Fruitless and wasteful expenditure

	<i>Note</i>	2008/09 R'000	2007/08 R'000
10.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		125	125
Fruitless and wasteful expenditure awaiting condonement		125	125
Analysis of awaiting condonement per economic classification			
Current		125	125
Total		125	125
11. Cash and cash equivalents			
Consolidated Paymaster General Account		-	176 712
Total		-	176 712

12. Receivables

	<i>Note</i>	2008/09			2007/08	
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Claims recoverable	<u>12.1</u>					
	<i>Annex 4</i>	1 377	74	-	1 451	429
Recoverable expenditure	<u>12.2</u>	97	278	10	385	477
Staff debt	<u>12.3</u>	10 599	8 813	7 542	26 954	21 891
Other debtors	<u>12.4</u>	-	-	-	-	1 638
Total		12 073	9 165	7 552	28 790	24 435
12.1 Claims recoverable						
	<u>12</u>					
National departments					476	429
Provincial departments					975	-
Total					1 451	429

**MPUMALANGA DEPARTMENT OF EDUCATION
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000		
12.2 Recoverable expenditure (disallowance accounts)	<u>12</u>				
Sal: Tax debt		385	477		
Total		<u><u>385</u></u>	<u><u>477</u></u>		
12.3 Staff debt	<u>12</u>				
Employees		2 556	2 230		
Ex Employees		24 398	19 661		
Total		<u><u>26 954</u></u>	<u><u>21 891</u></u>		
No staff loans in this debt account.					
12.4 Other debtors	<u>12</u>				
Sal: deduction disallowance		-	8		
Sal: Reversal Control		-	1 134		
Unpaid/Recall Bas EBT		-	496		
Total		<u><u>-</u></u>	<u><u>1 638</u></u>		
13. Voted funds to be surrendered to the Revenue Fund					
Opening balance		190 922	52 971		
Transfer from statement of financial performance		(3 921)	294 908		
Voted funds not requested/not received	<u>1.1</u>	-	(103 986)		
Add: Unauthorised Expenditure for current year	<u>9</u>	321 964	-		
Paid during the year		(190 922)	(52 971)		
Closing balance		<u><u>(318 043)</u></u>	<u><u>190 922</u></u>		
14. Departmental revenue to be surrendered to the Revenue Fund					
Opening balance		107	1 688		
Transfer from Statement of Financial Performance		30 404	25 782		
Paid during the year		(30 267)	(27 363)		
Closing balance		<u><u>244</u></u>	<u><u>107</u></u>		
15. Bank overdraft					
Consolidated Paymaster General Account		22 171	-		
		<u><u>22 171</u></u>	<u><u>-</u></u>		
16. Payables – current					
Description					
	Note	30 Days	30+ Days	2008/09 Total	2007/08 Total
Advances received	<u>16.1</u>		6 897	6 897	4 442
Clearing accounts	<u>16.2</u>		-	-	1 812
Other payables	<u>16.3</u>		153	153	-
Total			<u><u>7 050</u></u>	<u><u>7 050</u></u>	<u><u>6 254</u></u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<i>Note</i>	2008/09 R'000	2007/08 R'000
16.1 Advances received			
Pension Debt		2 868	3 121
ACB recalls		2 135	1 321
Claims Recover National Departments		-	-
Disallowance Miscellaneous		1 894	-
Total		6 897	4 442
16.2 Clearing accounts	<i>15</i>		
Salary Bargaining Council		-	8
Salary Pension Fund		-	127
Salary Garnishee order		-	1
Salary Income Tax		-	1 639
Salary Official Unions		-	2
Salary Medical Aid		-	35
Total		-	1 812
16.3 Other payables			
Receivable interest		153	-
Cancelled cheques		-	-
Total		153	-
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		26 483	320 690
Add back non cash/cash movements not deemed operating activities		164 803	79 404
(Increase)/decrease in receivables – current		(4 355)	(4 032)
Increase/(decrease) in payables – current		796	(373)
Proceeds from sale of capital assets		(469)	-
Expenditure on capital assets		390 020	268 129
Surrenders to Revenue Fund		(221 189)	(80 334)
Voted funds not requested/not received		-	(103 986)
Net cash flow generated by operating activities		191 286	400 094
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(22 171)	176 712
Total		(22 171)	176 712

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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19. Contingent liabilities

		<i>Note</i>	2008/09 R'000	2007/08 R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 2A</i>	26 950	28 198
Claims against the department		<i>Annex 2B</i>	44 126	-
Total			71 076	28 198

20. Commitments

Current expenditure

Approved and contracted			223 772	7 155
			223 772	7 155

Capital expenditure

Approved and contracted			214 449	8 945
			214 449	8 945

Total Commitments			438 221	16 100
--------------------------	--	--	----------------	---------------

21. Accruals

			2008/09 R'000	2007/08 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of employees	-	-	-	64 507
Goods and services	-	202 171	202 171	7 829
Transfers and subsidies	-	5 252	5 252	435
Buildings and other fixed structures	-	57 592	57 592	-
Machinery and equipment	-	23 794	23 794	-
Software and other intangible assets	-	3 135	3 135	-
Total	-	291 944	291 944	72 771

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Listed by programme level			
Programme 1: Administration		52 663	1 761
Programme 2: Public Ordinary Public Schools		199 754	70 575
Programme 3: Independent Schools		-	-
Programme 4: Public Special Schools		-	-
Programme 5: Further Education and Training		112	-
Programme 6: Adult Basic Education		2 420	-
Programme 7: Early Childhood Development		5 902	435
Programme 8: Auxiliary and Associated Services		31 093	-
Total		291 944	72 771

**MPUMALANGA DEPARTMENT OF EDUCATION
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22. Employee benefits

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Leave entitlement		90 802	43 987
Thirteenth cheque		241 188	179 058
Performance awards (Budget amount for 2009/2010)		16 341	27 079
Capped leave commitments		<u>1 157 636</u>	<u>978 256</u>
Total		<u>1 505 967</u>	<u>1 228 380</u>

23. Lease commitments

23.1 Operating leases expenditure

	Buildings and other fixed sturctures			Machinery and equipment	Total
	Land				
2008/09					
Not later than 1 year	-	2 314	-	-	2 314
Later than 1 year and not later than 5 years	-	666 038	-	-	666 038
Later than five years	-	-	-	-	-
Total lease commitments	-	<u>668 352</u>	-	-	<u>668 352</u>

	Buildings and other fixed sturctures			Machinery and equipment	Total
	Land				
2007/08					
Not later than 1 year	-	8 132	-	-	8 132
Later than 1 year and not later than 5 years	-	4 210	56 422	-	60 632
Later than five years	-	1 228	-	-	1 128
Total lease commitments	-	<u>13 470</u>	<u>56 422</u>	-	<u>69 892</u>

24. Receivables for departmental revenue

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Sales of capital assets		<u>469</u>	<u>52</u>
Total		<u>469</u>	<u>52</u>

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25. Irregular expenditure

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
25.1 Reconciliation of irregular expenditure			
Opening balance		50 918	-
Add: Irregular expenditure – relating to prior year		-	50 918
Add: Irregular expenditure – relating to current year		414 005	-
Less: Amounts condoned		-	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonement		464 923	50 918
Analysis of awaiting condonement per age classification			
Current year		414 005	50 918
Prior years		50 918	-
Total		464 923	50 918

26. Key management personnel

	<i>No. of Individuals</i>		
Political office bearers (provide detail below)	1	1 191	813
Officials:			
Level 15 to 16	4	3 250	2 834
Level 14 (incl. CFO if at a lower level)	4	1 934	2 192
Total		6 375	5 839

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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27. Movable Tangible Capital Assets

