
Department of Education Mpumalanga



Annual Report

FOR THE YEAR ENDED 31 MARCH 2005

CONTENTS OF THE ANNUAL REPORT

PAGES

- 1 GENERAL INFORMATION**
- 2 PROGRAMME PERFORMANCE**
- 3 REPORT OF THE AUDIT COMMITTEE**
- 4 ANNUAL FINANCIAL STATEMENTS**
- 5 HUMAN RESOURCES MANAGEMENT**

30 August 2005

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.

On behalf of the Mpumalanga Department of Education, I wish to present this Annual Report to the Member of the Executive Council for Education, the Honourable MSA Masango, for the financial year 2004/2005.

1.2 Introduction by the Head of the Institution

The year under review was characterized by meaningful developments in the country as well as in the Education Sector. The outcome of the National Elections demanded extra commitment in accelerating service delivery to the people of this country.

The Department was able to make a breakthrough in relation to mobilising all stakeholders: making the Education Enterprise everybody's business.

The response of all communities like business, church, Traditional Leaders and others in the Education Izindaba, was a major milestone.

This, in my view, contributed significantly to the improvement of our Grade 12 results from 58% to 62%, thus making Mpumalanga the most improved Province.

The Department has also made strides in relation to learner spending and having declared all schools as Section 21 entities, stabilized the school environment in that schools are now able to play an active role in matters of their own resource provisioning.

The Skills Development Programmes; National School Nutrition Programme; Provisioning of Scholar Transport; ABET Programmes; and Early Childhood Development Programmes are but a few efforts that are beginning to yield positive results.

It is encouraging to note the amount of zeal that is displayed by our officials and educators in ensuring that HIV and AIDS programmes are implemented with the passion and patriotism they deserve.

It must, however, be noted that there is still a need to accelerate all infrastructure development initiatives. The collaboration between all relevant Departments and the introduction of the Infrastructure Delivery Improvement Programme should really help to fast-track these endeavours. This must be done to ensure that no learner would be taught under hazardous conditions.

The second decade of freedom and democracy has indeed brought with it new demands within this sector. It will enable the Department to introduce sustainable strategies of fighting poverty and unemployment in this country and indeed it demands that we develop an education system that will respond to the needs of the citizens of this Province.

My view is that, based on the support and patriotic commitment of all role players, including managers from the Department, the Department will be able to implement all programmes that are aimed at emancipating our people towards a better life for all.

This Annual Report presents an overview of activities that took place within the Department during the period under review.


MR C.M. MASHABA
ACTING DEPUTY DIRECTOR GENERAL FOR EDUCATION

23 August 2005

1.3 Information on the Ministry

The main function of this Department 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. During the 2004 – 2005 financial year, the Member of the Executive Council for Education was the Honourable MSA Masango.

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 maximum utilization of resources for the socio-economic enhancement of all citizens.

1.5 Legislative Mandate

The Department derives its core mandate from the Constitution. Section 29 of the Constitution of the RSA states:

Everyone has the right:-

- to a basic education, including adult basic education; and
- 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 do not discriminate on the basis of race; are registered with the State; and 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:

- National Education Policy Act (No. 27 of 1996):
It provides for the determination of National Policy for education; 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 the 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.
- 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.

- 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.
- 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.
- 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 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.
- 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.
- 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 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; to provide for and regulate employment services; and to provide for matters connected therewith.
- Adult Basic Education Act (Act 52 of 2000):
To regulate adult basic education and training; and to provide for the establishment, governance and funding of public adult learning centres.

PUBLIC ENTITIES:

The Department has the Mpumalanga Regional Training Trust (MRTT) as a public entity. The focus of MRTT is the implementation of the **Skills Development Act**. The Mpumalanga Regional Training Trust is now challenged to deliver training within a new National training policy framework; a new institutional environment for training management; and a new training financing model.

MPUMALANGA DEPARTMENT OF EDUCATION

Vote 7

Annual Financial Statements
For
The Year Ended 31 March 2005

MPUMALANGA DEPARTMENT OF EDUCATION
Vote 7

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005

Report of the Accounting Officer	2 - 7
Report of the Auditor-General	8 - 14
Accounting Policies	15 - 20
Appropriation Statement	21 - 26
Notes to the Appropriation Statement	27 - 28
Statement of Financial Performance	29
Statement of Financial Position	30
Statement of Changes in Net Assets	31
Cash Flow Statement	32
Notes to the Annual Financial Statements	33 - 39
Disclosures Notes to the Annual Financial Statements	40 - 42
Annexures	43 - 49

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

1. General review of the state of financial affairs

The department spent 93.5% of its budget in the past financial year. The main reasons why the department under spent on its budget is due to the following reasons:

- Not all public servant posts at Head-, Regional-, Circuit Offices and Education institutions could be filled during the reporting period.
- The Provincial Treasury allocated funding for the numeration of pay progression for educators, which could not be spent during the reporting due to a lack of remuneration formula.
- The capital projects that started during the financial year could not be completed by 31 March 2005.
- Not all invoices for goods and services received / rendered could be submitted by suppliers in time for payment.

The department succeeded in its efforts to reduce personnel costs as a percentage of the total budget. This objective was achieved, which enabled the department to spend more on priorities such as scholar transport, learner support material and infrastructure development, without decreasing the number of employees. The department still faces a major challenge of eliminating the backlog that exists in the infrastructure development. The department managed to appoint 253 contractors during the financial year under review. The department also managed to purchase almost R254 million of learner support material and managed to transport over 26 000 learners in rural areas in need of transport from and to school on a monthly basis. Extra classes were again conducted during the winter holidays for grade 12 learners to prepare them

for the final examination in November 2004. The department achieved almost a 3% increase in the pass rate of learners completing grade 12.

2. Service rendered by the department

The major service rendered by the department is that of providing education and training in public ordinary schools, schools with special needs, further education and training centres and adult basic education. The department has only charged tariffs for the issuing of grade 12 certificates and the remarking of examination scripts. All assets acquired by a public school is the property of the school and inventories are kept by them.

3. Capacity constraints

The department could not fill all the public servants posts in the financial year under review due to the fact that the process of filling key vacant posts was very slow. Although faced with the capacity constraint, it did not have a major impact on service delivery. The Public Servants Sector at schools was affected the most, but efforts are now being made to address this issue. The department has already started to implement the post-provisioning norm as agreed upon in 2003. The rationalization of public servants posts at educational institutions had already started early in 2004 but due to the enormous number of applications the department could not fill these posts on time.

4. Utilisation of donor funds

The respective donors administered most donor funds. The department has received the following major donations during the financial year:

- Mpumalanga Secondary Science Initiative – training of educators in maths and science.
- Canada South Africa Teacher Development – training in inclusive education.
- Finnish South African Cooperation – focused on further education and training.
- USA Peace Corps Volunteers – focused on outcome based education and HIV/Aids.
- Open Learning Systems (OLSET) – radio programme to teach English at foundation phase.
- Shuttleworth Technology Project – capacity for management of technology education in grades 8 & 9 of 26 schools.
- Mveledandivho Project – educator support in Maths and Science, SMT's, provisioning of LSM and HIV/Aids programme.
- Learning for Living Project – focused on English literacy.
- Japanese Grant Aid – the construction of schools in the Province.
- The Japanese Overseas Corporation Volunteers Projects (JOCV) – support implementation of maths and science in MSSSI.
- Quality Learning Project – intervention support of maths, literacy and education management.
- Mpumalanga Education Development Trust – infrastructure development as a PPP entity in education.
- Extrata Project – Building of Marifaan School and whole school development enhancing maths and science to schools in the Extrata Mine vicinity.

An amount of R43,000 was shown in the Disclosure notes 27 for the previous financial year under the heading "Gifts, donations and sponsorship". The new template does not make provision for that disclosure. The Trust Account has a balance of R44, 281.

5. Trading entities and public entities

The Mpumalanga Regional Training Trust (MRTT) is the only public entity, which has been allocated to this Department. MRTT was listed as a public entity under Government Gazette no. 23619 dated 19 July 2002 under Notice 1283 of 2002 issued by National Treasury. The main functions of MRTT are to deliver technical, entrepreneurial, management and leadership skills training and placing trainees into employment. During the financial year under review, MRTT also opened an academy where students are trained in hotel management, catering and environmental affairs.

6. Organisations to whom transfer payments have been made

The Department made no transfers to other organizations other than educational institutions.

7. Public private partnerships (PPP)

The department has representation on the board of trustees of the Mpumalanga Education Development Trust. The trust and the Department co-operate to eliminate the backlog in educational infrastructure in the Province. This trust had a balance of R13,818,320.30 at the end of the financial year.

8. Corporate governance arrangements

The Internal Audit Unit was established during this financial year, and its staff is striving to provide independent and objective assurance services to the Accounting Officer and senior management of the Department. Part of the Internal Audit function was contracted out to a private audit company and special investigations and forensic audits were also outsourced to other private audit firms. All reports in respect of audits and investigations were given to the audit committee. External auditors appointed by the office of the Provincial Auditor-general audited the annual financial statements. All senior managers have also completed their financial disclosure forms. The explanatory manual on the code of conduct for the public service staff has also been distributed to all employees. The challenge still exists to train employees on the contents of this manual.

9. Discontinued activities/activities to be discontinued

No activities were discontinued during the financial year or will be discontinued in the near future.

10. New/proposed activities

The National School Nutrition Programme became the responsibility of the department from 1 April 2004.

11. Events after the reporting date

No events were reported after the reporting date.

12. Performance information

The overall performance of the Department can be seen in the programme performance as described in Part 2 of the Annual Financial Statements.

13. SCOPA resolutions


Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
The 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Dissatisfaction with management's ability to run the department.	An effective Audit Committee has been appointed, an investigation into qualifications of an employee at MRTT has been done and several steps have been taken to strengthen the management capacity and improved communication has been instituted.
Report of the Auditor-general on a performance audit of the financial management training provided to various schools in the Mpumalanga Province as well as the management of funds at these schools (PR 32/2004) tabled on 9 June 2004 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Performance audit of financial management training – appointment of service providers.	Progress report to be submitted by 30 June 2005 to SCOPA.
Report of the Auditor-general on the financial statements of the department of Education for the 2002/03 financial year (PR 158/2003) tabled on 14 October 2003 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	State guarantees.	Progress report to be submitted by 30 June 2005 to SCOPA.
Report of the Auditor-general on the financial statements of the department of Education for the 2001/02 financial year (PR 105/2002) tabled on 5 September 2002 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Delays in processing of the termination of service overpayments.	A detailed report has already been submitted to SCOPA on outstanding overpayments.
Report of the Auditor-general on the financial statements of the department of Education for the 2002/03 financial year (PR 158/2003) tabled on 14 October 2003 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Subsidised vehicles.	Progress report to be submitted to SCOPA.

Report of the Auditor-general on the financial statements of the department of Education for the 2001/02 financial year (PR 105/2002) tabled on 5 September 2002 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Vehicle fleet management.	Progress report to be submitted to the Director-general.
Report of the Auditor-general on the financial statements of the department of Education for the 2002/03 financial year (PR 158/2003) tabled on 14 October 2003 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Internal Audit Unit.	All recommendations have been instituted.
Report of the Auditor-general on the financial statements of the department of Education for the 2001/02 financial year (PR 105/2002) tabled on 5 September 2002 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Performance-related issues at various schools.	Progress report to be submitted by 30 June 2005 to SCOPA.
Report of the Auditor-general on a performance audit of the financial management training provided to various schools in the Mpumalanga Province as well as the management of funds at these schools (PR 32/2004) tabled on 9 June 2004 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Anomalies/weaknesses detected at various schools.	Internal Audit unit compiled a report and this report will be sent to regions to assist schools.
Report of the Auditor-general on the financial statements of the department of Education for the 2001/02 financial year (PR 105/2002) tabled on 5 September 2002 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Asset management.	A report has been submitted to the Accountant-general's office and training on asset management will start soon.
Report of the Auditor-general on the financial statements of the department of Education for the 2002/03 financial year (PR	Retrospective price increase.	A report has been submitted to the Auditor-general's office.

105/2003) tabled on 14 October 2003 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.		
Report of the Auditor-general on the financial statements of the department of Education for the 2001/02 financial year (PR 158/2002) tabled on 5 September 2002 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Investigations.	A report has been submitted and the department is awaiting responses from the Scorpions.
Report of the Auditor-general on the financial statements of the department of Education for the 2002/03 financial year (PR 158/2003) tabled on 14 October 2003 and the 12 th Committee report of the Select Committee on Public Accounts of the 3 rd Mpumalanga Provincial Legislature.	Voted funds released by the Provincial Treasury.	This amount has been taken up in the financial statements.

Approval

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


MR C.M. MASHABA
 ACTING DEPUTY DIRECTOR GENERAL FOR EDUCATION

31 May 2005



A U D I T O R - G E N E R A L

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 7 DEPARTMENT OF EDUCATION FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages xx to xx, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(1)(c) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

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

An audit includes:

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

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

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



A U D I T O R - G E N E R A L

3. QUALIFICATION

3.1 Receivables

The receivables stated in note 10 to the annual financial statements amount to R21, 682 million (2003/04: R19, 817 million). According to the year-end age analysis, R9, 332 million is owed by ex-employees. An amount of R 5,985 million due by these ex-employees and R4,634 million due by other debtors which has been outstanding for more than 12 months. The recovery of these debts cannot be ascertained, and I consider the balance of the ex-employee debt as well as any other form of debt/receivables older than 12 months as irrecoverable. In my opinion receivables are overstated by R10, 619 million. Although some of these amounts may be recoverable, the long delay in the collection process adversely impacts on their full recovery.

3.2 State guarantees

State guarantees to the value of R56, 466 million in respect of housing are disclosed in annexure 2 to the financial statements. Although additional control procedures have been implemented to manage the risks within the department, the accuracy and completeness of the Persal register could not be substantiated.

3.3 Physical assets

Adequate control over physical assets was not exercised, as the maintenance of a fixed asset register and the unique numbering of all assets for the identification purposes was not ensured. The complete existence of assets could not be verified.

