

The Budgetary Review and Recommendation Report (BRRR) of the Portfolio Committee on Basic Education on the performance of the Department of Basic Education for the 2021/2022 financial year, dated 1 November 2022.

Annual Report on the Performance of the Department of Basic Education in Meeting its Objectives for 2021/22

The Portfolio Committee on Basic Education, having considered the performance of the Department of Basic Education, reports as follows:

1. Introduction and mandate of the Committee

1.1 Purpose of the BRRR

In terms of Section 5 of the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile the Budgetary Review and Recommendation Reports (BRRR) that assess the service delivery performance of departments given available resources. Committees are also expected to provide an assessment of the effectiveness and efficiency of the Department's use of available resources, and may include recommendations on the forward use of resources. In this regard, the BRRR is a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term.

1.2 The role and mandate of the Portfolio Committee

The Portfolio Committee on Basic Education as an extension of the National Assembly is mandated by sections 55 and 92 of the Constitution of the Republic of South Africa (Act 108 of 1996) and the Rules of Parliament to oversee the activities and performance of the Department of Basic Education and its two statutory bodies, namely, the Council for Quality Assurance in General and Further Education and Training (Umalusi) and the South African Council for Educators (SACE). In this context, the Portfolio Committee on Basic Education focuses its work within the five constitutional mandates of Parliament, which are to process and approve legislation, conduct oversight, ensure public participation, process international agreements and facilitate co-operative governance. In addition to performing these constitutional mandates, the Committee engages in various activities and programmes focussing on the development and delivery of quality public education to all South Africans. The Committee also deals with matters referred to it by the Speaker or the National Assembly.

1.3 Core functions of the Department of Basic Education

The Department of Basic Education (DBE) derives its mandate firstly from the Constitution of the Republic of South Africa (1996), which requires education to be transformed and democratised in accordance with the values of human dignity, equality, human rights and freedom, non-racism and non-sexism. The Constitution guarantees access to basic education for all, including adult basic education. Secondly, the National Education Policy Act, 1996 Act 27 of 1996 (NEPA), inscribes into law the policies for the national system of education, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities. In terms of the NEPA, the DBE's statutory role is to formulate national policy, norms and standards as well as to monitor and evaluate policy implementation and impact.

In line with its mandate, the Department has a vision of a South Africa in which all people will have access to lifelong learning, education and training opportunities, which will, in turn, contribute towards improving the quality of life and building a peaceful, prosperous and democratic South Africa.

In fulfilling its mandate over the next five years, the Department is guided by the 2019-2024 Medium Term Strategic Framework (MTSF) designed to reflect the actions outlined in the National Development Plan (NDP).

1.4 Processes followed by the Portfolio Committee in arriving at the report

In compiling its BRRR, the Portfolio Committee on Basic Education assessed the performance of the Department of Basic Education with reference to the following:

- The strategic priorities and measurable objectives as set out in the 2020/21 strategic plan.
- Expenditure trends drawn from the reports of the National Treasury;
- The 2020 State of the Nation Address priorities;
- The reports of the Auditor-General of South Africa and the reports on the 2020/21 Budget Vote;
- The financial statements and annual report briefings, in terms of Section 65 of the Public Finance Management Act No. 1 of 1999, which requires the Ministers to table the Annual Reports and financial statements for the Department and public entities before Parliament.

- Findings of the Portfolio Committee's oversight visits, including quarterly briefings.
- External sources assessing the performance of the Department.

The briefings on the annual performance and financial statements of the Department and its statutory bodies took place on 9 November 2021 in Parliament. The Portfolio Committee also met with the Auditor General on the audit outcomes of the Department, the Financial and Fiscal Commission (FFC) and the Audit Committee of the Department of Basic Education on 16 November 2021. The two entities Umalusi and SACE briefings on their annual performance and financial statement briefings were conducted on 23 November 2021. All the above meetings took place in a virtual meeting in Parliament.

1.5 Contents of the Report

This report provides an analysis of the financial and programmatic performance of the Department of Basic Education and its entities i.e. Umalusi and SACE, and due consideration is taken on the budget allocated as well as revisions made to respective Annual Performance Plans and where relevant, commentary has been provided in this regard. Moreover, the report not only reflects on the Annual Reports but examines the Committee's engagement with the entities for the year under review as well as the Q1 2022/23 performance and what needs to be taken into consideration going forward. The report concludes with key observations and recommendations made by the Committee having engaged with the Department, Umalusi, South African Council of Educators (SACE). Auditor General of South Africa (AGSA) and Fiscal and Fiscal Commission (FFC) inputs on Audit and Risk references to the Committee's for each of the entities is also taken into consideration in the BRRR report.