27.1 Movement

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance R'000	Current Year Adjustments to		Disposals R'000	Closing Balance R'000
		prior year balances R'000	Additions R'000		
MACHINERY AND EQUIPMENT	143 313	(51 914)	61 812	23 700	129 511
Transport assets	24 277	(13 137)	17 971	3 039	26 072
Computer equipment	59 141	(25 365)	33 644	18 094	49 326
Furniture and office equipment	52 526	(9 975)	5 700	989	47 262
Other machinery and equipment	7 369	(3 437)	4 497	1 578	6 851
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	143 313	(51 914)	61 812	23 700	129 511

27.2 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
Transport assets	2 909	15 062	-	-	17 971
Computer equipment	31 979	1 665	-	-	33 644
Furniture and office equipment	1 480	4 220	-	-	5 700
Other machinery and equipment	4 435	62	-	-	4 497
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	40 803	21 009	-	-	61 812

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27.3 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Sold for cash R'000	Transfer out or Destroyed or Scrapped R'000	Total Disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	867	22 883	23 700	469
Transport assets	867	2 172	3 039	469
Computer equipment		18 094	18 094	
Furniture and office equipment		989	989	
Other machinery and equipment		1 578	1 578	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	867	22 833	23 700	469

27.4 Movement for 2007/08

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	122 265	21 048		143 313
Transport assets	13 520	10 757	-	24 277
Computer equipment	52 109	7 032	-	59 141
Furniture and office equipment	50 130	2 396	-	52 526
Other machinery and equipment	6 506	863	-	7 369
TOTAL MOVABLE TANGIBLE ASSETS	122 265	21 048	-	143 313

27.5 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	-	-	322 172	-	322 172
TOTAL	-	-	322 172	-	322 172

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of minor assets	-	-	1 479	-	1 479
TOTAL	-	-	1 479	-	1 479

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28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1 481	-	1 915	-	3 396
OTHER INTANGIBLES	23	-	-	-	23
TOTAL INTANGIBLE CAPITAL ASSETS	1 504	-	1 915	-	3 419

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-cash	(Development work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1 915	-	-	-	1 915
TOTAL ADDITIONS TO IN- TANGIBLE CAPITAL ASSETS	1 915	-	-	-	1 915

28.2 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposal	Closing Balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	611	870	-	1 481
OTHER INTANGIBLES	23	-	-	23
TOTAL	634	870	-	1 504

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29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	849 374	-	267 118	-	1 116 492
Non-residential buildings	849 366	-	267 118	-	1 116 484
Other fixed structures	8	-	-	-	8
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	849 374	-	267 118	-	1 116 492

29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	347 302	-	80 184	-	267 118
Non-residential buildings	347 302	-	80 184	-	267 118
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	347 302	-	80 184	-	267 118

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29.2 Movement for 2007/08

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance R'000	Additions R'000	Disposal R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	603 163	246 211	-	849 374
Non-residential buildings	603 163	246 203	-	849 366
Other fixed structures	-	8	-	8
TOTAL IMMOVABLE TANGIBLE ASSETS	603 163	246 211	-	849 374

MPUMALANGA DEPARTMENT OF EDUCATION
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

DEPARTMENT OF EDUCATION	GRANT ALLOCATION						SPENT			2007/08	
	Division of Revenue Act/ Provincial Grants R'000	Roll Over R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department	Division of Revenue Act R'000	Amount spent by department R'000	
HIV/AIDS	13 848	921	-	-	14 769	14 769	13 592	92%	13 010	12 443	
NSNP	136 606	-	22 867	6 817	166 290	166 290	121 753	73%	108 056	110 504	
INFRASTRUCTURE	171 673	60 953	-	-	232 626	232 626	218 439	94%	246 368	36 895	
FET RECAPITALIZATION	39 099	5	-	-	39 104	39 104	39 103	100%	48 276	48 271	
DISASTER MANAGEMENT											
TOTAL	361 226	61 879	22 867	6 817	452 789	452 789	392 887		415 710	208 113	

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

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2007/08
	Adjusted Appropriation Act R'000	Roll Over R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
SETA	3 991	-	-	3 991	3 991	100%	3 768
	3 991	-	-	3 991	3 991	100%	3 768

**MPUMALANGA DEPARTMENT OF EDUCATION
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ANNEXURE 1C

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE	
	Adjusted Appropriation Act	Roll over	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000	%
Transfers						
Mpumalanga Regional Training Trust	23 000	-	-	23 000	23 000	100%
NIHE	4 470	-	-	4 470	-	-
	27 470	-	-	27 470	23 000	-
Subsidies						
Section 21 Schools	182 357	-	-	182 357	172 304	94%
Independent Schools	12 500	-	-	12 500	11 136	89%
Special Schools	27 248	-	-	27 248	27 248	100%
Further Education And Training	27 037	-	-	27 037	29 241	108%
Early Childhood Development	50 966	-	-	50 966	39 586	78%
FET Recap	39 104	-	-	39 104	39 103	100%
	339 212	-	-	339 212	318 618	
Total	366 682	-	-	366 682	341 618	325 442

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Over R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers H/H Social Benefit	29 713	-	-	29 713	21 017	71%	28 290
	29 713	-	-	29 713	21 017		28 290
Total	29 713	-	-	29 713	21 017		28 290

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ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of Motor vehicles	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank of SA Ltd	Housing	8 058	5 007	114	316	-	4 805	-	-
Nedbank Ltd	Housing	4 787	3 368	-	158	-	3 210	-	-
First Nation Bank	Housing	5 122	3 248	28	207	-	3 069	-	-
United Building Society	Housing	16	-	-	-	-	-	-	-
Nedbank (Boe)	Housing	613	180	-	17	-	163	-	-
Absa	Housing	12 251	4 442	56	347	-	4 151	-	-
Company Unique Bank	Housing	2 551	1 678	21	51	-	1 648	-	-
Old Mutual Finance	Housing	230	116	-	27	-	89	-	-
Allied Building Society	Housing	3	-	-	-	-	-	-	-
Peoples Bank Limited	Housing	2 497	1 622	-	23	-	1 599	-	-
Nedbank Bank Limited Incor	Housing								
Nbs		3 555	1 938	-	49	-	1 889	-	-
Firs Rand Bank	Housing	3 962	1 512	100	57	-	1 555	-	-
Old Mutual Bank Division	Housing	9 109	3 508	9	335	-	3 182	-	-
Hlano Finacial Services	Housing	18	39	-	-	-	39	-	-
VBS Mutual Bank	Housing	46	33	-	-	-	33	-	-
Nedcor Investment Bank	Housing	77	52	-	-	-	52	-	-
Mpumalanga Housing Fin.	Housing	955	787	-	30	-	57	-	-
Northern Province	Housing								
Development		10	522	41	-	-	563	-	-
Boe Bank Ltd	Housing	210	121	-	-	-	121	-	-
Green Start Home	Housing	25	25	-	-	-	25	-	-
Total		54 095	28 198	369	1 617		26 950		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009

Nature of Liability	Opening Balance 01/04/2008 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31/03/2009 R'000
Claims against the department					
H KLEYNHANS	-	231	-	-	231
MASKEW MILLER	-	1 125	-	-	1 125
PARSONS TRANSPORT	-	71	-	-	71
SHUTER AND SHOOTER	-	863	-	-	863
SCHOLAR TRANSPORT ORGANIZATION	-	6 712	-	-	6 712
NEW HEIGHTS 1448 CC t/a VUJKA SE	-	939	-	-	939
EKUSENI COMMUNICATIONS	-	137	-	-	137
ZACHARIA MALOMA	-	2 000	-	-	2 000
MEDIA WORKS	-	28	-	-	28
MJ NKOSI	-	2 843	-	-	2 843
AFRICAN DYNAMICS	-	567	-	-	567
VHAVHUDI VHOMME TRADING ENTERPRISE	-	100	-	-	100
O SKOSANA O.B.O SOLOMAON SKOSANA	-	500	-	-	500
NS MOKGETSI	-	100	-	-	100
TECHNOLGIES ACCEPTENCE (PTY) LTD	-	91	-	-	91
JABULANI CELE	-	100	-	-	100
NKADIMENG KA	-	569	-	-	569
LILLIAN SKOSANA	-	20	-	-	20
BJJ FOURIE	-	26	-	-	26
CONTINENTAL DEVELOPMENT SERVICES AND SUPPL	-	67	-	-	67