The safeguarding of the department's physical assets was therefore not adequate, as contemplated in section 38(1)(d) of the PFMA, read together with Treasury Regulation 10.1.1.

3.4 Disclosures

The department was unable to provide details substantiating the accuracy and completeness of the amounts disclosed in the financial statements as listed below:

- Disclosure of commitments of R89,104 million (note 17).
- Accruals of R152,418 million (note 18).
- Leave entitlement of R866,685 million disclosed in Contingent Liabilities (note 16).
Leave entitlement has not been calculated in accordance with the guidelines, and unrealistic capped leave balances exist. The leave entitlements have also been calculated on incorrect notches.
- Operating lease commitments of R60,380 million (note 20)



A U D I T O R - G E N E R A L

Lease commitments are based on historic figures with disregard to the remaining portion of the lease term.

3.5 Limitation of Scope

Information and specific documentation relating to the various sections could not be provided by the department for audit purposes therefore I am unable to express an opinion on the following:

- Certain original invoices were not available for audit purposes amounting to R11,114 million effecting the income statement.
- Original contracts could not be provided for audit purposes amounting to R17,046 million, effecting the income statement.
- Certain bills of quantities for tenders were not available for audit.
- Missing or unavailable personnel files as a result of document routing forms not being completed. Therefore salary expenses could not be verified.
- Insufficient documentation on files in respect of:
 - a) Housing and other allowances,
 - b) Approved leave forms,
 - c) Subsistence and travel claims
 - d) Salary journal vouchers
- No log sheets and trip authority forms were available on file for certain motor vehicles.

4 DISCLAIMER OF AUDIT OPINION

Because of the significance of the matters referred to in paragraph 3, I do not express an opinion on the financial statements.

5 EMPHASIS OF MATTER

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

5.1 Conversion of opening balances to new SCOA

I can state with reasonable assurance that all closing balances have been converted to the new SCOA accounts. I however cannot state with reasonable assurance that individual amounts making up these balances have been allocated to the correct accounts, as we could not reconcile this with the information provided.

5.2 Physical verification of educators

The department establishment reports did not accurately reflect correct workplace of employees. This made it difficult to do a physical verification of educators. For example, principals did not ensure that the establishment report reflected the actual employees at their schools.



A U D I T O R - G E N E R A L

It is therefore not possible to confirm the existence of all employees and I could not verify the validity of all staff payments.

5.3 Vehicle fleet management

First Auto reports were not scrutinized by transport officers, and exceptions were therefore not regularly followed up at the highest level to ensure the efficient operation of the fleet. Consequently, the performance of vehicles had not been evaluated against predetermined standards to ensure the cost-effectiveness and optimal utilisation of the department's vehicle fleet.

5.4 Internal audit

An effective and efficient audit function was not ensured as required in terms of section 38 (1)(a)(i) and (ii) of the PFMA, and operating in accordance with Treasury Regulation 3.2.

This negatively affected the audit committee in fulfilling its mandatory function to oversee the internal audit function, evaluate internal controls and propose corrective steps.

5.5 Fruitless and wasteful expenditure

As per note 6 of the Annual Financial Statements an amount of R125 000 is owed to SARS relating to interest payable on employees tax that was incorrectly calculated in the prior years, and is still outstanding.

An official was suspended with full remuneration during the year subject to the outcome of an enquiry. Subsequently the employee was found not guilty but was still suspended. The total amount paid in this regard during the year was R53 977.

Payments made to contractors for construction work that was not performed amounted to R700 898.

5.6 Special audits

Special audits were conducted in the Mpumalanga Provincial Administration Government employees and their spouses who were members/directors of private organisations and will be reported on separately.

5.7 General internal controls

The following internal control deficiencies which were identified in some of the business cycles pose a major risk to the department which may result in the total breakdown of the financial management operations and results:



A U D I T O R - G E N E R A L

- 5.7.1 Vacant positions not filled on a timeous basis.
- Various senior positions within the department were vacant for long periods during the year under review, which negatively affects the operations of the department.
- 5.7.2 Ineffective supervisory procedures in human resource management and transactions incorrectly recorded led to the following:
- Annual, sick and study leave taken but not approved.
 - Annual and sick leave taken but not processed on Persal.
 - Incorrect amounts paid in respect of housing allowance, as payments were not adjusted when interest rates changed.
 - Unrealistic capped leave balances existed but were not investigated.
 - The payroll verification schedule for the receipt of salaries was not always signed.
 - Master file information incomplete with regard to the employee payroll
 - Inappropriate management of the subsidised vehicle scheme.
- 5.7.3 Compliance with the laws and regulations:
- Financial misconduct has taken place, this has however not being disclosed in the annual financial statements, as required by Treasury Regulations, due to the fact that none have been finalized and no charges have been laid.
 - Signed quarterly reports submitted to the Executive Authority during the fiscal period under review could not be obtained. Treasury Regulation 26.1.2
 - Based on the overall audit findings it is clear that management did not ensure that effective, efficient, transparent systems of financial and risk management and internal controls are adhered to in terms of Section 38(1)(a)(i) and 45(a) of the PFMA.
 - Income Tax Act, PAYE deductions were found to be incorrect for a number of personnel.
 - Value-Added Tax (VAT) Act, the department had made payments to suppliers that had charged VAT, despite such suppliers not being registered for VAT at the South African Revenue Service.
- 5.7.4 Policy and procedure on revenue

There is no policy and procedure document regarding revenue, ensuring that all sources of revenue are accounted for and that revenue is complete.

5.7.5 Suspense accounts

Suspense accounts were not cleared to zero at year end and reflect an amount of R5, 502 million.

5.7.6 Transfer payments

Policies and controls relating to transfer payments were not in place:

- Schools and institutions that receive funds have not appointed a person to take responsibility for the funds received from the department.
- Certain of the quarterly reports received from the Mpumalanga Regional Training Trust (MRTT) for the period under review, was not available.
- No annual expenditure reports are submitted by principles of institutions to explain how the funds were spent.
- The payments made to schools/institutions could not be traced to the bank statements.



A U D I T O R - G E N E R A L

5.7.7 Reconciliation of additions of fixed assets

The department does not reconcile on a monthly basis the LOGIS and BAS balances for differences in the addition of fixed assets. All the additions for computer software, buildings and other fixed structures, machinery and equipment and motor vehicles on BAS do not agree to the fixed asset register (LOGIS). The cumulative un-reconciled difference at year end amounts to R144,447 million that the balance per BAS exceeds the balance per LOGIS, mainly due to misallocations of transactions through incorrect codes used for capturing.

5.7.8 Supply chain management

In performing the fieldwork procedures on the procurement and payments cycles, the following deficiencies were identified:

- The department has a draft supply chain management policy but utilises the framework for the supply chain management in terms of section 76(4)(c) of the PFMA.
- Variation above 20% of the original contract price. Total variation amounts to R407 895.
- Multiple bank accounts exist for suppliers on BAS.

5.8 Submission of audit report

The late submission of crucial/critical audit evidence by the department resulted in a delay in the completion of the audit process. The evidence was required to enable the appropriate audit opinion to be expressed. The completion of the audit process and submission of the audit report to the department was therefore only completed and issued on 15 August 2005 and not by 31 July 2005, as stipulated by section 40(1)(c) of the PFMA.

6 APPRECIATION

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

ND Maphiri
For Auditor General

Nelspruit
15 August 2005

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7
REPORTS FROM THE ACCOUNTING OFFICER, AUDITOR GENERAL AND ACCOUNTING
POLICIES
for the year ended 31 March 2005

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

1. Basis of preparation

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

2. Revenue

2.1 Appropriated funds

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

2.2 Departmental revenue

2.2.1 Tax revenue

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

2.2.2 Sale of goods and services other than capital assets

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

2.2.3 Fines, penalties and forfeits

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

2.2.4 Interest, dividends and rent on land

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

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

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7
REPORTS FROM THE ACCOUNTING OFFICER, AUDITOR GENERAL AND ACCOUNTING
POLICIES
for the year ended 31 March 2005

2.2.5 Sale of capital assets

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

2.2.6 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 Local and foreign aid assistance

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

3. Expenditure

3.1 Compensation of employees

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

3.1.1 Social contributions

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

3.1.2 Short-term employee benefits

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

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7
REPORTS FROM THE ACCOUNTING OFFICER, AUDITOR GENERAL AND ACCOUNTING
POLICIES
for the year ended 31 March 2005

3.1.3 Long-term employee benefits and other post employment benefits

3.1.3.1 Termination benefits

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

3.1.3.2 Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system.

3.1.3.3 Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. Any potential liabilities are disclosed in the Annual Financial Statements of the Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

3.1.3.4 Other employee benefits

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

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 on a capital project.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7
REPORTS FROM THE ACCOUNTING OFFICER, AUDITOR GENERAL AND ACCOUNTING
POLICIES
for the year ended 31 March 2005

3.5 Unauthorised expenditure

Unauthorised expenditure is defined as:

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

Such expenditure is treated as a current asset in the statement of financial position until the relevant authority, recovered or written off as irrecoverable, approves such expenditure.

3.6 Irregular expenditure

Irregular expenditure is defined as:

- Expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:
- The Public Finance Management Act
- The State Tender Board Act, or any regulations made in terms of this act, or
- Any provincial legislation providing for procurement procedures in that provincial government.

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

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as:

- Expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore
- It must be recovered from a responsible official (a debtor account should be raised), or
- The vote. (If responsibility cannot be determined.)

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

4. Transfers and subsidies

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

5. Expenditure for capital assets

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

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7
REPORTS FROM THE ACCOUNTING OFFICER, AUDITOR GENERAL AND ACCOUNTING
POLICIES
for the year ended 31 March 2005

6. Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made. Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

7. Cash and cash equivalents

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

8. Payables

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

9. Lease commitments

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

10. Accruals

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

11. Contingent liability

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

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

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7
REPORTS FROM THE ACCOUNTING OFFICER, AUDITOR GENERAL AND ACCOUNTING
POLICIES
for the year ended 31 March 2005

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

12. Commitments

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

13. Capitalisation reserve

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

14. Recoverable revenue

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

15. Comparative figures

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

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

Appropriation per programme									
	Adjusted Appropriation	Shifting of Funds	Virement	2004/05			Payments as % of final appropriation	2003/04	
				Final Appropriation	Actual Payments	Variance		Final Appropriation	Actual Payment
				R'000	R'000	R'000		R'000	R'000
1. Administration									
Current payment	420,554	(200)	(4,218)	416,136	403,642	12,494	97.0%	324,684	320,022
Transfers and subsidies	1,660	200	-	1,860	1,858	2	99.9%	-	-
Payment for capital assets	6,467	-	-	6,467	5,830	637	90.1%	7,080	7,041
2. Public Ordinary School Education									
Current payment	4,163,660	(9,938)	(8,417)	4,145,305	3,926,857	218,448	94.7%	3,720,511	3,720,488
Transfers and subsidies	80,135	9,938	-	90,073	84,358	5,715	93.6%	-	-
Payment for capital assets	218,516	-	-	218,516	129,233	89,283	59.1%	179,612	144,424
3. Independent Schools									
Transfers and subsidies	9,493	-	960	10,453	10,439	14	99.9%	8,556	8,519
4. Public Special School Education									
Current payment	52,765	-	4,218	56,983	56,923	60	99.9%	50,904	50,841
Transfers and subsidies	20,258	-	-	20,258	20,373	(115)	100.6%	19,620	19,612
5. Further Education and Training									
Current payment	66,531	-	-	66,531	63,723	2,808	95.8%	62,862	56,153
Transfers and subsidies	34,897	-	-	34,897	34,906	(9)	100.0%	27,500	24,599
6. Adult Basic Education and Training									
Current payment	58,602	-	-	58,602	53,508	5,094	91.3%	49,800	48,889
Transfers and subsidies	178	-	-	178	151	27	84.8%	-	-
7. Early Childhood Development									
Current payment	26,136	(190)	-	25,946	24,232	1,714	93.4%	48,009	35,075
Transfers and subsidies	9,577	190	(960)	8,807	8,840	(33)	100.4%	-	-
8. Auxiliary and Associated Services									
Current payment	36,904	(15)	8,417	45,306	45,315	(9)	100.0%	45,089	39,066
Transfers and subsidies	7	15	-	22	13	9	59.1%	-	-
Subtotal	5,206,340	-	-	5,206,340	4,870,201	336,139	93.5%	4,544,227	4,474,729
Statutory Appropriation									
Current payment	607	-	-	607	515	92	84.8%	607	582
TOTAL	5,206,947	-	-	5,206,947	4,870,716	336,231	93.5%	4,544,834	4,475,311
Reconciliation with Statement of Financial Performance									
Departmental revenue received				23,498				17,176	
Actual amounts per Statements of Financial Performance (Total revenue)				5,230,445				4,562,010	
Actual amounts per Statements of Financial Performance (Total expenditure)					4,870,716				4,475,311

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2005**

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	4,052,977	(9,761)	-	4,043,216	3,874,322	168,894	95.8%	3,577,111	3,566,442
Goods and services	772,175	(190)	-	771,985	700,268	71,717	90.7%	578,835	538,006
Non-profit institutions	139,963	-	-	139,963	134,657	5,306	96.2%	116,493	107,303
Households	16,242	9,951	-	26,193	25,892	301	98.8%	-	-
Buildings and other fixed structures	218,516	-	-	218,516	129,232	89,284	59.1%	242,908	238,925
Machinery and equipment	6,467	-	-	6,467	5,830	637	90.1%	28,880	24,053
Total	5,206,340	-	-	5,206,340	4,870,201	336,139	93.5%	4,544,227	4,474,729

Statutory Appropriation									
	2004/05							2003/04	
Details of direct changes against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of executive committee / parliamentary officers	607	-	-	607	515	92	84.8%	607	582
Total	607	-	-	607	515	92	84.8%	607	582