2. Overview of the key Service Delivery Environment

In respect of the Legislative Mandate, the National Education Policy Act (Act 27 of 1996) (NEPA) inscribes into law the policies for the national system of education, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities. The statutory role of the Department was to:

- Formulate policy, norms and standards;
- Monitor and evaluate policy implementation and impact; and
- Lead the provision of the rights to basic education.

The delivery environment requires that the Department focuses on technical leadership, oversight, and the setting and maintenance of norms and standards in the basic education concurrent function.

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The delivery environment requires that the Department focuses on technical leadership, oversight, and the setting and maintenance of norms and standards in the basic education concurrent function. There are factors that influence the plans and activities of the Department and such plans are covered in the government mandates namely the National Development Plan (NDP), 2019-2024 Medium Term Strategic Framework (MTSF), and the Action Plan to 2030: Towards the Realisation of Schooling 2030. The Departmental outcomes are linked to the six priority areas of the sector as approved by the Council of Education Ministers (CEM) and 2019-2024 Medium Term Strategic Framework. The MTSF 2019 – 2024 Education Priorities were as follows:

- Outcome 1: Improved school-readiness of children;
- Outcome 2: 10-year-old learners enrolled in publicly funded schools read for meaning;
- Outcome 3: Youths better prepared for further studies and the world of work beyond Grade 9;
- Outcome 4: Youths leaving the schooling system more prepared to contribute towards a prosperous and equitable South Africa; and
- Outcome 5: School physical infrastructure and environment that inspires learners to learn and teachers to teach.

3. Overview of the key relevant policy focus areas

3.1 The National Development Plan (NDP), Vision 2030

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3.2 The Medium Term Strategic Framework 2019-2024 Outcomes Education

The Department's Strategic Plan Outcomes are linked to the 2019-2024 Medium Term Strategic Framework outcomes. The MTSF 2019 – 2024 Education Priorities were as follows:

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- Outcome 5: School physical infrastructure and environment that inspires learners to learn and teachers to teach.

3.3 State-of-the-Nation-Address (SONA) February 2021

The President, His Excellency Hon Cyril Ramaphosa in his state of the nation address emphasised a continuation of the previous SONA. The remarks of the President premised on the schooling disruptions as result to COVID-19 pandemic, which placed a huge burden on learners, teachers and families. The President expressed that a priority for 2021 is to regain lost time due to the pandemic and improve educational outcomes, from the early years through to high school and post-school education and training. Secondly the President alluded that equally, attention is to be given to issues affecting children including improving school-readiness, Early Childhood Development (ECD) planning and funding.

As a direct link to the previous year priorities, the policy objectives below pertaining to Basic Education amongst others were highlighted as follows:

- The investments to be made in Early Childhood Development and early grade learning to yield great economic benefits in the next two decades and beyond.
- Introduction of the three -stream curriculum model, heralding a fundamental shift in focus towards more vocational and technical education.
- Introduction of technical vocational specialisations schools piloting the occupational stream.
- Plans for provision of issuing tablet computers to school students:
- Every 10 year-old needed to be able to read with meaning – and early reading programmes
- The Department would be introducing Coding and Robotics in Grades R to 3 in 200 schools, with a plan to implement fully by 2022.

3.4 Strategic Priorities of Basic Education for 2021/22 APP

The detailed overview of the department Strategic plan 2020/21- 2024/25 sets the tone for key DBE priorities as outlined in the 2021/22 Annual Performance Plan (APP). The APP sets outlines what the Department intends to do, in the financial year and during the MTEF period to implement the Strategic Plan.

These priorities were approved by the Council of Education Ministers to lay a solid foundation for quality education, in support of improved reading and learning outcomes:

- Improving foundational skills of Numeracy and Literacy, especially reading which should be underpinned by a Reading Revolution.
- Immediate implementation of a curriculum with skills and competencies for a changing world in all public schools (Three Stream Model, Fourth Industrial Revolution, Entrepreneurship, Focus Schools, etc.)
- Deal decisively with quality and efficiency through the implementation of standardized assessments to reduce failure, repetition, and dropout rates and introduce multiple qualifications such as General Education Certificate before the Grade 12 exit qualification
- Urgent implementation of two years of ECD before Grade 1, and the migration of the 0 - 4 year olds from Social Development to Basic Education.
- Complete an integrated Infrastructure Development Plan informed by infrastructure delivery and regular maintenance which is resourced.
- Work with Sport and Recreation, Arts and Culture, Health, and South African Police Services to teach and promote Social Cohesion, Health and School Safety.