MPUMALANGA DEPARTMENT OF EDUCATION
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ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009

AFRICAN DYNAMICS/MASHIYANKO	-	532	-	-	532
HCE PIETERSE	-	237	-	-	237
RC VAN ZYL	-	560	-	-	560
MIRIAM BUCHALTER	-	7 435	-	-	7 435
SMAGALISO NKOSI	-	3 000	-	-	3 000
DS VILAKAZI	-	63	-	-	63
HC VAN DER MERWE	-	39	-	-	39
VN SWAN	-	1 406	-	-	1 406
THOKOZANE HLATSHWAYO	-	1 000	-	-	1 000
MJ NKOSI VS. MEC FOR EDUCATION	-	1 917	-	-	1 917
JR MONDLANE	-	187	-	-	187
ELVIS PARIS MAGAGULA	-	900	-	-	900
MFANA LUCKY MAKHUBELA	-	900	-	-	900
DEBRA H MKHONTO	-	1 200	-	-	1 200
JUSTIN WARE	-	6 427	-	-	6 427
MACHONA LUCAS MADIKE AND OTHERS	-	1 122	-	-	1 122
MQOSHWA BUSINESS ENTERPRISE	-	112	-	-	112
Subtotal	-	44 126	-	-	44 126
Total	-	44 126	-	-	44 126

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Treasury	-	-	431	-	431	-
National Department of Land Affairs	-	-	21	-	21	-
National Correctional Services	-	-	17	-	17	-
Mpumalanga Department of Economical & Planning Statistics South Africa	-	-	54	-	54	-
National Department of Water and Forestry	-	-	26	-	26	-
Mpumalanga Department of Safety & Security	-	-	7	-	7	-
Mpumalanga Department of Roads & Transport	-	-	24	-	24	-
Gauteng Department of Social Development	-	-	5	-	5	-
Mpumalanga Department of Agriculture	-	-	33	-	33	-
Limpopo Department of Education	-	-	22	-	22	-
Mpumalanga Department of Health & Social Services	-	-	103	-	103	-
Kwazulu Natal Department of Education	-	-	68	-	68	-
Gauteng Provincial Government	-	-	38	-	38	-
Gauteng Department of Education	-	-	11	-	11	-
Office of the Premier	-	-	544	-	544	-
National Department of Home Affairs	-	-	41	-	41	-
	-	-	6	-	6	-
TOTAL	-	-	1 451	-	1 451	-

PART 5:



HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES MANAGEMENT

TABLE 1.1 Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement Against Standards
Adult Basic Education and Training (ABET)	Adult learners	General public	Addressing poverty and illiteracy through ABET programmes	A total of 23 667 learners accessed ABET programmes in 282 Public Adult Learning Centres. 346 Centre Managers
Quality Improvement, Development, Support and Upliftment Programme (QIDS-UP)	Learners, Educators and Institutions	Institutions and general public	Improved access to poor schools	600 Numeracy kits bought for Gr R schools and 300 Life Skills kits. 900 Educators and 192 Gr R practitioners trained on Numeracy kits; 230 educators trained on Literacy materials
Public Special Schools	Educators and learners	General public and learners	Educators and learners assessed, placed and supported in schools of industry and reform schools	382 Learners assessed, placed and supported in schools of industry and reform schools. Subsidy paid to 18 special schools. 109 Educators trained and capacitated on Curriculum Adaptation. 400 SGB members empowered on EWP6. 1098 Educators empowered on Attention Deficiency and Dyslexia.
Further Education and Training (FET)	Adult learners and learners aged 15 - 30	Employed learners and out of school youth	Improved placement of learners	Bursaries awarded to 844 needy learners. 4 258 Level 2 students enrolled in NC(V). 183 College staff members trained on how to manage the curriculum. Infrastructure upgraded and expanded
Examinations: Grades 9 and 12 and ABET Level 4	Adult and Grades 9 and 12 learners	Adult learners	Exam papers set, typed, distributed, marked, moderated and certified	Smooth running of exams. Examination procedure manuals developed
Implementation of National Curriculum Statement (NCS)	All Grades 10 -12 educators and learners, CIs	General public	Educators capacitated on implementation of NCS	All educators and learners conversant with NCS and the implementation thereof

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement Against Standards
Early Childhood Development (ECD)	Grade R practitioners, learners, School Governing Bodies and Site Management Committees	Sister Departments, training institutions, NGOs/FBOs, Stakeholder Forums and academic institutions	Provision, execution and monitoring of qualitative ECD programmes to children in the 0 - 6 age cohort and the empowerment and capacitation of personnel in Pre-Grade R centres for assimilation into mainstream economy	The recipients and beneficiaries of qualitative ECD programmes are 52 000 learners in Grade R centres and 10 679 learners in Pre-Grade R centres. Learner Teaching Support Material has been delivered to 880 primary schools. 275 Practitioners have successfully completed NQF ECD Level 5 and 385 practitioners have completed NQF ECD Level 4 qualifications. 80 Childminders and 80 cooks have been empowered through EPWP training by the creation of 160 work opportunities in the Province. The Provincial Integrated ECD Strategy Framework has been approved and endorsed by the Executive Council for immediate implementation in 2009/10 with the conceptual design of the Early Childhood Development Institute imminently being conceptualized
Advocacy and Training on HIV and AIDS	Educators and learners, institutions	Educators and learners	Awareness campaign on HIV and AIDS	3 630 Educators capacitated on Life Skills HIV and ADS programmes: Sexuality Education, Care and Support of Orphaned and Vulnerable Children
EMGD to empower SMTs on Policy Development.	SMT	SMT	HIV and AIDS Policy development	400 SMTs empowered on HIV and AIDS Policy Development

TABLE 1.2 Consultation Arrangements for Customers

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievements
Strategic Plan for the Institution	Departmental Officials	General public	100% Participation by stakeholders in preparation and implementation of Strategic Plans
Meetings with School Governing Bodies and RCL Forums	School Governing Bodies and Learners	Parent community and general public	Improved participation by parents and learners on issues raised at school level
Radio talk shows	Educators, learners and parents	General public	Awareness and interaction on curriculum issues
Workshops, conferences, summits, festivals & eisteddfods	Educators, learners and SGBs	General public	Awareness and participation
Circulars, posters, flyers and newsletters	School, SMTs, SGBs, educators, learners and Departmental Officials	Community	Awareness and advocacy

TABLE 1.3 Service Delivery Access Strategy

Access Strategy	Actual Achievements
Invitations through circulars	Successful attendance
The Departmental Strategic and Implementation Plan are compiled and printed for the public	Input of stakeholders obtained on implementation of plans
All role players have access to information through Departmental Communication Strategy	Up to date information is available to the public and all role players are able to interact with the Department
Visits to schools and FET College, discussion with SGBs, SMTs, educators and learners	Meetings and workshops are held to outline the priorities of the Department

TABLE 1.4 Service Information Tool

Type of Information Tool	Actual Achievements
Regular meetings and workshops on policy issues	Stakeholders are informed about policies and implementation thereof
Media, computers, posters, handouts, internet and e-mail access	Information disseminated easily and stakeholders are kept abreast of developments
Manuals, examination directives, Provincial policies and National policies	Stakeholders receive information timeously

TABLE 1.5 Complaint Mechanism

Complaint Mechanism	Actual Achievements
Grievance procedure in place	Implementation according to outlined procedure
All complaints through correspondence via line function	Written complaints attended to on a regular basis
Ayihlome Ifunde Unit conducts research and attends to complaints	Responsive and people centred service delivery