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.2 Management Services									
Current payment	243,963	(132)	-	243,831	246,789	2,315	100.9%	155,569	155,564
Transfers and subsidies	1,046	132	-	1,178	1,178	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	7,080	7,041
1.3 Corporate Services									
Current payment	174,591	(68)	(4,218)	170,305	156,795	13,510	92.1%	152,053	152,001
Transfers and subsidies	614	68	-	682	680	2	99.7%	-	-
Payment for capital assets	6,467	-	-	6,467	5,830	637	90.1%	-	-
1.4 Human Resource Development									
Current payment	2,000	-	-	2,000	58	1,943	2.9%	-	-
1.5 Financial Management & Quality Enhancement									
Current payment	-	-	-	-	-	-	0.0%	17,062	12,457
TOTAL	428,681	-	(4,218)	424,463	411,330	13,133	96.9%	331,764	327,063

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	275,274	(200)	(4,218)	270,856	229,247	41,609	84.6%	180,445	180,403
Goods and services	145,280	-	-	145,280	174,393	(29,113)	120.0%	144,239	139,619
Households	1,660	200	-	1,860	1,860	-	100.0%	-	-
Machinery and equipment	6,467	-	-	6,467	5,830	637	90.1%	7,080	7,041
Total	428,681	-	(4,218)	424,463	411,330	13,133	96.9%	331,764	327,063

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2005**

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Public Primary Schools									
Current payment	2,626,777	(9,938)	(3,630)	2,613,209	2,465,677	147,532	94.4%	2,281,566	2,281,563
Transfers and subsidies	54,388	9,938	-	64,326	58,983	5,343	91.7%	-	-
Payment for capital assets	78,019	-	-	78,019	66,754	11,265	85.6%	99,508	83,822
2.2 Public Secondary Schools									
Current payment	1,453,904	-	-	1,453,904	1,387,220	66,684	95.4%	1,349,869	1,349,860
Transfers and subsidies	25,747	-	-	25,747	25,375	372	98.5%	-	-
Payment for capital assets	38,429	-	-	38,429	31,857	6,572	82.9%	65,060	45,561
2.3 Human Resource Development									
Current payment	17,000	-	(4,787)	12,213	9,372	2,841	76.7%	3,110	3,110
2.4 IN School Sport and Culture									
Current payment	1,900	-	-	1,900	1,892	8	99.6%	870	864
2.5 Conditional Grant Infrastructure									
Current payment	-	-	-	-	-	-	0.0%	85,096	85,091
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	102,068	-	-	102,068	30,622	71,446	30.0%	-	-
2.6 Conditional Grant NSNP									
Current payment	64,079	-	-	64,079	62,696	1,383	97.8%	-	-
2.7 Conditional Grand Flood									
Current payment	-	-	-	-	-	-	0.0%	15,044	15,041
TOTAL	4,462,311	-	(8,417)	4,453,894	4,140,448	313,446	93.0%	3,900,123	3,864,912

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	3,590,738	(9,546)	-	3,581,192	3,456,620	124,572	96.5%	3,216,743	3,216,743
Goods and services	572,922	-	(8,417)	564,505	470,630	93,875	83.3%	374,040	347,607
Non-profit institutions	66,393	-	-	66,393	61,068	5,325	92.0%	44,632	44,625
Households	13,742	9,546	-	23,288	22,898	390	98.3%	-	-
Buildings and other fixed structures	218,516	-	-	218,516	129,232	89,284	59.1%	242,908	238,925
Machinery and equipment	-	-	-	-	-	-	0.0%	21,800	17,012
Total	4,462,311	-	(8,417)	4,453,894	4,140,448	313,446	93.0%	3,900,123	3,864,912

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Independent Primary Schools									
Transfers and subsidies	5,221	-	211	5,432	5,419	13	99.8%	8,556	8,519
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.2 Independent Secondary Schools									
Transfers and subsidies	4,272	-	749	5,021	5,020	1	100.0%	-	-
TOTAL	9,493	-	960	10,453	10,439	14	99.9%	8,556	8,519

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2005**

Economic Classification	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	9,493	-	960	10,453	10,439	14	99.9%	8,556	8,519
Total	9,493	-	960	10,453	10,439	14	99.9%	8,556	8,519

Programme per sub-programme	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Special Schools									
Current payment	52,165	-	4,218	56,383	56,923	(540)	101.0%	50,904	50,841
Transfers and subsidies	20,258	-	-	20,258	20,373	(115)	100.6%	19,620	19,612
4.2 Human Resource Development									
Current payment	600	-	-	600	-	600	0.0%	-	-
TOTAL	73,023	-	4,218	77,241	77,296	(55)	100.1%	70,524	70,453

Economic Classification	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	52,165	-	4,218	56,383	56,910	(527)	100.9%	49,164	49,117
Goods and services	600	-	-	600	13	587	2.2%	1,740	1,724
Non-profit institutions	20,000	-	-	20,000	20,000	-	100.0%	19,620	19,612
Households	258	-	-	258	373	(115)	144.6%	-	-
Total	73,023	-	4,218	77,241	77,296	(55)	100.1%	70,524	70,453

Programme per sub-programme	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 FET Public Institutions									
Current payment	66,031	-	-	66,031	63,723	2,308	96.5%	62,862	56,153
Transfers and subsidies	34,897	-	-	34,897	34,906	(9)	100.0%	27,500	24,599
5.2 Human Resource Development									
Current payment	500	-	-	500	-	500	0.0%	-	-
TOTAL	101,428	-	-	101,428	98,629	2,799	97.2%	90,362	80,752

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2005**

Economic Classification	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Compensation of employees	60,131	-	-	60,131	59,722	409	99.3%	50,972	49,545
Goods and services	6,400	-	-	6,400	4,000	2,400	62.5%	11,890	6,608
Non-profit institutions	34,500	-	-	34,500	34,500	-	100.0%	27,500	24,599
Households	397	-	-	397	407	(10)	102.5%	-	-
Total	101,428	-	-	101,428	98,629	2,799	97.2%	90,362	80,752

Programme per sub-programme	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 ABET Public Centres									
Current payment	57,402	-	-	57,402	51,939	5,463	90.5%	49,800	48,889
Transfers and subsidies	178	-	-	178	151	27	84.8%	-	-
6.2 Human Resource Development									
Current payment	1,200	-	-	1,200	1,569	(369)	130.8%	-	-
TOTAL	58,780	-	-	58,780	53,659	5,121	91.3%	49,800	48,889

Economic Classification	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	48,152	-	-	48,152	48,605	(453)	100.9%	47,420	47,413
Goods and services	10,450	-	-	10,450	4,903	5,547	46.9%	2,380	1,476
Households	178	-	-	178	151	27	84.8%	-	-
Total	58,780	-	-	58,780	53,659	5,121	91.3%	49,800	48,889

Programme per sub-programme	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Grade R in Public Schools									
Current payment	18,870	-	-	18,870	19,042	(172)	100.9%	48,009	35,075
Transfers and subsidies	-	190	-	190	190	-	100.0%	-	-
7.2 Pre Grade R									
Current payment	7,066	(190)	-	6,876	2,609	4,267	37.9%	-	-
Transfers and subsidies	9,577	-	(960)	8,617	8,650	(33)	100.4%	-	-
7.3 Human Resource Development									
Current payment	200	-	-	200	2,581	(2,381)	1,290.5%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
TOTAL	35,713	-	(960)	34,753	33,072	1,681	95.2%	48,009	35,075

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

**DETAIL PER PROGRAMME
for the year ended 31 March 2005**

Economic Classification	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Compensation of employees	18,870	-	-	18,870	19,042	(172)	100.9%	25,198	19,433
Goods and services	7266	(190)	-	7,076	5,190	1,886	73.3%	6,626	5,694
Non-profit institutions	9,577	-	(960)	8,617	8,650	(33)	100.4%	16,185	9,948
Households	-	190	-	190	190	-	100.0%	-	-
Total	35,713	-	(960)	34,753	33,072	1,681	95.2%	48,009	35,075

Programme per sub-programme	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Payment to SETA									
Current payment	2,500	-	4,787	7,287	8,271	(984)	113.5%	-	-
8.2 Conditional Grant HIV/AIDS									
Current payment	9,772	-	3,630	13,402	12,334	1068	92.0%	8,794	8,193
8.3 External Examinations									
Current payment	24,632	(15)	-	24,617	24,710	(93)	100.4%	36,295	30,873
Transfer and subsidies	7	15	-	22	13	9	59.1%	-	-
TOTAL	36,911	-	8,417	45,328	45,328	-	100.0%	45,089	39,066

Economic Classification	2004/05						2003/04		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	7,647	(15)	-	7,632	4,176	3,456	54.7%	7,169	3,788
Goods and services	29,257	-	8,417	37,674	41,139	(3,465)	109.2%	37,920	35,278
Households	7	15	-	22	13	9	59.1%	-	-
Total	36,911	-	8,417	45,328	45,328	-	100.0%	45,089	39,066

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)
VOTE**

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

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-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 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	%
4.1.1 Programme 1: Administration	424,463	411,330	13,133	3%
<p>The under expenditure on this programme relates to personnel expenditure. The appointment of administrative staff and office-based educators could not be finalized as planned due to the lack of office space at Head Office. Regional offices also experienced problems in appointing personnel as planned.</p>				
4.1.2 Programme 2: Public Ordinary Schools	4,453,894	4,140,448	313,446	8%
<p>(a) Personnel Expenditure: Funds have been received from the Provincial Treasury for the payment of pay progression to educators as from 1996 until 2002. The Bargaining Council took a resolution as to how this should be implemented, but no formula on remuneration could be developed before 31 March 2005. The amount that was set aside for the payment of this pay progression was R47,258 million.</p> <p>(b) Goods and Services: Learner support material (text and prescribed books) was delivered before 31 March 2005 but outstanding invoices to the amount of R47, 191 million were not yet paid. Invoices to the amount of R9,707 million for the purchase of school furniture and R21,68 million for the payment of consultant fees on capital and infrastructure were still not paid.</p>				
4.1.3 Programme 3: Independent Schools	10,453	10,439	14	0%
4.1.4 Programme 4: Public Special Schools	77,241	77,296	(55)	0%
4.1.5 Programme 5: Further Education and Training	101,428	98,629	2,799	3%

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)
VOTE**

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

An under expenditure was incurred due to a delay in appointing key personnel at 3 FET colleges.

4.1.6 Programme 6: Adult Basic Education	58,780	53,659	5,121	10%
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Learner support material (text and prescribed books) for ABET learners was delivered before 31 March 2005 but outstanding invoices to the amount of R5,121 million were not yet paid.

4.1.7 Programme 7: Early Childhood Development	34,753	33,072	1,681	5%
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A saving has been achieved due to a decrease in learner numbers.

4.1.8 Programme 8: Auxiliary and Associated Services	45,328	45,328	0	0%
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4.2 Per Economic classification

	Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	%
4.2.1 Compensation of employees	4,043,216	3,874,837	168,894	4.2%

The appointment of staff in key vacant posts were delayed and resulted in a saving. The payment of pay progression for educators from 1996 until 2002 was postponed to the 2005/06 financial year.

4.2.2 Goods and services	771,985	699,878	72,107	9.3%
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Payments for learner support material as well as payments to consultants and suppliers could not be made prior to financial year closure.

4.2.3 Transfers Non-profit institutions	139,963	134,657	5,306	3.8%
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Transfer payments to section 21 schools could incomplete information.

4.2.4 Transfers Households	26,193	26,282	(89)	0.0%
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4.2.5 Capital- Buildings and other fixed structures	218,516	129,232	89,284	40.8%
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Capital projects were in progress and could not be completed prior to year-end.

4.2.6 Capital- Machinery and equipment	6,467	5,830	637	9.8%
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Vehicles delivered, was only paid in the 2005/06 financial year.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

	<i>Note</i>	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	<i>1</i>	5,206,340	4,544,227
Statutory appropriation	<i>2</i>	607	607
Departmental revenue	<i>3</i>	23,498	17,176
TOTAL REVENUE	<i>A</i>	5,230,445	4,562,010
EXPENDITURE			
Current expenditure			
Compensation of employees	<i>4</i>	3,874,837	3,567,024
Goods and services	<i>5</i>	699,878	538,006
Total current expenditure	<i>B</i>	4,574,715	4,105,030
Transfers and subsidies	<i>7</i>	160,939	107,303
Expenditure for capital assets			
Buildings and other fixed structures	<i>8</i>	129,232	238,925
Machinery and Equipment	<i>8</i>	5,830	24,053
Total expenditure for capital assets	<i>C</i>	135,062	262,978
TOTAL EXPENDITURE	<i>B+7+C=D</i>	4,870,716	4,475,311
NET SURPLUS/(DEFICIT) FOR THE YEAR	<i>A-D</i>	359,729	86,699
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	<i>11</i>	336,231	69,523
Departmental receipts to be surrendered to the Revenue Fund	<i>12</i>	23,498	17,176
NET SURPLUS/(DEFICIT) FOR THE YEAR		359,729	86,699

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets			
Fruitless and wasteful expenditure	<i>6</i>	125	915
Cash and cash equivalents	<i>9</i>	325,590	57,629
Receivables	<i>10</i>	21,682	19,817
TOTAL ASSETS	<i>A</i>	347,397	78,361
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	<i>11</i>	336,226	69,523
Departmental revenue to be surrendered to the Revenue Fund	<i>12</i>	4,066	1,237
Payables	<i>13</i>	3,697	4,149
TOTAL LIABILITIES	<i>B</i>	343,989	74,909
NET ASSETS	<i>A-B</i>	<u>3,408</u>	<u>3,452</u>
Represented by:			
Recoverable revenue		3,408	3,452
TOTAL		<u>3,408</u>	<u>3,452</u>

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7

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

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Recoverable revenue			
Opening balance		3,452	3,278
Prior Year Adjustment		-	174
Debts raised		(44)	-
Closing balance		<u>3,408</u>	<u>3,452</u>
TOTAL		<u>3,408</u>	<u>3,452</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		5,228,580
Receipts	1	5206,340
Annual appropriated funds received	2	607
Departmental revenue received	3	23,498
Net (increase)/decrease in working capital		(1,865)
Surrendered to Revenue Fund		(90,192)
Current payments		(4,574,382)
Transfers and subsidies paid		(160,939)
Net cash flow available from operating activities	14	(403,067)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(135,062)
Net cash flows from investing activities		(135,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in loans received		(44)
Net cash flows from financing activities		(44)
Net increase/(decrease) in cash and cash equivalents		267,961
Cash and cash equivalents at the beginning of the period		57,629
Cash and cash equivalents at end of period	9	325,590

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

1. Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Variance over/(under)	Total Appropriation 2003/04
	R'000	R'000	R'000	R'000
Administration	424,463	424,463	-	331,764
Public Ordinary School Education	4,453,894	4,453,894	-	3,900,123
Independent Schools	10,453	10,453	-	8,556
Public Special School Education	77,241	77,241	-	70,524
Further Education and Training	101,428	101,428	-	90,362
Adult Basic Education and Training	58,780	58,780	-	49,800
Early Childhood Development	34,753	34,753	-	48,009
Auxiliary and Associated Services	45,328	45,328	-	45,089
Total	<u>5,206,340</u>	<u>5,206,340</u>	<u>-</u>	<u>4,544,227</u>

Provide explanation of material variances including whether or not application will be made for a rollover.