DEPARTMENT OF BASIC EDUCATION RESPONSE TO THE 2020/21 BUDGETARY REVIEW AND RECOMMENDATIONS REPORT (BRRR)

RECOMMENDATION/S	RESPONSE
Underspending on Infrastructure – The Department must ensure that Provincial Education Departments utilised budgets for their intended purpose and avoid having to return money to National Treasury. The Department must ensure that there was	The DBE monitors expenditure on infrastructure budgets on a monthly basis against the allocated budget. This is to ensure that the budget is utilised for its intended purpose and also to monitor delivery and achievements of targets set.

renewed commitment to manage matters pertaining to infrastructure.	
Pit-Latrine and Sanitation – The Department must ensure that: <ul style="list-style-type: none"> • Pit-latrine in all schools across the country are eradicated with immediate effect and be replaced with permanent structures. • All unsafe pit-latrane structures be demolished. • Issues of sanitation and water reticulation to schools also be prioritised. • Ensured that there is commitment from implementing agents to complete infrastructure projects and address infrastructure backlogs. • Consideration of user-friendly ablution facilities for learners with disabilities and special needs. 	<p>The DBE is implementing the Sanitation Appropriate for Education (SAFE) as well as the Accelerated School Infrastructure Delivery Initiative (ASIDI) to replace all pit latrines with appropriate structures, which includes demolishing all unsafe structures. Meetings are held with implementing agents on a weekly basis to monitor progress. The programme includes the provision of user friendly facilities as well as facilities for learners with disabilities.</p>
Norms and Standards – The Department must strengthen its oversight and monitoring to ensure that Provincial Education Departments utilise budgets for building laboratories, libraries and sporting facilities at schools.	<p>Provincial Education departments report on a quarterly basis to the DBE on the implementation of the infrastructure programme. These reports are monitored for alignment to the User Asset Management Plans.</p>
Learner Transport – The Department must ensure that there are necessary interventions to improve scholar transport and must consider uniformity of the principles contained in the scholar transport policy of Provincial Education Departments.	<p>Subsequent to the review of the learner transport programme, conducted with the Department of Planning, Monitoring and Evaluation and the Department of Transport, an improvement plan was developed and is in the process of being implemented.</p>
Transfer of Indicators – The Department should consider the possible transfer of the infrastructure indicators for schools to the Department of Public Works so that it can focus on its core business of teaching and learning.	<p>The implementation of the infrastructure programme is implemented in accordance with the Government Immovable Asset Management act, which clearly articulates the responsibilities of the Department of Public Works and that of Provincial departments.</p>
Irregular Expenditure – The Department must strengthen its oversight over financial reporting and compliance with laws and regulations as well as strengthen internal controls to identify and report irregular expenditure. <ul style="list-style-type: none"> • Where non-compliance or misconduct of Supply Chain Management was identified, the Department must ensure that there is harsh consequence management and sanction. • The Department must ensure that leadership set the tone by implementing sound performance management processes, evaluating and monitoring performance, and consistently demonstrating that 	<p>The Department has strengthened the internal controls to avoid the recurrence of issues that were identified as irregular expenditure. Check lists for bid committees have been developed to ensure that compliance issues regarding tenders are complied with.</p> <p>SCM requests more than the minimum of three quotations for goods and services required by legislation.</p> <p>As most of the irregular expenditure relates to appointment of contractors by Implementing Agents on behalf of the Department, both Branches A and I have jointly started engagements with SCM Units of Implementing Agents in order to reduce instances of irregular expenditure.</p>