TABLE 2.1 Personnel Costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Programme 1: Administration	889,013	549,600	0	0	61.8	13	44 007
Programme 2: Public Ordinary School Education	7,849,009	6,451,846	0	0	82.2	149	44 007
Programme 3: Independent School Subsidies	11,136	0	0	0	0	0	44 007
Programme 4: Public Special School Education	130,042	102,049	0	0	78.5	2	44 007
Programme 5: Further Education and Training	205,757	112,518	0	0	54.7	3	44 007
Programme 6: Adult Basic Education and Training	69,799	65,698	0	0	94.1	2	44 007
Programme 7: Early Childhood Development	63,096	13,127	0	0	20.8	0	44 007
Programme 8: Auxiliary and Associated Services	139,137	70,114	0	0	50.4	2	44 007
Theft and losses	3,991	0	0	0	0	0	44 007
TOTAL	9,360,979	7,364,952	0	0	78.7	170	44 007

TABLE 2.2 Personnel Costs by Salary Band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods & Transfers (R'000)	Number of Employees
Lower skilled (Levels 1 - 2)	241,385	3.3	64,645	7,423,232	3 734
Skilled (Levels 3 - 5)	448,310	6	79,643	7,423,232	5 629
Highly skilled production (Levels 6 - 8)	5,187,966	69.9	178,889	7,423,232	29 001
Highly skilled supervision (Levels 9 - 12)	1,419,348	19.1	291,927	7,423,232	4 862
Senior management (Levels 13 - 16)	19,499	0.3	609,344	7,423,232	32
Other	23	0	0	7,423,232	0
Contract (Levels 1 - 2)	10,099	0.1	153,015	7,423,232	66
Contract (Levels 3 - 5)	12,602	0.2	393,813	7,423,232	32
Contract (Levels 6 - 8)	1,573	0	174,778	7,423,232	9
Contract (Levels 9 - 12)	375	0	187,500	7,423,232	2
Periodical Remuneration	21,220	0.3	10,910	7,423,232	1 945
Abnormal Appointment	2,552	0	9,522	7,423,232	268
TOTAL	7,364,952	99.2	161,583	7,423,232	45 580

TABLE 2.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Programme 1: Administration	377,272	65.4	13,440	2.3	14,450	2.5	24,270	4.2	577,207
Programme 2: Public Ordinary Schools Education	4,870,493	74.5	7,029	0.1	190,029	2.9	310,166	4.7	6,541,674
Programme 4: Public Special Schools Education	72,535	70.7	9	0	3,699	3.6	5,822	5.7	102,591
Programme 5: Further Education and Training	84,656	73.6	23	0	3,903	3.4	6,053	5.3	114,985
Programme 6: Adult Basic Education Training	32,463	52.7	1	0	4,421	7.2	12	0	61,589
Programme 7: Early Childhood Development	10,258	76.1	1	0	317	2.4	652	4.8	13,481
Programme 8: Auxiliary and Associated Services	5,945	50.8	732	6.3	278	2.4	528	4.5	11,705
TOTAL	5,453,622	73.5	21,235	0.3	217,097	2.9	347,503	4.7	7,423,232

TABLE 2.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1 - 2)	168,882	69.6	322	0.1	19,841	8.2	12,032	5	242,781
Skilled (Levels 3 - 5)	320,239	71	2,997	0.7	26,983	6	25,142	5.6	451,049
Highly skilled production (Levels 6 - 8)	3,868,501	74.2	11,977	0.2	145,443	2.8	256,321	4.9	5,211,566
Highly skilled supervision (Levels 9 - 12)	1,057,795	73.1	5,400	0.4	23,842	1.6	53,442	3.7	1,447,193
Senior management (Levels 13 - 16)	15,777	71.9	0	0	746	3.4	428	2	21,930
Other	9	23.7	11	28.9	2	5.3	0	0	38
Contract (Level 1 - 2)	9,213	91.2	217	2.1	136	1.3	42	0.4	10,103
Contract (Level 3 - 5)	11,298	89.5	298	2.4	92	0.7	96	0.8	12,630
Contract (Level 6 - 8)	1,481	94.1	13	0.8	12	0.8	0	0	1,574
Contract (Level 9 - 12)	357	93.7	0	0	0	0	0	0	381
Periodical Remuneration	0	0	0	0	0	0	0	0	21,431
Abnormal Appointment	70	2.7	0	0	0	0	0	0	2,556
TOTAL	5,453,622	73.5	21,235	0.3	217,097	2.9	347,503	4.7	7,423,232

TABLE 3.1 Employment and Vacancies by Programme at End of Period (excluding MEC)

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 1: Administration	3771	2 861	24.1	71
Programme 2: Public Ordinary Schools Education	39 475	38 432	2.6	184
Programme 4: Public Special Schools Education	946	760	19.7	0
Programme 5: Further Education and Training (FET)	906	750	17.2	0
Programme 6: Adult Basic Education Training	1 902	1 096	42.4	2
Programme 7: Early Childhood Development (ECD)	64	65	-1.6	1
Programme 8: Auxiliary and Associated Services	60	42	30	3
TOTAL	47 124	44 006	6.6	261

(Note: Total post allocation for Pr 1: Admin increased from 2008/2009 due to the establishment of a new Circuit Office and Warehouse)

(Note: Total post allocation for Pr 5: FET Colleges was reduced to 906 in line with actual needs)

(Note: Total post allocation for Pr 6: ABET was reduced to 1 902 due to increased cost per unit for the new Pilot Centres)

TABLE 3.2 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)	4 938	3 876	21.5	2
Skilled (Levels 3 - 5)	3 951	4 589	-16.1	3
Highly skilled production (Levels 6 - 8)	31 703	29 165	8	9
Highly skilled supervision (Levels 9 - 12)	4 489	4 913	-9.4	1
Senior management (Levels 13 - 16)	49	31	36.7	0
Contract (Levels 1 - 2)	60	64	-6.7	4
Contract (Levels 3 - 5)	23	28	-21.7	5
Contract (Levels 6 - 8)	7	9	-28.6	2
Contract (Levels 9 - 12)	2	2	0	0
Pro Rata (ABET)	1 791	983	45.1	0
Periodical (ABET)	111	111	0	0
Abnormal (LSA's & Interns)	0	235	0	235
TOTAL	47 124	44 006	6.6	261

TABLE 3.3 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	12	71	-491.7	63
Auxiliary and related workers	35	29	17.1	0
Building and other property caretakers	200	180	10	0
Bus and heavy vehicle drivers	16	13	18.8	0
Cleaners in offices workshops hospitals etc.	4 361	4 023	7.8	2
Client inform clerks(switchb/recept/inform clerks)	13	11	15.4	0
Communication and information related	10	3	70	0
Computer programmers.	1	0	100	0
Computer system designers and analysts	13	2	84.6	0
Dieticians and nutritionists	5	2	60	0
Farm hands and labourers	0	2	0	2
Finance and economics related	40	27	32.5	0
Financial and related professionals	102	84	17.6	0
Financial clerks and credit controllers	198	140	29.3	0
Food services aids and waiters	26	21	19.2	0
General legal administration and related professionals	4	2	50	0
Head of department/chief executive officer	1	1	0	0
Household and laundry workers	165	165	0	0
Human resources & organisat developm & related professionals	161	104	35.4	0
Human resources clerks	308	234	24	3
Human resources related	46	32	30.4	0
Information technology related	1	0	100	0
Inspectors of apprentices works and vehicles	15	5	66.7	0
Language practitioners interpreters & other commun	9	5	44.4	0
Librarians and related professionals	3	2	33.3	0
Library mail and related clerks	103	72	30.1	0
Light vehicle drivers	83	61	26.5	0
Logistical support personnel	193	158	18.1	0