1.2 Conditional grants

		2004/05 R'000	2003/04 R'000
Total grants received	<i>Annex 1A</i>	<u>179,549</u>	<u>112,356</u>

** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.

2. Statutory Appropriation

Member of executive committee/parliamentary officers	<u>607</u>	<u>607</u>
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**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

**3. Departmental revenue to be surrendered to revenue fund
Description**

	<i>Notes</i>	2004/05 R'000	2003/04 R'000
Sales of goods and services other than capital assets		7,324	7,562
Interest, dividends and rent on land		7,285	6,856
Financial transactions in assets and liabilities	3.1	8,884	2,748
Transfer received consists of:		5	10
Gifts, donations and sponsorships received	<i>Annex 1D</i>	5	10
Total revenue collected		23,498	17,176
Less: Departmental Revenue Budgeted		(19,432)	(15,939)
Departmental revenue collected		4,066	1,237

**3.1 Financial transactions in assets and liabilities
Nature of loss recovered**

Cheques written back	1,630	-
Other	7,254	2,748
	8,884	2,748

4. Compensation of employees

4.1 Salaries and Wages :

Basic salary	2,853,275	2,600,275
Performance award	8,068	51
Service Based	5,836	212,602
Compensative/circumstantial	45,668	-
Periodic payments	43,202	38,907
Other non-pensionable allowances	273,334	110,318
	3,229,383	2,962,153

* (Included in the above is an amount of R947 000 written off for debts received previously allocated to revenue item.)

4.2 Social contributions

Pension	424,416	387,974
Medical	220,268	216,160
UIF	-	7
Bargaining council	278	730
Official unions and associations	492	-
	645,454	604,871

Total compensation of employees

3,874,837 **3,567,024**

Average number of employees

31,085 **30,645**

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

5. Goods and services

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Advertising		855	407
Attendance fees (including registration fees)		18,263	4,819
Bank charges and card fees		625	-
Bursaries (employees)		1,275	650
Communication		11,905	10,778
Computer services		1,787	199
Consultants, contractors and special services		52,333	-
Entertainment		28	1
External audit fees	5.1	5,594	5,645
Equipment less than R5000		21,802	-
Inventory	5.2	331,567	195,012
Legal fees		584	-
Maintenance, repairs and running cost		15,428	-
Operating leases		64,156	50,738
Printing and publications		3,647	-
Professional bodies and membership fees		58,583	64,162
Resettlement cost		1,105	3,045
Owned leasehold property expenditure		3,737	-
Transport provided as part of the departmental activities		85,443	91,871
Travel and subsistence	5.3	19,737	7,458
Venues and facilities		1,422	-
Protective, special clothing & uniforms		2	-
Previous years unallocated items		-	103,221
Total		<u>699,878</u>	<u>538,006</u>

5.1 External audit fees

Regularity, Performance & Other audits	<u>5,594</u>	<u>5,645</u>
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5.2 Inventory (purchased during the year)

Other inventory	392	-
Domestic consumables	1,406	4,427
Learning and teaching support material	253,496	171,902
Food and Food supplies	67,472	-
Fuel, oil and gas	13	4
Other consumables	67	406
Parts and other maintenance material	868	4,891
Stationery and printing	7,853	13,382
	<u>331,567</u>	<u>195,012</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

		2004/05 R'000	2003/04 R'000			
5.3	Travel and subsistence					
	Local	19,409	7,449			
	Foreign	328	9			
	Total travel and subsistence	<u>19,737</u>	<u>7,458</u>			
6.	Fruitless and wasteful expenditure					
6.1	Reconciliation of fruitless and wasteful expenditure					
	Opening balance	915	4,077			
	Fruitless and wasteful expenditure condoned – current	(790)	-			
	Transfer to receivables for recovery	-	(3,162)			
	Fruitless and wasteful expenditure awaiting condonement	<u>125</u>	<u>915</u>			
7.	Transfers and subsidies					
	Non-profit institutions	134,657	107,303			
	Households	26,282	-			
	Total	<u>160,939</u>	<u>107,303</u>			
8.	Expenditure for capital assets					
	Buildings and other fixed structures	129,232	238,925			
	Machinery and equipment	5,830	24,053			
	Total	<u>135,062</u>	<u>262,978</u>			
9.	Cash and cash equivalents					
	Consolidated Paymaster General Account	325,587	57,626			
	Disbursements	3	-			
	Cash on hand	-	3			
	Total	<u>325,590</u>	<u>57,629</u>			
10.	Receivables					
		Less than one year	One to three years	Older than three years	Total	Total
	Staff debtors	4,076	3,890	2,850	10,816	10,379
	Clearing accounts	5,502	-	-	5,502	(227)
	Other debtors	3,781	1,019	564	5,364	9,665
	Total	<u>13,359</u>	<u>4,909</u>	<u>3,414</u>	<u>21,682</u>	<u>19,817</u>

Amounts of R 5,985million (2004: R7, 913million) included above may not be recoverable, but have not been written off in the Statement of Financial Performance. Certain of these debts relate to debts collected but incorrectly allocated.

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

	2004/05 R'000	2003/04 R'000
10.1 Staff debtors		
Ex-employees	9,223	8,921
Employees	<u>1,593</u>	<u>1,458</u>
	<u>10,816</u>	<u>10,379</u>
10.2 Clearing accounts		
Accumulated Interest Debt	-	(248)
Age Analysis Account		
Travel & Subsistence	-	21
Claims recover national department	1	-
Sal: Tax Debt	750	-
Sal: Medical Aid	341	-
Sal: Income tax	1,205	-
Sal: Garnishing orders	28	-
Sal: Insurance Deduction	7	-
UIF Control	43	-
Disallowance Miscellaneous	<u>3,127</u>	<u>-</u>
	<u>5,502</u>	<u>(227)</u>
10.3 Other debtors		
Disallowance Miscellaneous	-	275
Disallowance Supplier	-	1,689
Tax refundable	-	1,333
UIF	-	48
Suppliers and other debtors	<u>5,364</u>	<u>6,320</u>
	<u>5,364</u>	<u>9,665</u>
11. Voted funds to be surrendered to the Revenue Fund		
Opening balance	69,523	(846)
Transfer from Statement of Financial Performance	336,231	69,523
Voted funds not requested/not received	(5)	846
Paid during the year	<u>(69,523)</u>	<u>-</u>
Closing balance	<u>336,226</u>	<u>69,523</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

12. Departmental receipts to be surrendered to the Revenue Fund

	2004/05 R'000	2003/04 R'000
Opening balance	1,237	1,191
Transfer from Statement of Financial Performance	23,498	17,176
Paid during the year	<u>(20,669)</u>	<u>(17,130)</u>
Closing balance	<u>4,066</u>	<u>1,237</u>

**Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.

13. Payables – current

Description	<i>Notes</i>	30 Days	30+ Days	Total	Total
Amounts owing to other departments					
Advances received	13.1	-	3,697	3,697	3,050
Clearing accounts	13.2	-	-	-	1,099
		<u>-</u>	<u>3,697</u>	<u>3,697</u>	<u>4,149</u>

13.1 Advances received

Pension debt	2,562	2,661
ACB recalls	1,135	389
	<u>3,697</u>	<u>3,050</u>

13.2 Clearing accounts

Housing Loan	-	914
Guarantees		
Incorrect Bank credits	-	121
Medical Aid	-	2
Pension fund	-	20
Garnishee Deductions	-	42
	<u>-</u>	<u>1,099</u>

14. Reconciliation of net cash flow from operating activities to surplus/(deficit)

Net surplus/(deficit) as per Statement of Financial Performance	359,729
(Increase)/decrease in receivables – current	(1,865)
(Increase)/decrease in other current assets	790
Increase/(decrease) in payables – current	(452)
Surrenders	(90,192)
Capital expenditure	<u>135,062</u>
Net cash flow generated by operating activities	<u>403,072</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

**15. Appropriated funds and departmental revenue
surrendered**

	2004/05 R'000	2003/04 R'000
Appropriated funds surrendered	(69,523)	846
Departmental revenue surrendered	<u>(1,237)</u>	<u>(1,191)</u>
	<u>(70,760)</u>	<u>(345)</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

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

16. Contingent liabilities	<i>Note</i>	2004/05 R'000	2003/04 R'000
Liable to	Nature		
Motor vehicle guarantees	Employees	-	426
Housing loan guarantees	Employees	56,446	57,774
Claims*		9,435	-
Capped Leave Commitments		841,171	811,559
Other**		500	-
		<u>907,552</u>	<u>869,759</u>
* (Claims relating to various legal disputes against the department)			
** (Claims relating to legal fees arising from the matric examination scandal)			
17. Commitments per programme			
Current expenditure			
Approved but not yet contracted		-	9
		-	9
Capital expenditure			
Approved and contracted		89,104	46,873
Total Commitments		<u>89,104</u>	<u>46,882</u>
18. Accruals			
Listed by economic classification			
	30 Days	30+ Days	Total
Compensation of employees	47,258	-	47,258
Goods and services	99,835	-	99,835
Transfers and subsidies	5,325	-	5,325
Buildings and other fixed structures	-	-	94
	<u>152,418</u>	<u>-</u>	<u>152,418</u>
			<u>1,249</u>
Listed by programme level			
Public ordinary schools		147,093	454
Independent schools		-	425
Education in special schools		-	149
ABET		5,325	-
Administration		-	221
		<u>152,418</u>	<u>1,249</u>
19 Employee benefits			
Leave entitlement		25,514	18,740
Thirteenth cheque		128,966	118,957
Total benefits		<u>154,480</u>	<u>137,697</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

			2004/05 R'000	2003/04 R'000
20. Lease Commitments			Total	Total
20.1 Operating leases	Buildings and other fixed structures	Machinery and equipment		
Not later than 1 year	3,626	22,364	25,990	31,936
Later than 1 year and not later than 3 years	-	3,804	3,804	16,770
Later than three years	-	9,063	9,063	6,228
Total present value of lease liabilities	3,626	35,231	38,857	54,934

21. Senior management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category, showing separately major classes of key management personnel and including a description of each class for the current period and the comparative period. Detail on each type of compensation should also be disclosed.

The Minister, Deputy Ministers, Director-General	644	607
Deputy Director Generals	620	681
Chief Directors	1,882	2,008
Directors	7,158	6,811
	10,304	10,107

22. Public Private Partnership

For each Public Private Partnership the department has entered into the following must be disclosed for the current and prior period:

- This public private partnership is a contractual arrangement between the public sector entity and private sector entity whereby the private sector performs a departmental function in this case assisting the department to erect schools, in accordance with an output based specification.
- The department and the public sector entity is currently jointly involved in the erecting of new technical high school (Mogale Wabagale) at Burgersfort.
- The agreement does not provide the use of departmental assets.
- The agreement does include any rights to expected provision of services.
- There is no plant and equipment involved, only the erection of school facilities.
- The schools that will be erected will be utilised for educational purposes

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

- The renewal and termination options of the agreement lie in the hands of the department. This agreement exists since 1996
- There was no change in the agreement during the financial year under review.

The agreement between the department and public sector entities has resulted in fewer funds being utilised from this department's budget.