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Material-recording and transport clerks	312	223	28.5	0
Messengers, porters and deliverers	151	154	-2	4
Other administration and related clerks and organisers	2 978	2 638	11.4	4
Other administrative policy and related officers	14	15	-7.1	0
Other information technology personnel	31	18	41.9	0
Photographic, lithographic and related workers	19	13	31.6	0
Professional nurses	5	4	20	0
Quantity surveyors and related professions	5	0	100	0
Risk management and security services	2	1	50	0
Secretaries and other keyboard operating clerks	348	216	37.9	0
Senior managers	45	30	33.3	0
Statisticians and related professionals	1	0	100	1
Work planners	3	1	66.7	0
Youth workers	152	256	-68.4	172
Other occupations	36 934	34 988	5.3	10
TOTAL	47 124	44 006	6.6	261

TABLE 4.1 Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1 - 2)	4 938	0	0	0	0	0	0
Contract (Levels 1 - 2)	60	0	0	0	0	0	0
Contract (Levels 3 - 5)	23	0	0	0	0	0	0
Contract (Levels 6 - 8)	7	0	0	0	0	0	0
Contract (Levels 9 - 12)	2	0	0	0	0	0	0
Skilled (Levels 3 - 5)	3 951	0	0	0	0	0	0
Highly skilled production (Levels 6 - 8)	31 703	0	0	0	0	0	0
Highly skilled supervision (Levels 9 - 12)	4 489	0	0	0	0	0	0
Senior Management Service Band A	34	0	0	0	0	0	0
Senior Management Service Band B	11	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Pro Rata (ABET)	1 791	0	0	0	0	0	0
Periodical (ABET)	111	0	0	0	0	0	0
Abnormal (LSA's & Interns)	0	0	0	0	0	0	0
TOTAL	47 124	0	0	0	0	0	0

TABLE 4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 4.3 Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No. of Employees in Dept.
TOTAL	0				44 006
Employees with a Disability	0				44 006

TABLE 4.4 Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 5.1 Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1 - 2)	2 927	501	87	3
Skilled (Levels 3 - 5)	6 883	1 387	846	12.3
Highly skilled production (Levels 6 - 8)	25 430	1 754	1 411	5.5
Highly skilled supervision (Levels 9 - 12)	6 407	13	158	2.5
Senior Management Service Band A	16	2	0	0
Senior Management Service Band B	5	0	1	20
Senior Management Service Band C	3	0	0	0
Senior Management Service Band D	1	0	0	0
Contract (Levels 1 - 2)	253	302	405	160.1
Contract (Levels 3 - 5)	251	375	427	170.1
Contract (Levels 6 - 8)	10	21	23	230
Contract (Levels 9 - 12)	1	2	1	100
TOTAL	42 187	4 357	3 359	8

TABLE 5.2 Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related	7	1	0	0
Auxiliary and related workers	30	5	4	13.3
Building and other property caretakers	189	14	15	7.9
Bus and heavy vehicle drivers	7	3	0	0
Cleaners in offices workshops hospitals, etc	3 393	451	273	8
Client inform clerks (switchb/recept/inform clerks)	10	1	0	0
Communication and information related	5	0	0	0
Dieticians and nutritionists	2	0	0	0
Finance and economics related	26	0	1	3.8
Financial and related professionals	54	2	0	0
Financial clerks and credit controllers	142	30	2	1.4
Food services aids and waiters	22	1	2	9.1
General legal administration and related professionals	2	1	1	50
Head of Department/Chief Executive Officer	1	0	0	0
Household and laundry workers	185	1	11	5.9

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Human resources and organisat developm and relate prof	79	9	4	5.1
Human resources clerks	216	82	52	24.1
Human resources related	16	1	1	6.3
Inspectors of apprentices works and vehicles	2	2	0	0
Language practitioners/interpreters and other commun	7	1	2	28.6
Librarians and related professionals	2	0	0	0
Library/mail and related clerks	73	22	13	17.8
Light vehicle drivers	6	49	2	33.3
Logistical support personnel	104	22	20	19.2
Material-recording and transport clerks	182	100	47	25.8
Messengers/porters and deliverers	125	276	230	184
Other administrative and related clerks and organisers	2 269	442	337	14.9
Other administrative policy and related officers	15	0	0	0
Other information technology personnel	4	7	0	0
Photographic/lithographic and related workers	11	2	0	0
Professional nurse	4	0	0	0
Risk management and security services	2	0	0	0
Secretaries and other keyboard operating clerks	149	170	89	59.7
Senior managers	22	3	1	4.5
Work planners	1	0	0	0
Youth workers	85	8	2	2.4
Other occupations	34 738	2 651	2 250	6.5
TOTAL	42 187	4 357	3 359	8

TABLE 5.3 Reasons Why Staff are Leaving the Department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Prev Employment	Total	Total Employment at Beginning of Period (April 2007)
Death	347	10.3	0.8	3 359	42 187
Resignation	496	14.8	1.2	3 359	42 187
Expiry of contract	2 025	60.3	4.8	3 359	42 187
Discharged due to ill health	34	1	0.1	3 359	42 187
Dismissal-misconduct	16	0.5	0	3 359	42 187
Retirement	227	6.8	0.5	3 359	42 187
Other	214	6.4	0.5	3 359	42 187
TOTAL	3 359	0	0	0	0

Resignations as % of Employment	7.8
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TABLE 5.4 Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2007)	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	7	2	28.6	0	0
Auxiliary and related workers	30	0	0	25	83.3
Building and other property caretakers	189	2	1.1	98	51.9
Bus and heavy vehicle drivers	7	0	0	5	71.4
Cleaners in offices workshops hospitals etc.	3 393	1	0	1 674	49.3
Client inform clerks(switchb/recept/inform clerks)	10	0	0	7	70
Communication and information related	5	2	40	0	0
Dieticians and nutritionists	2	0	0	2	100
Finance and economics related	26	5	19.2	0	0
Financial and related professionals	54	33	61.1	4	7.4
Financial clerks and credit controllers	142	17	12	19	13.4
Food services aids and waiters	22	0	0	8	36.4
General legal administration and rel. professionals	2	1	50	0	0
Head of Department/Chief Executive Officer	1	0	0	0	0
Household and laundry workers	185	0	0	99	53.5
Human resources & organisational developm & rel. prof	79	32	40.5	17	21.5
Human resources clerks	216	33	15.3	30	13.9
Human resources related	16	9	56.3	1	6.3
Inspectors of apprentices works and vehicles	2	0	0	0	0
Language practitioners/interpreters and other commun	7	0	0	5	71.4
Librarians and related professionals	2	0	0	0	0
Library/mail and related clerks	73	8	11	32	43.8
Light vehicle drivers	6	5	83.3	0	0
Logistical support personnel	104	47	45.2	47	45.2
Material-recording and transport clerks	182	45	24.7	39	21.4
Messengers/porters and deliverers	125	0	0	8	6.4
Other administrative and related clerks and organisers	2 269	14	0.6	1 263	55.7
Other administrative policy and related officers	15	0	0	9	60
Other information technology personnel	4	6	150	1	25

Occupation	Employment at Beginning of Period (April 2007)	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
Photographic/lithographic and related workers	11	0	0	7	63.6
Professional nurse	4	0	0	1	25
Risk management and security services	2	0	0	0	0
Secretaries and other keyboard operating clerks	149	8	5.4	62	41.6
Senior managers	22	2	9.1	12	54.5
Work planners	1	0	0	0	0
Youth workers	85	3	3.5	47	55.3
Other occupations	34 738	908	2.6	1 115	3.2
TOTAL	42 187	1 183	2.8	4 637	11