	2004/05	2003/04
	R'000	R'000
Mpumalanga Education Development Trust	<u>13,818</u>	<u>2,075</u>

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

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

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fin Manag & Quality Enhanc	-	-	-	-	-	-	0.0%	17,112	12,330
Early Childhood Development	-	-	-	-	-	-	0.0%	6,424	5,584
HIV/AIDS	9,772	-	3,630	13,402	13,402	12,334	92.0%	8,794	8,193
Flood Damages	-	-	-	-	-	-	0.0%	8,000	15,041
Infrastructure Development	102,068	-	-	102,068	102,068	30,622	30.0%	72,026	85,091
PSNP	64,079	-	-	64,079	64,079	62,696	97.8%	-	-
	175,919	-	3,630	179,549	179,549	105,652		112,356	126,239

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

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

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Mpumalanga Regional Trust	9,100	-	5,400	14,500	14,500	100.0%	7,500
	9,100	-	5,400	14,500	14,500		7,500
Subsidies							
Section 21 Schools	66,393	-	-	66,393	61,068	92.0%	45,662
Independent Schools	9,493	-	960	10,453	10,439	99.9%	8,956
Special Schools	20,000	-	-	20,000	20,000	100.0%	20,000
Further Education & Training	20,000	-	-	20,000	20,000	100.0%	20,000
Early Childhood Development	18,577	-	(9,960)	8,617	8,650	100.4%	16,185
	134,463	-	(9,000)	125,463	120,157		110,803
Total	143,563	-	(3,600)	139,963	134,657		118,303

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H Social Benefit	6,660	-	7,796	14,456	14,338	99.2%	-
Provinces and municipalities	9,582	-	2,155	11,737	11,944	101.8%	-
	16,242	-	9,951	26,193	26,282		-
Total	16,242	-	9,951	26,193	26,282		-

MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7

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

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05	2003/04
		R'000	R'000
Received in cash			
Maskew Miller	Sponsorship received for a workshop be attended by communication directorate	-	10
Prime Fund Medical	Donation received in lieu of marketing and advertising for the company.	5	-
		5	10

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

**ANNEXURE 2
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005**

Guarantor institution	Guarantee in respect of	Opening balance	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance	Realised losses i.r.o. claims paid Out
		1 April 2004				31 March 2005	
		R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles						
STANNIC	Vehicle	426	-	426	-	-	-
		426	-	426	-	-	-
	Housing						
Standard Bank of SA Ltd	Housing	8,141	640	448	-	8,333	-
Nedbank LTD	Housing	5,046	228	60	-	5,214	-
First Rand Bank	Housing	5,856	87	276	-	5,667	-
United Building Society	Housing	16	-	-	-	16	-
Nedbank (BOE)	Housing	642	-	13	-	629	-
ABSA	Housing	14,252	893	2,460	-	12,685	-
Company Unique Finance	Housing	2,759	-	89	-	2,670	-
Old Mutual Finance	Housing	256	-	-	-	256	-
Allied Building Society	Housing	3	-	-	-	3	-
Peoples Bank Limited	Housing	2,655	-	26	-	2,629	-
Peoples Bank Limited Incor	Housing	3,846	-	121	-	3,725	-
First Rand Bank Ltd (FNB)	Housing	4,295	-	156	-	4,139	-
Old Mutual Bank Division	Housing	9,002	491	365	-	9,128	-
Hlano Financial Services	Housing	29	-	-	-	29	-
VBS Mutual Bank	Housing	46	-	-	-	46	-
Nedcor Investment Bank	Housing	77	-	-	-	77	-
Mpumalanga Housing Fin	Housing	608	347	-	-	955	-

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE 7**

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

Northern Province Dev	Housing	10	-	-	-	10	-
Boe Bank Ltd	Housing	210	-	-	-	210	-
Green Start Home	Housing	25	-	-	-	25	-
		<u>57,774</u>	<u>2,686</u>	<u>4,014</u>	<u>-</u>	<u>56,446</u>	<u>-</u>
	Total	58,200	2,686	4,400	-	56,446	-

**MPUMALANGA DEPARTMENT OF EDUCATION
VOTE**

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

ANNEXURE 3

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES		129,232	-	-	-	
Non-residential buildings		129,232	-	-	-	
MACHINERY AND EQUIPMENT		5,830	-	-	-	
Computer equipment		-	-	-	-	
Furniture and office equipment		-	-	-	-	
Other machinery and equipment		5,830	-	-	-	
Transport assets		-	-	-	-	
		135,062	-	-	-	

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES		238,925	-	-	-	
Non-residential buildings		238,925	-	-	-	
MACHINERY AND EQUIPMENT		24,053	-	-	-	
Computer equipment		10,999	-	-	-	
Furniture and office equipment		12,633	-	-	-	
Other machinery and equipment		-	-	-	-	
Transport assets		421	-	-	-	
		262,978	-	-	-	

PART 3
REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

1. Overview

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

2. Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and meets as often as it deems necessary as per approved terms of reference. The current audit committee was appointed on the 23rd of March 2005 and has not held any meetings during the period under review.

Name of the Member	Number of meetings attended
Prisca Nyoni (Chairperson) - External	3
Rachel Kalidass (Member) - External	3
Claudia Makwela (Member) – Dept of Finance	1

3. Audit Committee responsibility

The current Audit Committee reports that it has complied with the responsibilities arising from section 51(1)(a) of the PFMA and Treasury Regulations 27.1.10. with regard to the Annual Financial Statements. The Audit Committee also reports that it has adopted the appropriate terms of reference as its audit committee charter, has regulated its affairs in compliance with charter and has discharged all its responsibilities as contained therein.

4. The effectiveness of internal control

The Mpumalanga Department of Education continues to have significant unfilled senior post vacancies, facing serious challenges on capacity building and internal audit governance review to fulfill its legislative mandate. Control weaknesses also continue to be reported through both external and internal audit reports. Inadequate policies and procedures, management commitment in implementing controls and as well as organizational staffing capacity, continue to be major factors contributing to internal control weaknesses.

The Accounting Officer and his management team have expressed the desire to have all significant issues raised in the management report addressed during the next financial year. Despite the weaknesses mentioned above, the department has committed itself in establishing its own internal audit unit with a total staff capacity of 15 staff members who will be dedicated in assisting senior management in ensuring that internal controls and risk management exist within the department.

Our mission is not only to have unqualified financial statements, but to improve management controls in general, so that the Department of Education sustains a healthy and sound financial position.

5. Evaluation of Annual Financial Statements

The Audit Committee has;

- reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the Annual Report,
- has reviewed the Auditor-General's management letter and management response, and
- reviewed significant adjustment resulting from the audit.

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

Prisca Nyoni
Chairperson of the Audit Committee
23 August 2005

2. PROGRAMME PERFORMANCE

The programme performance section of the Annual Report is in accordance with the strategic plans as tabled in the Legislature and provides information on the Department's performance against specified service delivery objectives and targets. The Department of Education, for 2004/05, has adopted a uniform budget and programme structure and has 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 measurable objectives against which the sector would be measured.

2.1 Voted Funds

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
Provincial Equitable Share	4,807,208	4,919,643	4,657,309	262,334
Own Revenue	107,755	107,755	107,755	0
Conditional Grant	175,919	179,549	105,652	73,897
TOTAL	5,090,882	5,206,947	4,870,716	336,231
Responsible Minister	Member of the Executive Council for Education			
Administering Dept	Mpumalanga Department of Education			
Accounting Officer	Acting Deputy Director-General of Education			

2.2 Aim of the Vote

The aim of the 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 uniform budget and programme structure that reflect 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 Department of Education are organised in 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
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 Schools	3.1 Primary Phase 3.2 Secondary Phase
4. Public Special School Education	4.1 Schools 4.2 Human Resource Development
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 Examinations

2.4 Overview of the Service Delivery Environment for 2004/05

One of the greatest challenges that the Department faces is that of the socio-economic environment. The Province is characterized by a large number of homes that are headed by children due to either absent parents or no parents. In addition the high unemployment rate (*34%) and low literacy levels of adults (*750 000) in the Province impact heavily on education as children are often abandoned or left by themselves, especially in rural areas, leading to poor performance of learners in some schools.

The Department has endeavoured to open the doors of education to all. Access to education for poor families is a priority and this has been promoted by the provision of meals for hungry and needy children. Although funds allocated are insufficient to cater for the great demand, schools are also engaging with communities in order to extend the provision of food through food gardens. The Department has also endeavoured to provide access to education to all through the provision of scholar transport. Due to the great distances between homes and schools, especially between homes and farm schools, the provision of scholar transport has become vital.

It is noted that many weaknesses exist in the Provincial education system, hence the Department has emphasised that the participation of stakeholders will assist in improving the services and image of the Department. Since the beginning of 2004 great strides have been made in "Making the Education Enterprise Everybody's Business" through Education Indaba's as well as meetings with Traditional Leaders and the business sector. This has resulted in community structures being aware that parents and the larger community need to reclaim schools to improve learner performance and to promote a safe and secure environment for all.

A further challenge faced by the Department is that of dealing with the backlogs in infrastructure development. In his 2004 State of the Nation Address, President Mbeki indicated, "By the end of this financial year, we shall ensure that there is no learner and student learning under a tree, [in a] mud-school or any dangerous conditions that expose learners and teachers to the elements. By the end of the current financial year, we expect all schools to have access to clean water and sanitation".

This challenge issued to all depends on the ability to align Departmental Infrastructure Plans with the Integrated Development Plans of Local and District Municipalities. This has been difficult but it is hoped that this will materialise in the future. It will ensure the sharing of resources for common projects.

While the Department of Education is responsible for improving access through the provision of adequate infrastructure, the implementation of construction and renovation programmes rests in the hands of the Department of Public Works. Delays in awarding contracts to service providers as well as the capacity of service providers to meet deadlines are not in the hands of the Department of Education.

A further challenge that the Department faces is that of service providers meeting due dates as per their respective contracts. While a large number of companies providing services to the Department are BEE companies, their ability and capacity to deliver high quality professional services are questionable in some instances. For this reason, the Department will be engaging with service providers who have won tenders/contracts with the Department in order to conduct a full briefing session on the expectations of the Department of service providers.

2.5 Overview of the Organisational Environment for 2004/05

The Department is faced with several challenges within the organisation that impact on the delivery of services. The Mpumalanga Department of Education (MDE) consists of a Provincial Head Office; 3 Regional Offices; 57 Circuit offices; 10 Teachers Centres; 3 FET Colleges; 1 853 schools; 672 registered ECD sites; and 236 registered ABET sites. The Provincial Head Office is responsible for policy development and monitoring as well as management of the services delivered throughout the Province. However, the distances between administrative offices and sites of delivery, makes regular visits by staff of Head Office difficult. Regional Directors therefore play an important role in ensuring the effective and efficient functioning of schools. The challenge here is that of delegating responsibility to Regional Directors and ensuring that Head Office plays a monitoring rather than implementing role.

This is especially the case with Provincial Head Office specialists in Curriculum Development and Curriculum Implementers at Regional and EDC offices. This implies the need to coordinate services to ensure maximum utilization of resources and expertise.

Furthermore, the structure of the Department is not conducive to service delivery. When the planning and implementation for the same project rest in different Directorates and Chief Directorates, the issue of accountability is problematic (for example, the planning and implementation of infrastructure). The Department is currently embarking on a process to realign the structure. New Directorates may be created to cater for new mandates and improved service delivery. The reviewed structure will also address the under provisioning of staff in some Directorates.

The Mpumalanga Department of Education is currently faced with the huge challenge of addressing the backlogs in infrastructure development. The fact that learners are not provided with an environment that is conducive to teaching and learning definitely affects the progress of learners. It is projected that by 2014 all backlogs in infrastructure will be wiped out. One of the strategies in place is that of the partnership between the Departments of Public Works, Finance and Education, which will ensure that plans are in place to address this. In addition to this, effective partnerships are also in place. The Mpumalanga Education and Development Trust has pledged to assist through investments in infrastructure and human resource development.

Organisational efficiency is high on the list of priorities of the Mpumalanga Department of Education. In preparation for the implementation of the Revised National Curriculum Statement training is to be conducted. Further issues around transformation are being emphasised, with equity targets being met and empowerment programmes for girl learners being paid greater attention.

2.6 Strategic Overview and Key Policy Developments for the 2004/05 financial year

Education Information Policy

The effective gathering, dissemination and analysis of information in the education system of any country is vital for sound education planning, monitoring and delivery. The Education Information Policy outlines a framework in structure and content, which allows for the coordinated development and maintenance of the Education Management Information System (EMIS). The primary focus is on two main goals: to enhance the day-to-day running of institutions and education departments and to provide better information to the public; and secondly, for an EMIS which yields increasingly valuable data and statistics needed for planning and monitoring purposes.

Improving Management and Governance at Education Institutions

The Department has focused extensively on improving the management and governance at educational institutions and has focused on all levels to make such institutions quality assets for communities. Initiatives undertaken in this regard include: conducting workshops for school management teams and governing body personnel on matters related to financial management; people management; conflict management; management of HIV and AIDS in schools; women in and into management; and co-operative governance.

School Admission Policy

The Department has placed great emphasis on awareness around early registration of learners in order to ensure that the relevant infrastructure and all relevant learner support material will be available on the first day of school. Radio talk shows and newspaper adverts in local and national media highlighted this.

Workshops have also been conducted with circuit managers in order to ensure that issues around the admission age of learners, school fees and language policy are clarified.

Bereavement Policy

It has been found that when an employee or his/her family member[s] pass on, officials have had to make financial contributions and visits to the home of the deceased. During such time[s] there have been discrepancies in amounts collected as well as in visits to families of the deceased. For this reason, the Department has developed a policy on bereavement.

A committee has been established with the following tasks:

- Responsible for dissemination of information
- Organise bereavement committee meetings
- Assist in drawing the funeral programme
- Assist in organising memorial services.

2.7 Departmental Receipts

The extent of the Department's Own Revenue is limited, consisting mainly of commission on insurance, interest on bank account, debt collection, examination certificates and rental of property. Steps are being taken to establish a database of state property in the Department of Education, as this will help the department to determine how many tenants have formal lease agreements and follow up on defaulting tenants.

Departmental Revenue	Actual Collection 2003/04 R'000	Budgeted Collection 2004/05 R'000	Actual Collection 2004/05 R'000	% Deviation from target
Non-taxable revenue	17,176	16,400	23,498	30%

Departmental Own Revenue	Actual Collection 2003/04 R'000	Budgeted Collection 2004/05 R'000	Actual Collection 2004/05 R'000	% Deviation from target
Programme 1	17,176	16,400	23,498	30%
TOTAL	17,176	16,400	23,498	30%

Specific challenges and responses

Challenge 1: Safes

Cash offices are still without safes

Response to Challenge 1

Regional Offices to be contacted in order to source safes for cash offices

Challenge 2: Occupation of property

No exact numbers on people occupying education property neither are there statistics on education property

Response to Challenge 2

Directorates Supply Chain Management and Human Resource Management as well as cash office will establish the exact occupancy and ownership of property

Issues requiring ongoing attention

- Revenue Retention Policy

2.8 Departmental Payments

Programmes	Voted for 2004/05 R'000	Roll-overs & adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	% Deviation from Voted
Administration	415,683	13,605	(4,218)	425,070	411,845	97%
Public Ordinary School Education	4,356,251	106,060	(8 417)	4,453,894	4,140,448	93%
Independent School Subsidies	9,493	-	960	10,453	10,439	100%
Public Special School Education	73,023	-	4,218	77,241	77,296	100%
Further Education and Training	105,028	(3,600)	-	101,428	98,629	97%
Adult Basic Education and Training	49,780	9,000	-	58,780	53,659	91%
Early Childhood Development	44,713	(9,000)	(960)	34,753	33,072	95%
Auxiliary and Associated Services	36,911	-	8,417	45,328	45,328	100%
TOTAL	5,090,882	116,065	0	5,206,947	4,870,716	94%

Specific challenges and responses

Challenge 1: Payment of invoices

Payment of invoices especially for March cannot be paid on time due to the cash basis of accounting system followed by the Department

Response to Challenge 1

The challenge will remain until such time that an accrual basis of accounting system is in place

Challenge 2: Completion of infrastructure projects

Delays in awarding of contracts results in incomplete infrastructure projects

Response to Challenge 2

The Department needs to engage more regularly with the Department of Public Works on the Service Level Agreement

2.9 Programme Performance

The Mpumalanga Department has provided measurable objectives for each main division within the Department's Vote in the strategic plan for the 2004/2005 financial year. Performance measures and targets as required by Provincial Treasury and the National Departments of Education and Treasury are reflected in paragraph 2.10.