TABLE 5.5 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)	2 927	6	0.2	1 797	61.4
Skilled (Levels 3 - 5)	6 883	42	0.6	2 281	33.1
Highly skilled production (Levels 6 - 8)	25 430	673	2.6	500	2
Highly skilled supervision (Levels 9 - 12)	6 407	448	7	36	0.6
Senior Management (Levels 13 - 16)	25	4	16	12	48
Contract (Levels 1 - 2)	253	0	0	6	2.4
Contract (Levels 3 - 5)	251	10	4	5	2
Contract (Levels 6 - 8)	10	0	0	0	0
Contract (Levels 9 - 12)	1	0	0	0	0
TOTAL	42 187	1 183	2.8	4 637	11

TABLE 6.1 Total Number of Employees (incl. employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	18	0	0	18	2	6	0	0	6	0	26
Legislators, senior officials and managers	3 781	20	41	3 842	356	3 608	15	29	3 652	325	8 175
Professionals	7 501	18	67	7 586	348	16 301	63	85	16 449	1 681	26 064
Clerks	131	0	0	131	9	104	1	1	106	19	265
Service and sales workers	918	1	0	919	4	2 350	11	5	2 366	245	3 534
Service, shop and market sales workers	1	0	0	1	0	0	0	0	0	0	0
Craft and related trades workers	12	0	0	12	0	7	0	0	7	0	19
Plant and machine operators and assemblers	69	0	0	69	0	4	1	0	5	0	74
Elementary occupations	2 339	7	2	2 348	12	2 133	10	1	2 144	41	4 545
Non-Permanent	152	0	0	152	0	1 177	0	0	1 177	0	1 329
TOTAL	14 904	46	110	15 060	729	25 684	101	121	25 906	2 311	44 006

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	36	1	0	37	5	43	0	0	43	3	88

TABLE 6.2 Total Number of Employees (incl. employees with disabilities) per Occupational Bands

Occupational Categories	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	2	0	0	2	0	2	0	0	2	0	4
Senior Management	19	0	1	20	2	5	0	0	5	0	27
Professionally qualified and experienced specialists and mid-management	981	5	22	1 008	159	487	1	4	492	59	1 718
Skilled technical and academically qualified workers, junior management, supervisors, foremen	10 112	33	84	10 229	547	19 338	81	112	19 531	2 064	32 371
Semi-skilled and discretionary decision making	1 512	4	2	1 518	16	2 885	13	5	2 903	180	4 617
Unskilled and defined decision making	2 126	4	1	2 131	5	1 790	6	0	1 796	8	3 940
Non-Permanent	152	0	0	152	0	1 177	0	0	1 177	0	1 329
TOTAL	14 904	46	110	15 060	729	25 684	101	121	25 906	2 311	44 006

TABLE 6.3 Recruitment

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	1	0	0	1	0	1	0	0	1	0	2
Professionally qualified and experienced specialists and mid-management	8	0	0	8	1	2	0	0	2	4	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen	560	0	29	589	48	932	2	23	957	181	1 757
Semi-skilled and discretionary decision making	464	0	2	466	6	1 265	3	3	1 271	19	1 791
Unskilled and defined decision making	486	1	0	487	3	309	2	0	311	2	803
TOTAL	1 519	1	31	1 551	58	2 509	7	26	2 542	206	4 357

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.4 Promotions

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	11	0	1	12	1	3	0	0	3	0	16
Professionally qualified and experienced specialists and mid-management	216	1	2	219	38	178	0	1	179	48	484
Skilled technical and academically qualified workers, junior management, supervisors, foremen	432	2	3	437	34	566	5	4	575	127	1 174
Semi-skilled and discretionary decision making	448	0	0	448	6	1 761	3	1	1 765	119	2 338
Unskilled and defined decision making	991	2	1	994	2	810	2	0	812	1	1 809
TOTAL	2 098	5	7	2 110	81	3 318	10	6	3 334	295	5 820

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	5	0	0	5	3	4	0	0	4	1	12

TABLE 6.5 Terminations

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management	71	0	4	75	15	48	1	0	49	20	159
Skilled technical and academically qualified workers, junior management, supervisors, foremen	459	0	14	473	50	740	6	13	759	152	1 434
Semi-skilled and discretionary decision making	296	0	0	296	7	931	3	2	936	34	1 273
Unskilled and defined decision making	303	0	0	303	2	185	1	0	186	1	492
TOTAL	1 129	0	18	1 147	74	1 905	11	15	1 931	207	3 359

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	0	0	3	2	5	0	0	5	1	11

TABLE 6.6 Disciplinary Action

Disciplinary Action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Correctional counseling	4	0	0	4	0	4	0	0	4	0	8
Demotion	1	0	0	1	0	0	0	0	0	0	1
Dismissal	13	0	0	13	1	6	0	0	6	1	21
Final written warning	22	0	0	22	0	18	0	0	18	0	40
Fine	20	0	0	20	0	16	0	0	16	1	37
No outcome	0	0	0	0	0	0	0	0	0	0	0
Suspended without payment	6	0	0	6	0	1	0	0	1	1	8
TOTAL	66	0	0	66	1	45	0	0	45	3	115

TABLE 6.7 Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	22	0	0	0	3	31	0	0	0	3	59
Professionals (educators)	446	1	0	0	0	692	0	0	0	8	1 147
Technicians and associate professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	119	0	0	0	0	185	1	0	0	0	305
Service and sales workers	0	0	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary occupations	39	0	0	0	0	97	0	0	0	0	136
TOTAL	626	1	0	0	3	1 005	1	0	0	11	1 647

TABLE 7.1 Signing of Performance Agreements by SMS Members as on 30 September 2008

SMS Level	Total Number of Funded SMS Posts Per Level	Total Number of SMS Members Per Level	Total Number of Signed Performance Agreements Per Level	Signed Performance Agreements as % of Total Number of SMS Members Per Level	Signed Performance Agreements as % of Total Numbers Per Level
Director-General / Head of Department	1	1	1	100	3
Salary Level 16, but not HOD	0	0	0	0	0
Salary Level 15	3	3	3	100	10
Salary Level 14	3	3	1	33	3
Salary Level 13	24	23	19	83	63
TOTAL	31	30	24	80	80

TABLE 7.2 Reasons For Not Having Concluded Performance Agreements for All SMS Members as on 30 September 2008

1. Two Chief Directors (SL14) were suspended pending misconduct charges and Performance Agreements could therefore not be signed
2. Four Directors (SL13) fell outside the PMDS cycle as at 30 September 2008

TABLE 7.3 Disciplinary Steps Taken Against SMS Members For Not Having Concluded Performance Agreements

1. Not applicable
2. Not applicable

TABLE 8.1 SMS Posts Information as on 31 March 2009

SMS Level	Total Number of Funded SMS Posts Per Level	Total Number of SMS Posts Filled Per Level	% of SMS Posts Filled Per Level	Total Number of SMS Posts Vacant Per Level	% of SMS Post Vacant Per Level
Director-General / Head of Department	1	1	100	0	0
Salary Level 16, but not HOD	0	0	0	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	3	3	100	0	0
Salary Level 13	24	23	100	0	0
TOTAL	31	30	100	0	0

TABLE 8.2 SMS Posts Information as on 31 March 2009

SMS Level	Total Number of Funded SMS Posts Per Level	Total Number of SMS Posts Filled Per Level	% of SMS Posts Filled Per Level	Total Number of SMS Posts Vacant Per Level	% of SMS Post Vacant Per Level
Director-General / Head of Department	1	1	100	0	0
Salary Level 16, but not HOD	0	0	0	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	3	3	100	0	0
Salary Level 13	24	23	100	1	4
TOTAL	31	30	100	1	3

TABLE 8.3 Advertising and Filling of SMS Posts as on 31 March 2009

SMS Level	Advertising		Filling of Posts	
	Number of Vacancies Per Level Advertised in 6 Months of Becoming Vacant	Number of Vacancies Per Level Filled in 6 Months After Becoming Vacant	Number of Vacancies Per Level Not Filled in 6 Months But Filled in 12 Months	Number of Vacancies Per Level Not Filled in 12 Months
Director-General / Head of Department	0	0	0	0
Salary Level 16, but not HOD	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	0	0	0	0
Salary Level 13	0	1	1	0
TOTAL	1	1	1	0