2.10 Service Delivery Achievements

Programme 1: ADMINISTRATION

Description of Objective and Performance	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
% of schools with Section 21 status	9,6%	100%	100%	0	0%
Average real per learner allocation for recurrent non-personnel items using funding supplied via the School Funding Norms	R479	R631	R625	6	1%
% of non-Section 21 schools with all LSM and other required material delivered on day one of the school year	100%	100%	100%	0	0%
Years input in Senior Certificate/FETC graduate	13,2	13	13,1	0,1	0,77%

Specific challenges and responses

Challenge 1: Uncoordinated activities Proper understanding and implementation of the matrix system
Response to Challenge 1 To acquire the services of a specialist to define the objective and functioning of the matrix system
Challenge 2: Office space Logistical obstacle currently is insufficient office accommodation
Response to Challenge 2 New building to be erected. Some Directorates are to be accommodated in another building in the interim
Challenge 3: Coordination of data Data provided by programme managers, personnel section and EMIS section are conflicting
Responses to Challenge 3 EMIS section to develop system to ensure uniformity of all data

Issues requiring ongoing attention

- Review and realignment of the organisational and establishment structure
- Employee Assistance Programme (EAP)
- Capacity building programmes for managers
- Monitoring the implementation of Employment Equity Plan.

Programme 2: PUBLIC ORDINARY SCHOOL EDUCATION

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

Sub-programme 2.1: Public Primary Phase

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 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
Number of public primary phase schools	1 415	1 420	1 417	3	0,21%
Number of spaces provided for enrolled learners in the public primary phase	564 754	569 323	551 022	18 301	3,32%
Number of educators provided at the public primary phase	16 465	16 471	16 525	54	0,3%
Learner: Educator ratio in the public primary phase	1:36	1:36	1:36	0	0%
Number of new classrooms built	561	334	52	282	84,4%
Learner: Classroom ratio in the public primary phase	1:46	1:45	1:43	2	4,44%
Number of new toilets built	386	844	60	7 840	92,9%
Number of schools with a water supply	29	18	3	15	83,3%
% of capex budget spent on maintenance	2,8%	3%	2,9%	0,1	3,4%
Gender parity index in public primary schools	1:1.1	1:1.012	1:1.013	0,002	0.19%
Number of learners in public primary schools who are challenged	11 556	12 500	11 872	628	5%
Number of ordinary full-service schools per 100,000 learners at the primary phase	245	260	254	6	2,3%
%of learner days lost due to learner absenteeism in the primary phase	5,7%	5,49%	5,56%	0,07	1,3%
%of working days lost due to educator absenteeism in the primary phase	3,3%	2,5%	3,1%	0,6	24%
Repetition rate in the foundation phase	7,5%	6,5%	6,8%	0,3	4,6%
Repetition rate in the intermediate phase	6,9%	6,1%	6,6%	0,5	8,2%
Dropout rate in the foundation phase	4,5%	4,12%	4,23%	0,11	3%
Dropout rate in the intermediate phase	4,64%	4,51%	4,6%	0,09	2%
% under-aged learners in public ordinary primary schools	3,67%	2,92%	1,67%	1,25	42,8%
% of learners in Grade 3 attaining acceptable outcomes in numeracy, literacy and life skills	70%	80%	91%	11	14%
%of learners in Grade 6 attaining acceptable outcomes in numeracy, literacy and life skills	50%	70%	92,67%	22,67	32,3%
Amount allocated to public ordinary primary schools for LSM (Rm)	157.2	183.6	182	1,6	0,9%

Specific challenges and responses

Challenge 1: Infrastructure Completion of infrastructure projects are a huge challenge
Response to Challenge 1 Service level agreement reached between Departments of Public Works and Education to fast-track delivery
Challenge 2: Learning Areas Educators are challenged by the manner in which the content of the learning areas has been packaged
Response to Challenge 2 More training programmes for educators to be able to unpack content of learning areas in a user-friendly way
Challenge 3: Scholar Transport More learners are utilising this service than was budgeted for
Response to Challenge 3 More funds need to be available in order to address this problem
Challenge 4: Sport, Arts and Culture activities Currently there are insufficient resources allocated to accommodate the above areas adequately
Response to Challenge 4 More funds and human resources need to be made available in order to address this problem

Issues requiring ongoing attention

- Foundation phase educators be trained on inclusive differentiation
- SGBs & SMTs be trained on good governance
- Implementation of RNCS.

Sub-programme 2.2: Public Secondary Phase

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 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
Number of public secondary phase schools	365	369	375	6	2%
Number of spaces provided in the public secondary phase	336 552	340 000	340 317	317	0,09%
Number of educators provided at the public secondary phase	8 849	9 251	9 315	64	0,70%
Learner: Educator ratio in the public secondary phase	1:33	1:36	1:33	0,03	2,2%
Number of new classrooms built	116	143	48	95	66,4%
Number of new toilets built	76	87	25	62	71,2%
* Learner: Classroom ratio in the public secondary phase	1:36	1:35	1:35*	0	0%
Number of schools with a water supply	3	48	3	45	93,75%
% of capex budget spent on maintenance	2,6%	3%	3%	0	0%
Gender parity index in public ordinary schools	1:1.1	1:1.3	1:1,29	0,01	0,08%
% of learners in public ordinary schools who are disabled	1,93%	2%	4,2%	2,2	0,47%
% of learner days lost due to learner absenteeism in the secondary phase	4,6%	5,21%	4,53	0,68	13,05%
Number of working days lost due to educator absenteeism in the secondary phase	3,93%	4,79%	3,61	1,18	24,6%
Repetition rate in the public secondary phase	12,7%	12,92%	11,9%	1,02	7,89%
Dropout rate in the public secondary phase	17,93%	15,24%	16,2%	0,96	6,29%
% of over-aged learners in the secondary phase	18,14%	18,02%	17,81%	0,21	1,16%
% learners in Grade 9 attaining acceptable educational outcomes	70%	75%	87,2%	12,2	16,26%
% passed in Grade 12 examinations	58,2%	82%	61,8%	20,2	24,6%
Number of schools with a Grade 12 pass rate of less than 30%	40	24	24	0	0%
Amount allocated for LSM at public ordinary secondary schools (Rm)	104,8	122,4	125	2,6	2,1%

*Includes learners in specialised rooms and labs

Specific challenges and responses

Challenge 1: New Subjects (LO and ML) These new subjects pose a big challenge for most educators
Response to Challenge 1 Capacity building and training for educators and new appointees need to be put in place
Challenge 2: Improvement of learner's performance Limited budget to cater for all needs, especially of extending winter school to improve learner performance
Response to Challenge 2 Proper budgeting and management thereof. Lobbying for additional funds
Challenge 3: Under and unqualified educators Skills development programmes especially for these educators need to be available
Response to Challenge 3 Funds for skills development are to be accessed from SETAs
Challenge 4: Extension of feeding programme to secondary schools There is an increasing need to provide food to needy learners at secondary school level
Response to Challenge 4 Schools are to be encouraged to start food gardens in order to accommodate needy children
Challenge 5: LSM The delivery of LSM to schools poses a huge challenge due to internal organisational problems as KPMG had handled the textbooks and stationery whilst payments were done by Price Waterhouse Coopers
Response to Challenge 5 Departmental staff trained on procedure for supply of LSM. Orders are being placed earlier than in the past

Issues requiring ongoing attention

- Educator and CI training
- Infrastructure delivery.

Programme 3: INDEPENDENT SCHOOLS

Programme objective: Independent schools seek to render education where there is a lack of ordinary public schools' facilities

Description of Objective and Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
Number of independent schools	85	85	88	3	3,5%
Number of qualifying individual independent school learners receiving a State subsidy	13 702	7 772	9 410	1 638	21%
Average real per learner subsidy	R864	R825	R805	R20	2,4%

Specific challenges and responses

Challenge 1: Quality of services Quality of services are reportedly poor
Response to Challenge 1 Monitoring mechanisms to be put in place
Challenge 2: Increased enrolment Increase in number of qualifying learners
Response to Challenge 2 Verification process to be put in place

Issues requiring ongoing attention

- Quality of education at these institutions are to be comparable to that of other schools
- Development of strategic plans for independent schools.

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 objective: To provide specific public special schools with resources

Description of Objective and Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
Number of public special schools (including Reform Schools)	18	18	18	0	0%
Number of learners in public special schools	1 119	3 251	3 690	439	13,5%

Specific challenges and responses

Challenge 1: Inaccessibility Most of the schools in the Province are inaccessible to learners with disabilities due to infrastructure
Response to Challenge 1 Plans are in place for making schools accessible in collaboration with the Directorate: Physical Resources Planning
Challenge 2: Trained educators Insufficient trained educators for learners with deviant behaviour and with special needs and learners in trauma
Response to Challenge 2 Training to be held for educators on special education needs, including sign language. Funding to be accessed to make every educator and IE official a counsellor
Challenge 3: Disabled out of school youth Out of school disabled youth do not attend schools
Response to Challenge 3 Strategies in place to ensure placement of out of school youth with disabilities in special schools

Issues requiring ongoing attention

- Inaccessibility of schools due to lack of proper infrastructure
- Mobilization and advocacy campaigns on White Paper 6
- Placement of learners requiring high level of support and learners in prison.

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

Programme objective: To provide specific public FET colleges with resources.

Description of Objective and Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
Number of Public FET colleges	3	3	3	0	0%
Number of adults enrolled at FET institutions.	11 074	12 558	11 841	717	6%
Number of full-time equivalent enrolments in FET institutions	7 295	9 751	8 863	888	9,10%
% of students who are girls or women	43,3%	40%	42,7%	2,7	6,75%
% of educators who are African	37,5%	45%	43,6%	1,4	3%

Specific challenges and responses

<u>Challenge 1: Infrastructure backlog</u> Shortage of lecturing facilities and infrastructure backlog
<u>Response to Challenge 1</u> Recapitalisation programme for FET colleges and donors to provide funding
<u>Challenge 2: Report 191 Programmes</u> Revision for report 191 programmes
<u>Response to Challenge 2</u> Writing team has been set up to work on the new curricula
<u>Challenge 3: Learner support system</u> Learner support system to be developed in accordance with the Provincial policy
<u>Response to Challenge 3</u> Policy is in the process of completion
<u>Challenge 4: Lecturers with latest technology expertise</u> Lack of lecturers with latest technology expertise
<u>Response to Challenge 4</u> ETDP SETA to be engaged for funds through workplace skills plan
<u>Challenge 5: Effective FETMIS system</u> Lack of an effective FETMIS system (FET Management Information System)
<u>Response to Challenge 5</u> Currently doing a survey and analysis of systems available in the market

Issues requiring ongoing attention

- (Infrastructure backlog) Improving access to FET colleges
- Need for advocacy on career guidance 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

Programme objective: To provide specific public ABET sites with resources

Description of Objective and Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
Number of registered ABET sites	250	280	236	44	15,7%
Numbers of learners enrolled in public ABET centres	20 587	18 012	22 014	4 002	22,2%
% of illiterate adults in the Province enrolled in public ABET centre programmes	2,57%	3,14%	3,06%	0,08	2,54%
% success rate per output level, ABET levels 1-4	Level: 1: 42% 2: 53% 3: 63% 4: 55%	Level: 1: 90% 2: 86% 3: 79% 4: 11%	Level: 1: 43,8% 2: 27,7% 3: 9,7% 4: -49,5%	1: 46,2 2: 58,3 3: 69,3 4: 38,5	1: 51,3% 2: 67,7% 3: 87,7% 4: 35,0%

Specific challenges and responses

Challenge 1: Personnel/Staff Lack of learning area specialists to offer professional support to ABET educators
Response to Challenge 1 Proposed new posts on structure envisaged to alleviate these challenges
Challenge 2: Grade 12 learners in ABET centres Provision of support for learners due to under/unqualified educators (poor results)
Response to Challenge 2 Conditions of service and budget constraints are to be addressed with the relevant Directorate

Issues requiring ongoing attention

- ABET Level 4 results improvement plan
- Administration, management and monitoring of ABET programmes
- Extension of skills programmes (Mass provisioning of skills)
- Management and governance of ABET centres
- Payment of salaries for ABET practitioners.

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 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
				Units	%
%of 5 year olds in public funded schools Grade R	10%	30%	3,51%	26,5	88,3%
Number of learners in education-funded community-based ECD sites	10 150	11 819	10 944	875	7,40%

Specific challenges and responses

<u>Challenge 1: Poor governance of ECD centres</u> Sites are not effectively managed with regard to finances, HR issues and decision-making
<u>Response to Challenge 1</u> 500 SMC`s have been trained on school governance. More training needed for new intake at remaining sites
<u>Challenge 2: Under / Unqualified ECD educators</u> Most of educators were inherited from being child minders and as such the Department cannot change the status quo
<u>Response to Challenge 2</u> Qualified practitioners are leaving for better offers because of the salary they receive; there is a need to keep on training practitioners
<u>Challenge 3: Delay in payments of subsidies</u> Payments of subsidies are delayed due to the administration processes
<u>Response to Challenge 3</u> ECD practitioners to be paid through PERSAL

Issues requiring ongoing attention

- Monitoring of ECD sites
- Advocacy campaign on ECD issues
- Training of ECD practitioners as well as Site Management Committees.