TABLE 9.1 Performance Rewards by Race, Gender and Disability

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	1 593	25 335	6.3	10,170	6,384
African, Male	1 167	14 640	8	7,140	6,119
Asian, Female	5	117	4.3	72	14,369
Asian, Male	1	107	0.9	4	3,600
Coloured, Female	7	98	7.1	65	9,264
Coloured, Male	2	44	4.5	33	16,572
Total Blacks, Female	1 605	25 550	6.3	10,307	6,422
Total Blacks, Male	1 170	14 791	7.9	7,177	6,134
White, Female	193	2 254	8.6	2,003	10,378
White, Male	18	684	2.6	231	12,860
Employees with a disability	10	88	11.4	69	6,897
TOTAL	2 996	43 367	6.9	19,788	6,605

TABLE 9.2 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)	1 288	3 876	33.2	5,482	4,256
Skilled (Levels 3 - 5)	1 125	4 589	24.5	6,644	5,906
Highly skilled production (Levels 6 - 8)	502	29 165	1.7	6,147	12,245
Highly skilled supervision (Levels 9 - 12)	77	4 913	1.6	1,422	18,468
Contract (Levels 1 - 2)	2	64	3.1	6	3,000
Contract (Levels 3 - 5)	0	28	0	0	0
Contract (Levels 6 - 8)	0	9	0	0	0
Contract (Levels 9 - 12)	0	2	0	0	0
Pro Rata (ABET)	0	983	0	0	0
Periodical (ABET)	0	111	0	0	0
Abnormal (LSA's & Interns)	0	235	0	0	0
TOTAL	2 994	43 975	6.8	19,701	6,580

TABLE 9.3 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	2	71	2.8	24	12,000
Auxiliary and related workers	13	29	44.8	69	5,308
Building and other property caretakers	79	180	43.9	359	4,544
Bus and heavy vehicle drivers	7	13	53.8	52	7,429
Cleaners in offices workshops hospitals etc.	1 259	4 023	31.3	5,479	4,352
Client inform clerks (switchb/recept/inform clerks)	6	11	54.5	31	5,167
Communication and information related	1	3	33.3	38	38,000
Computer system designers and analysts	0	2	0	0	0
Dieticians and nutritionists	2	2	100	14	7,000
Farm hands and labourers	2	2	100	15	7,500
Finance and economics related	3	27	11.1	52	17,333
Financial and related professionals	20	84	23.8	265	13,250
Financial clerks and credit controllers	40	140	28.6	388	9,700
Food services aids and waiters	4	21	19	15	3,750
General legal administration & rel. professionals	1	2	50	27	27,000
Head of Department/Chief Executive Officer	0	1	0	0	0
Household and laundry workers	69	165	41.8	384	5,565
Human resources and organisat developm & relate prof	29	104	27.9	358	12,345
Human resources clerks	75	234	32.1	796	10,613
Human resources related	3	32	9.4	41	13,667
Inspectors of apprentices works and vehicles	0	5	0	0	0
Language practitioners/interpreters & other commun	5	5	100	79	15,800
Librarians and related professionals	0	2	0	0	0
Library/mail and related clerks	41	72	56.9	264	6,439
Light vehicle drivers	3	61	4.9	11	3,667
Logistical support personnel	83	158	52.5	1,012	12,193
Material-recording and transport clerks	76	223	34.1	766	10,079
Messengers porters and deliverers	7	154	4.5	27	3,857
Other administrative and related clerks and organisers	979	2 638	37.1	7,098	7,250
Other administrative policy and related officers	7	15	46.7	105	15,000
Other information technology personnel.	1	18	5.6	20	20,000
Photographic/lithographic and related workers	5	13	38.5	22	4,400
Professional nurse	1	4	25	16	16,000

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Risk management and security services	0	1	0	0	0
Secretaries and other keyboard operating clerks	59	216	27.3	425	7,203
Senior managers	1	30	3.3	48	48,000
Work planners	0	1	0	0	0
Youth workers	51	256	19.9	292	5,725
Other occupations	62	34 988	0.2	1,193	19,242
TOTAL	2 996	44 006	6.8	19,785	6,604

TABLE 9.4 Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	2	24	8.3	87	4,350	0.7	11,655
Band B	0	3	0	0	0	0	0
Band C	0	3	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	2	31	6.5	87	4,350	0.7	11,655

TABLE 10.1 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)	6	3.4	8	1.6	2	0.7	179	497	282
Skilled (Levels 3 - 5)	10	5.6	77	15.5	69	24.5	179	497	282
Highly skilled production (Levels 6 - 8)	146	81.6	392	78.9	208	73.8	179	497	282
Highly skilled supervision (Levels 9 - 12)	17	9.5	17	3.4	0	0	179	497	282
Senior management (Levels 13 - 16)	0	0	1	0.2	1	0.4	179	497	282
Periodical Remuneration	0	0	2	0.4	2	0.7	179	497	282
TOTAL	179	100	497	100	282	100	179	497	282

TABLE 10.2 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	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Elementary occupations	6	3.4	8	1.6	2	0.7	179	497	282
Other occupations	173	96.6	487	98	278	98.6	179	497	282
Professionals and managers	0	0	2	0.4	2	0.7	179	497	282
TOTAL	179	100	497	100	282	100	179	497	282

TABLE 11.1 Sick Leave for Jan 2008 to Dec 2008

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees Using Sick Leave	Total Number of Days with Medical Certification
Lower skilled (Levels 1 - 2)	6447	84.5	1 192	6.7	5	1,056	17 775	5 447
Skilled (Levels 3 - 5)	10 113.5	83.2	1 749	9.8	6	2,253	17 775	8 415
Highly skilled production (Levels 6 - 8)	71 464	78.6	12 790	72	6	33,690	17 775	56 161
Highly skilled supervision (Levels 9 - 12)	11 085	82.6	2 020	11.4	5	8,505	17 775	9 161
Senior management (Levels 13 - 16)	83	97.6	9	0.1	9	177	17 775	81
Contract (Levels 1 - 2)	19	84.2	4	0	5	3	17 775	16
Contract (Levels 3 - 5)	41	87.8	10	0.1	4	8	17 775	36
Contract (Levels 6 - 8)	6	100	1	0	6	2	17 775	6
TOTAL	99 258.5	79.9	17 775	100	6	45,694	17 775	79 323

TABLE 11.2 Disability Leave (Temporary and Permanent) for Jan 2008 to Dec 2008

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 Certifications	Total Number of Employees Using Disability Leave
Lower skilled (Levels 1 - 2)	247	100	6	3	41	42	247	199
Skilled (Levels 3 - 5)	553	100	12	6	46	121	553	199
Highly skilled production (Levels 6 - 8)	4 705	100	149	74.9	32	2,249	4,705	199
Highly skilled supervision (Levels 9 - 12)	1 368	97	32	16.1	43	1,046	1,327	199
TOTAL	6 873	99.4	199	100	35	3,458	6,832	199

TABLE 11.3 Annual Leave for Jan 2008 to Dec 2008

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees Who Took Leave
Lower skilled (Levels 1 - 2)	19 758.44	11	1 837
Skilled (Levels 3 - 5)	22 868.35	11	2 083
Highly skilled production (Levels 6 - 8)	24 538	6	4 200
Highly skilled supervision (Levels 9 - 12)	14 973	10	1 490
Senior management (Levels 13 - 16)	354	15	23
Contract (Levels 1 - 2)	136	6	21
Contract (Levels 3 - 5)	111	6	18
Contract (Levels 6 - 8)	67	13	5
Contract (Levels 9 - 12)	8	8	1
TOTAL	82 813.79	9	9 678

TABLE 11.4 Capped Leave for Jan 2008 to Dec 2008

	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 Dec. 2007	Number of Employees Who Took Capped Leave	Total Number of Capped Leave Available at 31 Dec. 2007	Number of Employees as at 31 Dec. 2007
Lower skilled (Levels 1 - 2)	61	10	65	6	47 563	733
Skilled (Levels 3 - 5)	180	3	86	60	140 029	1 632
Highly skilled production (Levels 6 - 8)	9 565	3	73	3 280	1 384 618	18 955
Highly skilled supervision (Levels 9 - 12)	2 017	3	88	697	408 676	4 618
TOTAL	11 823	3	76	4 043	1 980 886	25 938

TABLE 11.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2008/09 due to non-utilisation of leave for the previous cycle	30	2	15,000
Capped leave payouts on termination of service for 2008/09	11,798	1 893	6,232
Current leave payout on termination of service for 2008/09	138	35	3,943
TOTAL	11,966	1 930	6,200

TABLE 12.1 Steps Taken to Reduce the Risk of Occupational Exposure

Units/Categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key Steps Taken to Reduce the Risk
Educators	The ELRC conducted a study and discovered that educators are at high risk of contracting HIV/AIDS; hence, the Prevention Care Treatment and Access Programme was introduced and implemented.

TABLE 12.2 Details of Health Promotion and HIV/Aids Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Director: Human Resource Management - Mr JR Nkosi
2. Does the Department have a dedicated Unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Head Office - 07 Practitioners Budget - R3 092.846 Regions x 4 = 21
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	✓		To Provide support to the employees through counselling, trauma debriefing, disability management and implementation of proactive programmes; To mitigate HIV and AIDS through prevention, treatment, care and support programmes; The development / improvement of Employee Health and Wellness Policy and Strategy towards service delivery improvement; and the implementation of Wellness Management and the Occupational Health and Safety.

Question	Yes	No	Details, if Yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The following are the Appointed Members of the Committee:</p> <ul style="list-style-type: none"> PEU - Ms NJ Segodi SADTU - Ms Lindiwe Motshwane HRM - Mr JR Nkosi HR Benefits - Mr NM Khoza HRD - Ms Vanita Francis Communications - Mr Jasper Zwane Labour Relations - Ms Frieda Rieger Transformation - Ms M Makatu Legal Services - Ms D Matjee Curriculum Enrichment - Adv HM Shongwe Gert Sibande Region - Mrs T Nagel Nkangala Region - Ms Marlize Botha Bushbuck Region - Mr CR Mhlabane Ehlanzeni - Ms B Letsoalo - Ms CD Venske
5. Has the Department reviewed the employment policies and practices of your Department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<p>The Department reviewed the recruitment and selection policies whereby employees are not compelled to undergo HIV testing prior to employment. In addition, the Department has a draft retention strategy whereby employees who are unable to perform their duties due to illhealth, an alternative placement is arranged. Implementation of PILIR</p>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>HIV and AIDS Policy Development, Awareness Workshops, Distribution of Pamphlets; and Brochures on the Rights of People Infected by HIV</p>
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		<p>The Department does promote VCT to employees and organise On-site VCT. The challenge is that employees are reluctant to utilise the Onsite VCT and even those who tested positive, they do not come forward for assistance. Employees are being encouraged to utilise external VCT services. 75 Employees who tested positive are being supported by the EHWP Unit.</p>
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	✓		<p>The section, Employee Health and Wellness, is in a process of establishing baseline for the Programme that will assist the Department in developing indicators to monitor and evaluate the impact of the Departmental Employee Health and Wellness Programme. Presently the Department is utilising monthly reports, VCT statistics, Case Register, health screening results on other chronic conditions.</p>

TABLE 13.1 Collective Agreements

Subject Matter	Date
Framework for the establishment of an OSD for educators in public education	03-Apr-08
Special task teams on OSD	03-Apr-08
Vote weights for the Trade Unions that are parties to the Council	16-Sep-08
Amendment of the ELRC Constitution as certified by the Registrar of Labour on 25 April 2007 and as ratified by Collective Agreement No. 6 of 2007	16-Sep-08
Further Education and Training Colleges Sector Bargaining Unit	16-Sep-08
Further amendment of the ELRC constitution as certified by the Registrar of Labour on 25 April 2007 and as ratified by Collective Agreement No. 6 of 2007	17-Feb-09
Permanent appointment of temporary educators on vacant substantive posts	09-May-08
Advertising of principals' posts in the print media	12-Feb-09

TABLE 13.2 Misconduct and Discipline Hearings Finalized

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Counselling and rehabilitation	8	4
Verbal warnings	1	0
Written warnings	4	2
Final written warnings	40	19
Fines	37	17
Suspension without pay	8	4
Demotions	1	0
Dismissals	21	10
Not guilty	8	4
Case withdrawn	28	13
Combination of sanctions	58	27
TOTAL	214	100

TABLE 13.3 Types of Misconduct Addressed and Disciplinary Hearings

Type of Misconduct	Number	Percentage of Total
Fraud	27	9
Abscondment	45	15
Absenteeism	38	12
Poor performance	3	1
Incapacity alcohol and substance abuse	14	5
Defiance and using abusive language	64	21
Sexual harassment	4	1
Corporal punishment and assault	21	7
Theft	9	3
Mismanagement of funds and misuse of GG vehicles	29	9
Embezzlement of school funds	2	1
Sexual relationships with learners	10	3
Rape	6	2
Exam irregularities	28	9
Falsification of documents	7	2
TOTAL	307	100%

TABLE 13.4 Grievances Lodged

Number of Grievances Addressed	Number	Percentage of Total
Resolved	149	74.87
Not resolved	50	25.13
TOTAL	199	100%

TABLE 13.5 Disputes Lodged

Number of Disputes Addressed	Number	Percentage of Total
Upheld	1	1.43
Dismissed	9	12.86
Settled	3	4.29
Withdrawn	7	10.00
Outstanding	50	71.43
TOTAL	70	100%

TABLE 13.6 Strike Actions

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

TABLE 13.7 Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	26
Number of people whose suspension exceeded 30 days	17
Average number of days suspended	437.5
Cost (R'000) of suspensions	R3,156,601

TABLE 14.1 Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	34	0	0	0	34
	Male	26	45	0	0	26
Professionals	Female	1 683	56	0	0	1 728
	Male	907	0	0	0	963
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	105	0	0	0	105
	Male	195	0	0	0	195
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	97	0	0	0	97
	Male	39	0	0	0	39
Gender sub-totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
TOTAL		3 086	101	0	0	3 187

TABLE 14.2 Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	34	0	0	0	34
	Male	26	0	0	0	26
Professionals	Female	690	45	0	0	735
	Male	372	56	0	0	428
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	104	0	0	0	104
	Male	56	0	0	0	56
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	97	0	0	0	97
	Male	39	0	0	0	39
Gender sub-totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
TOTAL		1 418	101	0	0	1 519

TABLE 15 Injury on Duty

Nature of Injury on Duty	Number	Percentage of Total
Required basic medical attention only	43	93.48
Temporary Total Disablement	0	0.00
Permanent Disablement	0	0.00
Fatal	3	6.52
TOTAL	46	100%

TABLE 16.1 Report on Consultant Appointments Using Appropriated Funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Infrastructure	163	26,895	R36,216,666.00

Total number of projects	Total individual consultants	Total duration: Work days	Donor and Contract value in Rand
974	163	26895	R36,216,666.00

TABLE 16.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Infrastructure	58,0	63,0	121

TABLE 16.3 - Report on Consultant Appointments Using Donor Funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Infrastructure	0	0	0

TABLE 15.4 - Analysis of Consultant Appointments Using Donor Funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Infrastructure	0	0	0



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