Programme 8: AUXILARY AND ASSOCIATED SERVICES**Sub-Programme: External Examinations****Programme objective:** To provide for departmentally managed examination services

Description of Objective and Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	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%	98%	2	2%
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

<u>Challenge 1: Monitoring</u> Monitoring not conducted properly during the examination session
<u>Response to challenge 1</u> Monitoring of exam centres will be done on basis of one monitor per assessment centre
<u>Challenge 2: Certification and payments</u> Certification and payments for 2004 results were delayed due to irregularities that had occurred
<u>Response to challenge 2</u> Mechanisms have been put in place in order to prevent irregularities that may result in the subsequent delay in certification and payment
<u>Challenge 3: Office Accommodation in Nelspruit</u> The Sub-Directorate: Public Exams is to move to Nelspruit, however, there is no space available to accommodate the Printing Section in Nelspruit. All three divisions are inter-dependent and the split will have an adverse effect on the efficiency and productivity of this Sub-Directorate
<u>Response to challenge 3</u> The unit responsible for Examinations need a separate building in which all three components can be housed, i.e. Question Paper unit, System Administration and Printing as well as a storage facility for scripts

Issues requiring ongoing attention

- Consistent monitoring of all exam processes throughout the year
- Effective provision of service by SITA
- Ongoing training and skills development of all officials
- Increase in budget allocation for effective management of this function.
- Restructuring of Sub Directorate to handle Grade 12, 10, and 9 as well as ABET Level 4 exams

2.11 Transfer Payments

In order to provide an effective monitoring system, the Department issues monthly cash flow statements to all managers for verification purposes. Managers are expected to study financial statements and contact the relevant Directorate for further information of clarity. Unfortunately, this does not happen resulting in the budget office having to deal with verimentation of funds on a yearly basis.

Before transfers are made, written assurance was received from the entities that effective, efficient and transparent financial management and internal control systems had been implemented.

Transfers were made to the following institutions:

NAME OF INSTITUTION	AMOUNT TRANSFERRED
Mpumalanga Regional Training Trust	R 14,500,000
Independent Schools	R 10,439,000
Special Schools	R 20,000,000
Further Education and Training Centres	R 20,000,000
Early Childhood Development Centres	R 8,650,000
Section 21 schools	R 61,068,000
TOTAL	R134,657,000

2.12 Conditional Grants

Summary of Conditional Grants for 2004/05

Conditional Grant	Total Allocation	Total Transfers	Actual Expenditure
Infrastructure Development	102,068	102,068	30,622
HIV/AIDS	13,402	13,402	12,334
NSNP	64,079	64,079	62,696
TOTAL	179,549	179,549	105,652

a) Infrastructure Development

The projects for 2004 - 05 were only advertised in July 2004 and tenders were awarded between the months of October - December 2004. The Department has already renovated schools; built toilets; provided water; and fenced schools. Due to the late start of projects, it is expected that the outstanding projects will be completed during 2005 - 2006. Funding for incomplete projects have been rolled over to the 2005/2006 financial year.

b) Primary School Nutrition Programme

This function was previously held by the Department of Health and as of 2004 was transferred to the Department of Education. During the 2004 – 2005 financial year, over 492 687 learners in 1 366 primary schools have benefited from this programme.

The challenges have been identified as follows:

- Extension of this programme to secondary schools
- Maintaining quality and quantity of food provided
- Sanitation and water problems at schools.

c) HIV and AIDS Programme

The National Policy on Life Skills, HIV and AIDS has succeeded in raising awareness around HIV and AIDS through training programmes for educators and learners. Educators have received intensive training on how to support infected and affected learners. There has also been increasing advocacy programmes targeting community-based organisations, faith-based organisations, non-governmental organisations and parents.

The challenge remains the integration of Life Skills, HIV and AIDS into the curriculum and providing care and support to orphans and vulnerable children.

Transfers of Conditional Grants and Cash Flow Management

Transfers were made as scheduled into the account of the Department. All funds are transferred into the Department's account on provision of claims from the Department to the Provincial Treasury. Provincial Treasury did not retain any portion of the grant for administration costs incurred.

The Division of Revenue Act is being implemented in full to ensure monitoring and spending according to the business plan. Monthly reports indicating the outputs as per the business plan are available.

2.13 Capital Investment, Maintenance and Asset Management Plan

Capital Investment

The Department has completed the following building projects utilising its own budgeted funds as well as conditional grant allocated by National Treasury (conditional grant):

74 classrooms; 1 special room; 2 administration blocks; 54 toilets and 12 fences and 1 classroom was renovated.

Due to the delay in the tendering process, contractors were not appointed on time, resulting in a huge number of projects not being finalised. The following projects will be carried over to the 2005-2006 financial year, utilising funds from the Departmental allocations as well as that of National Treasury:

- **Capital projects**

403 Classrooms; 20 special rooms; 21 administration blocks; 818 toilets and 189 fences are to be built; and 62 classrooms are to be renovated.

- **Conditional Grant**

144 Classrooms; 354 toilets and 113 fences will be built; 36 schools will be provided with electricity while 33 schools will receive water.

The huge backlog that exists with regard to classrooms still has to be addressed by the Department. Carrying over projects of the last financial year to the current financial year has serious financial implications for the Department in that funds have still to be rolled over and that price escalations since last year may result in contractors having to renegotiate their contracts to either scale down on projects or to totally remove projects from the priority list to stay within the budget.

Asset Management

The Departments current asset holding is as follows:

Mainstream schools	1 853
Hostels	47
LSEN Schools	18
FET Colleges	3
ABET SITES	236
ECD Sites at primary schools	306
EMDCs	10

Immovable assets are managed through the Education Management Information System (EMIS) and the Schools Register of Needs Information System (SRNIS), which will be updated in the 2005-2006 financial year.

The Department is in the process of setting up its Asset Management component in order to be able to compile the Asset Register and establish the value of the Departmental assets.

Maintenance

The Department has spent more than R6 million on the maintenance of schools during the 2004-2005 financial year. Day-to-day maintenance contractors were appointed in each school to fulfil this function.

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	424463	229247	58	5845	54%	138.02	1661
Programme 2: Public ordinary schools	4453894	3456620	9372	286996	78%	122.39	28242
Programme 3: Independent schools	10453	0	0	0	0%	0.00	0
Programme 4: Public special schools	77241	56910	0	5641	74%	101.63	560
Programme 5: Further education and training	101428	59722	0	2546	59%	116.42	513
Programme 6: Adult basic education (ABET)	58780	48605	1569	1567	83%	1518.91	32
Programme 7: Early childhood development	34753	19042	2581	852	55%	126.95	150
Programme 8: Auxiliary & associated Services	45328	4176	8271	6547	9%	139.20	30
TOTAL	5206340	3874322	21851	309994	74%	124.22	31188

In Programme 6: ABET, the average is high due to the fact that only the permanent employed posts are indicated. There are more than 2700 temporary educators also employed.

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Compensation of Employees	Number of Employees
Lower skilled (Levels 1-2)	91254	2%	42543	3874322	2145
Skilled (Levels 3-5)	303051	8%	67270	3874322	4505
Highly skilled production (Levels 6-8)	2982507	77%	138522	3874322	21531
Highly skilled supervision (Levels 9-12)	485452	13%	162685	3874322	2984
Senior management (Levels 13-16)	12058	0%	524261	3874322	23
TOTAL	3874322	100%	124225	3874322	31188

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	213189	93%	3421	1%	1864	1%	10773	5%	229247
Programme 2: Public ordinary schools	3226748	93%	123	0%	27331	1%	202418	6%	3456620
Programme 3: Independent schools	0	0%	0	0%	0	0%	0	0%	0
Programme 4: Public special schools	53216	94%	4	0%	409	1%	3281	6%	56910
Programme 5: Further education and training	56324	94%	0	0%	611	1%	2787	5%	59722
Programme 6: Adult basic education (ABET)	48205	99%	0	0%	221	0%	179	0%	48605
Programme 7: Early childhood development	17778	93%	0	0%	120	1%	1144	6%	19042
Programme 8: Auxiliary & associated Services	3721	89%	330	8%	10	0%	115	3%	4176
TOTAL	3619181	93%	3878	0%	30566	1%	220697	6%	3874322

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 (R'000)
Lower skilled (Levels 1-2)	83995	92%	186	0%	490	1%	6583	7%	91254
Skilled (Levels 3-5)	281149	93%	710	0%	1621	1%	19571	7%	303051
Highly skilled production (Levels 6-8)	2787340	93%	1988	0%	23758	1%	169421	6%	2982507
Highly skilled supervision (Levels 9-12)	454945	94%	994	0%	4697	1%	24816	5%	485452
Senior management (Levels 13-16)	11752	97%	0	0%	0	0%	306	3%	12058
TOTAL	3619181	93%	3878	0%	30566	1%	220697	6%	3874322

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 1: Administration	1947	1661	14.7	91
Programme 2: Public ordinary schools	31661	28242	10.8	0
Programme 4: Public special schools	829	560	32.4	0
Programme 5: Further education and training (FET)	809	513	36.6	0
Programme 6: Adult basic education (ABET)	32	32	0	0
Programme 7: Early childhood development (ECD)	0	150	0	150
Programme 8: Auxiliary & associated Services	41	30	26.8	0
TOTAL	35319	31188	11.7	241

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)	3925	2145	45.4	88
Skilled (Levels 3-5)	5290	4505	14.8	47
Highly skilled production (Levels 6-8)	22745	21531	5.3	87
Highly skilled supervision (Levels 9-12)	3336	2984	10.6	19
Senior management (Levels 13-16)	23	23	0	0
TOTAL	35319	31188	11.7	241

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	10	9	10	0
Auxiliary and related workers	35	8	77.1	0
Building and other property caretakers	200	80	60	0
Cleaners in offices workshops hospitals etc.	3507	1721	50.9	10
Client information clerks (switchboard reception inform clerks)	8	8	0	0
Communication and information related	7	6	14.3	0
Dieticians and nutritionists	3	1	66.7	0
Farm hands and labourers	2	2	0	0
Finance and economics related	23	21	8.7	0
Financial and related professionals	45	36	20	0
Financial clerks and credit controllers	159	122	23.3	0
Food services aids and waiters	26	15	42.3	0
General legal administration & rel. professionals	3	2	33.3	0
Head of department/chief executive officer	1	1	0	0
Household and laundry workers	186	143	23.1	0
HR & organisational development & related prof	70	52	25.7	0
Human resources clerks	170	164	3.5	0
Human resources related	6	7	-16.7	1
Information technology related	2	2	0	0
Inspectors of apprentices works and vehicles	3	2	33.3	0
Language practitioners interpreters & other commun	8	7	12.5	0
Librarians and related professionals	2	0	100	0

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Library mail and related clerks	62	47	24.2	0
Light vehicle drivers	8	8	0	0
Logistical support personnel	74	56	24.3	0
Material-recording and transport clerks	137	118	13.9	8
Messengers porters and deliverers	16	94	-487.5	82
Other administrat & related clerks and organisers	2367	890	62.4	9
Other administrative policy and related officers	13	13	0	0
Other information technology personnel.	3	3	0	0
Other occupations (Educator Posts)	27886	27343	1.9	131
Photographic lithographic and related workers	12	6	50	0
Professional nurse	5	5	0	0
Risk management and security services	1	1	0	0
Secretaries & other keyboard operating clerks	151	109	27.8	0
Senior managers (Excluding Head of Dept)	22	22	0	0
Social sciences supplementary workers	71	53	25.4	0
Work planners	3	2	33.3	0
Youth workers	12	9	25	0
TOTAL	35319	31188	11.7	241

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)	3925	0	0	0	0	0	0
Skilled (Levels 3-5)	5290	0	0	2	0	0	0
Highly skilled production (Levels 6-8)	22745	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	3336	0	0	0	0	0	0
Senior Management Service Band A	18	0	0	0	0	0	0
Senior Management Service Band B	4	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
TOTAL	35319	0	0	2	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	1	0	0	0	1
Male	0	0	0	1	1
TOTAL	1	0	0	1	2
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				31188
Percentage of Total Employment	0%				

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)	2255	303	413	18.3
Skilled (Levels 3-5)	4629	301	425	9.2
Highly skilled production (Levels 6-8)	22243	400	1112	5
Highly skilled supervision (Levels 9-12)	3089	7	113	3.7
Senior Management Service Band A	18	0	0	0
Senior Management Service Band B	4	1	0	0
Senior Management Service Band C	1	0	0	0
TOTAL	32239	1012	2063	6.4

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related	9	0	1	11.1
Auxiliary and related workers	8	0	0	0
Building and other property caretakers	75	0	13	17.3
Cleaners in offices workshops hospitals etc.	2095	65	220	10.5
Client information clerks (switchboard reception inform clerks)	2	4	0	0
Communication and information related	5	0	0	0
Dieticians and nutritionists	0	1	0	0
Farm hands and labourers	1	0	0	0
Finance and economics related	17	2	0	0
Financial and related professionals	26	1	0	0
Financial clerks and credit controllers	113	25	5	4.4
Food services aids and waiters	16	0	4	25
General legal administration & rel. professionals	1	0	0	0

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Head of department/chief executive officer	1	0	0	0
Household and laundry workers	174	0	24	13.8
HR & organisational developm & relate prof	41	3	0	0
Human resources clerks	121	87	57	47.1
Human resources related	5	0	0	0
Information technology related	2	0	0	0
Inspectors of apprentices works and vehicles	0	0	0	0
Language practitioners interpreters & other commun	2	6	2	100
Librarians and related professionals	2	0	0	0
Library mail and related clerks	39	9	3	7.7
Light vehicle drivers	8	0	2	25
Logistical support personnel	33	42	38	115.2
Material-recording and transport clerks	94	21	6	6.4
Messengers porters and deliverers	16	192	145	906.3
Other administrat & related clerks and organisers	1202	44	115	9.6
Other administrative policy and related officers	4	0	0	0
Other information technology personnel.	1	0	0	0
Other occupations (Educator Posts)	27975	464	1416	5.1
Photographic lithographic and related workers	6	0	0	0
Professional nurse	4	0	0	0
Risk management and security services	0	0	0	0
Secretaries & other keyboard operating clerks	72	38	7	9.7
Senior managers (Excluding Head of Dept)	22	1	0	0
Social sciences supplementary workers	40	6	4	10
Work planners	1	0	0	0
Youth workers	6	1	1	16.7
TOTAL	32239	1012	2063	6.4

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment at Beginning of Period
Death	272	13%	0.8	2063	32239
Resignation	372	18%	1.2	2063	32239
Expiry of contract	1047	51%	3.2	2063	32239
Dismissal-operational changes	20	1%	0.1	2063	32239
Discharged due to ill health	64	3%	0.2	2063	32239
Dismissal-misconduct	13	1%	0	2063	32239
Retirement	249	12%	0.8	2063	32239
Other	26	1%	0.1	2063	32239
TOTAL	2063	100%	6.4	2063	32239

Resignations as % of Employment
6.4%

TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	9	1	11.1	7	77.8
Auxiliary and related workers	8	0	0	8	100
Building and other property caretakers	75	0	0	26	34.7
Cleaners in offices workshops hospitals etc.	2095	0	0	717	34.2
Client information clerks (switchboard reception inform clerks)	2	0	0	2	100
Communication and information related	5	0	0	5	100
Dieticians and nutritionists	0	0	0	0	0
Farm hands and labourers	1	0	0	1	100
Finance and economics related	17	3	17.6	10	58.8

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Financial and related professionals	26	2	7.7	16	61.5
Financial clerks and credit controllers	113	18	15.9	41	36.3
Food services aids and waiters	16	0	0	4	25
General legal administration & rel. professionals	1	1	100	0	0
Head of department/chief executive officer	1	0	0	0	0
Household and laundry workers	174	0	0	84	48.3
HR & organisational developm & relate prof	41	9	22	15	36.6
Human resources clerks	121	13	10.7	64	52.9
Human resources related	5	3	60	3	60
Information technology related	2	1	50	1	50
Inspectors of apprentices works and vehicles	0	0	0	0	0
Language practitioners interpreters & other commun	2	0	0	1	50
Librarians and related professionals	2	1	50	1	50
Library mail and related clerks	39	2	5.1	28	71.8
Light vehicle drivers	8	0	0	4	50
Logistical support personnel	33	7	21.2	22	66.7
Material-recording and transport clerks	94	9	9.6	58	61.7
Messengers porters and deliverers	16	3	18.8	9	56.3
Other administrat & related clerks and organisers	1202	28	2.3	243	20.2
Other administrative policy and related officers	4	2	50	1	25
Other information technology personnel.	1	2	200	0	0
Other occupations (Educator Posts)	27975	1467	5.2	23723	84.8
Photographic lithographic and related workers	6	1	16.7	4	66.7
Professional nurse	4	0	0	3	75
Risk management and security services	0	0	0	0	0
Secretaries & other keyboard operating clerks	72	2	2.8	35	48.6
Senior managers (Excluding Head of Dept)	22	2	9.1	1	4.5
Social sciences supplementary workers	40	0	0	14	35

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Work planners	1	1	100	1	100
Youth workers	6	0	0	4	66.7
TOTAL	32239	1578	4.9	25156	78

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)	2255	3	0.1	822	36.5
Skilled (Levels 3-5)	4629	5	0.1	1463	72
Highly skilled production (Levels 6-8)	22243	1313	5.9	20493	87.8
Highly skilled supervision (Levels 9-12)	3089	255	8.3	2377	77
Senior management (Levels 13-16)	23	2	8.7	1	4.3
TOTAL	32239	1578	4.9	25156	78

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	17	0	0	17	3	3	0	0	3	0	23
Professionals	9148	42	58	9248	799	15403	87	88	15578	1926	27551
Clerks	314	1	1	316	8	818	7	4	829	296	1449
Service and sales workers	1	0	0	1	0	0	0	0	0	0	1
Craft and related trades workers	7	0	0	7	1	3	0	0	3	0	11
Plant and machine operators and assemblers	8	0	0	8	0	0	0	0	0	0	8
Elementary occupations	1067	6	2	1075	18	882	18	1	901	74	2068
Other	25	0	0	25	1	44	0	0	44	7	77
TOTAL	10587	49	61	10697	830	17153	112	93	17358	2303	31188

	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	2	0	0	2	0	2	0	0	2	0	4

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	1	0	0	1	0	0	0	0	0	0	1
Senior Management	16	0	0	16	3	3	0	0	3	0	22
Professionally qualified and experienced specialists and mid-management	1666	16	36	1718	405	1220	8	14	1242	516	3881
Skilled technical and academically qualified workers, junior management, supervisors, foremen	7103	26	23	7152	398	13909	81	76	14066	1546	23162
Semi-skilled and discretionary decision making	885	1	0	886	21	1242	5	3	1250	227	2384

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Unskilled and defined decision making	914	6	2	922	2	772	18	0	790	13	1727
Not Available	2	0	0	2	1	7	0	0	7	1	11
TOTAL	10587	49	61	10697	830	17153	112	93	17358	2303	31188

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and mid-management	1	0	0	1	3	2	0	0	2	1	7
Senior Management	1	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen	118	0	1	119	16	212	0	3	215	50	400
Semi-skilled and discretionary decision making	103	0	0	103	7	174	0	0	174	17	301
Unskilled and defined decision making	221	0	0	221	0	71	0	0	71	11	303
TOTAL	444	0	1	445	26	459	0	3	462	79	1012
Employees with disabilities	0	0	0	0	0	1	0	0	1	0	1

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	2	0	0	2	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management	1295	13	23	1331	308	942	7	8	957	179	2775
Skilled technical and academically qualified workers, junior management, supervisors, foremen	6845	28	26	6899	387	12856	74	68	12998	1304	21588
Semi-skilled and discretionary decision making	558	1	0	559	5	876	3	3	882	87	1533
Unskilled and defined decision making	417	2	2	421	1	393	5	0	398	5	825
TOTAL	9117	44	51	9212	701	15068	89	79	15236	1575	26724
Employees with disabilities	2	0	0	2	0	1	0	0	1	0	3

TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Prof qualified and experienced specialists and mid-mgmt	47	1	0	48	21	31	0	0	31	13	113
Skilled technical & academically qual workers, junior mgmt, supervisors, foremen	274	1	5	280	55	588	1	8	597	180	1112
Semi-skilled and discretionary decision making	127	0	0	127	11	211	0	1	212	75	425
Unskilled and defined decision making	272	0	0	272	1	131	0	0	131	9	413
TOTAL	720	2	5	727	88	961	1	9	971	277	2063
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

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 counselling	13	0	0	13	0	1	0	0	1	0	14
Demotion	2	0	0	2	0	0	0	0	0	0	2
Final written warning	13	0	0	13	0	0	0	0	0	0	13
Fines	19	1	0	20	1	3	0	0	3	0	24
Suspended without payment	21	0	0	21	1	2	0	0	2	0	24
Combination of sanctions	51	1	1	53	2	7	0	0	7	0	62
Dismissals	14	0	0	14	0	1	0	0	1	0	15
Written warning	4	0	0	4	0	0	0	0	0	0	4
TOTAL	137	2	1	140	4	14	0	0	14	0	158

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	0	17153	0%	0	0
African, Male	2	10587	0%	37	18500
Asian, Female	0	93	0%	0	0
Asian, Male	0	61	0%	0	0
Coloured, Female	0	112	0%	0	0
Coloured, Male	0	49	0%	0	0
Total Blacks, Female	0	17358	0%	0	0
Total Blacks, Male	2	10697	0%	37	18500
White, Female	0	2303	0%	0	0
White, Male	0	830	0%	0	0
Employees with a disability	0	4	0%	0	0
TOTAL	2	31188	0%	37	37000

TABLE 7.2 - 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)	0	2145	0%	0	0
Skilled (Levels 3-5)	0	4505	0%	0	0
Highly skilled production (Levels 6-8)	1	21531	0%	2	2000
Highly skilled supervision (Levels 9-12)	0	2984	0%	0	0
Senior Management (Levels 13-16)	1	23	0%	35	35000
TOTAL	2	31188	0%	37	37000

TABLE 7.3 - 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	0	9	0	0	0
Auxiliary and related workers	0	8	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Building and other property caretakers	0	80	0	0	0
Cleaners in offices workshops hospitals etc.	0	1721	0	0	0
Client information clerks (switchboard reception inform clerks)	0	8	0	0	0
Communication and information related	0	6	0	0	0
Dieticians and nutritionists	0	1	0	0	0
Farm hands and labourers	0	2	0%	0	0
Finance and economics related	0	21	0%	0	0
Financial and related professionals	0	36	0%	0	0
Financial clerks and credit controllers	0	122	0%	0	0
Food services aids and waiters	1	15	10%	2	2000
General legal administration & rel. professionals	0	2	0%	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Head of department/chief executive officer	0	1	0%	0	0
Household and laundry workers	0	143	0%	0	0
HR & organisational developm & relate prof	0	52	0%	0	0
Human resources clerks	0	164	0%	0	0
Human resources related	0	7	0%	0	0
Information technology related	0	2	0%	0	0
Inspectors of apprentices works and vehicles	0	2	0%	0	0
Language practitioners interpreters & other commun	0	7	0%	0	0
Librarians and related professionals	0	0	0%	0	0
Library mail and related clerks	0	47	0%	0	0
Light vehicle drivers	0	8	0%	0	0
Logistical support personnel	0	56	0%	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Material-recording and transport clerks	0	118	0%	0	0
Messengers porters and deliverers	0	94	0%	0	0
Other administrat & related clerks and organisers	0	890	0%	0	0
Other administrative policy and related officers	0	13	0%	0	0
Other information technology personnel.	0	3	0%	0	0
Other occupations (Educator Posts)	0	27343	0%	0	0
Photographic lithographic and related workers	0	6	0%	0	0
Professional nurse	0	5	0%	0	0
Risk management and security services	0	1	0%	0	0
Secretaries & other keyboard operating clerks	0	109	0%	0	0
Senior managers (Excluding Head of Dept)	1	22	0%	35	35000

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Social sciences supplementary workers	0	53	0%	0	0
Work planners	0	2	0%	0	0
Youth workers		9	0%	0	0
TOTAL	2	31188	0%	37	18500

TABLE 7.4 - 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	1	15	10%	35	35000	0.4	8504
Band B	0	7	0%	0	0	0	2931
Band C	0	1	0%	0	0	0	623
TOTAL	1	23	0%	35	35000	0.3	12058

TABLE 8.1 - 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
Highly skilled production (Levels 6-8)	4	100	6	100	2
TOTAL	4	100	6	100	2

TABLE 8.2 - 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
Rank: Examination Reviser	0	0	1	100	1
Rank: Teacher	4	100	5	100	1
TOTAL	4	100	6	100	2

TABLE 9.1 - Sick Leave for Jan 2004 to Dec 2004

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)	4092.5	86.6	676	5.9	6	559	11554	3546
Skilled (Levels 3-5)	12006.5	79.5	2409	20.8	5	2,864	11554	9541
Highly skilled production (Levels 6-8)	37258.5	75.7	7918	68.5	5	13,331	11554	28200
Highly skilled supervision (Levels 9-12)	2783	81.9	542	4.7	5	1,693	11554	2279
Senior management (Levels 13-16)	55	89.1	9	0.1	6	101	11554	49
TOTAL	56195.5	77.6	11554	100	5	18548	11554	43615

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	203	100	12	12	17	28	203	100
Skilled (Levels 3-5)	384	98.7	23	23	17	83	379	100
Highly skilled production (Levels 6-8)	961	96.4	58	58	17	353	926	100
Highly skilled supervision (Levels 9-12)	141	100	7	7	20	85	141	100
TOTAL	1689	97.6	100	100	17	549	1649	100

TABLE 9.3 - Annual Leave for Jan 2004 to Dec 2004

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	6796.38	7	907
Skilled (Levels 3-5)	6854.84	5	1344
Highly skilled production (Levels 6-8)	21598.24	4	5158
Highly skilled supervision (Levels 9-12)	8802	11	821
Senior management (Levels 13-16)	372	20	19
TOTAL	44423.46	5	8249

TABLE 9.4 - Capped Leave for Jan 2004 to Dec 2004

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004	Number of Employees	Total number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Levels 1-2)	123	9	77	14	135577	1761
Skilled (Levels 3-5)	1816	3	91	713	163314	1789
Highly skilled production (Levels 6-8)	11077	3	80	4,414	1588363	19890
Highly skilled supervision (Levels 9-12)	1035	3	102	358	332001	3253
TOTAL	14051	3	83	5499	2219255	26693

TABLE 10.1 - 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		
All employees			The workstudy component of the department has presented a report to management for implementation. New structure to be put in place

TABLE 10.2 - 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.	Yes		Mr JR Molai - Director: GET and Mr JR Nkosi - Director: HRM
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.	Yes		Posts are to be filled for the unit designated to handle Employee Wellness
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.		No	
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.		No	

Question	Yes	No	Details, if yes
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.		No	
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.		No	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		No	
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		No	

TABLE 11.6 - Strike Actions

Strike Actions	–
Total number of person working days lost	13366
Total cost(R'000) of working days lost	3396
Amount (R'000) recovered as a result of no work no pay	3396

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	–
Number of people suspended	3
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	380
Cost (R'000) of suspensions	438

TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	72	0	72
	Male	0	0	141	0	141
Professionals	Female	0	0	2270	0	2270
	Male	0	0	2200	0	2200
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	278	0	278
	Male	0	0	238	0	238
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	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	2620	0	2620
	Male	0	0	2579	0	2579
TOTAL		0	0	5199	0	5199

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	89	0	89
	Male	0	0	168	0	168
Professionals	Female	0	0	2260	0	2260
	Male	0	0	2190	0	2190
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	288	0	288
	Male	0	0	219	0	219
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	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	2548	0	2548
	Male	0	0	2577	0	2577
TOTAL		0	0	5214	0	5214

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	13	81%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	3	19%
TOTAL	16	100%

TABLE 14.1 - 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
Nil report	0	0	0

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Nil report	0	0	0

TABLE 14.2 - 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
Nil report	0	0	0

TABLE 14.3 - 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
Nil report	0	0	0

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Nil report	0	0	0

TABLE 14.4 - 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
Nil report	0	0	0