<p>poor performance has consequences.</p>	
<p>Early Childhood Development – The Department must ensure that Early Childhood Development (ECD) migration shift from Social Development to the Department is prioritised and the Department should improve on its communication with all affected stakeholders.</p>	<p>The Department of Basic Education (DBE) has contracted Government Technical Assistance Centre (GTAC) to assist both the DBE and the Department of Social Development (DSD) with the process of the ECD function shift. As part of this process, three governance structures were established: An Inter-Departmental Project Steering Committee, Project Management Committee (PMT) and Inter Departmental Technical Teams.</p> <p>Inter-Departmental Project Steering Committee is chaired by relevant DDGs from DSD and DBE with the main responsibility of providing strategic guidance for the function transfer process.</p> <p>Inter-departmental Project Management Team (PMT) is made up of officials from DBE and DSD and their responsibility is to manage the technical teams. The teams meet regularly to discuss and agree on criteria and contents of the function transfer in each area and to implement the business plan.</p> <p>Inter Departmental Technical teams include: Human Resource management & labour relations; Finance and budgets; Movable and immovable assets; Data, information, monitoring & evaluation; Legislation, Policies, Contracts & Claims etc.; Stakeholder Management & Communication and Programme technical team</p> <p>To this end, the National Macro-Organisation of Government (NMOG) process has been instigated, relevant legislation changes were identified, and the function shift is under discussion. Agreement has been reached between the DSD and DBE on the powers and functions that will be transferred.</p> <p>The national and provincial proclamations have been drafted and vetted by the Office of the Chief State Law Advisors.</p> <p>National and provincial technical teams have also identified the resources connected to the ECD functions and are negotiating the appropriate transfer of resources to ensure that the ECD function is effectively resourced.</p> <p>Agreement has been reached between the Departments in terms of the staff that has to be transferred.</p> <p>In terms of the budget transfer, the Chief Financial Officers (CFOs) of the two Departments, have met and agreed on the principles that will guide the transfer of budgets. Detailed budget templates have been filled out for each province; and will be updated once the budget allocation letters have been received from the respective Treasuries.</p>
<p>Technology – The Department must ensure that Robotics, Coding and Technology be prioritised to prepare learners for Fourth Industrial Revolution (4IR).</p>	<p>Coding and Robotics</p> <p>The draft Curriculum for Coding and Robotics for Grades R-9 has been developed.</p> <p>The curriculum has been approved by CEM for public comment. It has been submitted to Umalusi for quality assurance and approval.</p> <p>600 grade R-3 teachers ,200 grade 7 teachers and 50 subject co-ordinators and subject advisors will be trained on Coding and Robotics.</p> <p>In 2021 the Department of Basic Education will be piloting the Coding and Robotics in Grades R-3 in 200 schools and in 1000 in Grade 7</p> <p>Technology (Technical Schools)</p> <p>Ford South Africa has donated 240 engines to 195 Technical high Schools offering Mechanical Technology Automotive specialisation and 15 Schools of skill offering Motor Mechanics in the 9 provinces</p> <p>The CAPS for Technical subjects has been implemented in Grade 10 -</p>

	<p>12 including Technical Mathematics and Technical Sciences.</p> <p>A Project Manager appointed for the Three Streams Model.</p> <p>The business plan with the costed process plan was submitted to National Treasury in November 2020.</p> <p>A concept paper with the Articulation Framework is 90% approved.</p> <p>8 provinces submitted the list of schools to be audited and to pilot grade 8 and 9 with the exception of Gauteng.</p> <p>Auditing of 102 schools of skill as a start before the end of 2021;</p> <p>Auditing of ordinary Public Schools including schools offering technical subjects will start in 2020/2021 after the approval of the business plan from the National Treasury.</p> <p>Submission of Occupational CAPS documents to Umalusi for appraisal (22 Occupational subjects (Year 1-Year 4) (January –June 2021</p> <ul style="list-style-type: none"> • Finalisation of the Occupational Teacher Guides and Learner Books ((January –June 2021) • Call for public comments on the 13 Occupational CAPS for Grades 8 & 9 Occupational CAPS (June 2021) • Infusion of Umalusi recommendations into CAPS and resubmitted to Umalusi for approval (July 2021) • Quality Assurance of the CAPS with the infused recommendations (August 2021) • Editing, Design and Layout of CAPS, versioning of CAPS into Afrikaans for the 21 Occupational subjects (Year 1-Year 4) and 13 subjects for Grades 8 and 9 (September 2021) • Printing of CAPS, packaging and delivery of occupational Subjects (Year1-4) and 13 Grades 8&9 Subjects (September 2021) <p>All of the above are costed in the Business budget plan to be submitted to National treasury for approval.</p> <p>DBE has established a Technical Working Group (TWG) to assist with clarifying articulation matters to strengthen the concept paper and to advise the Ministerial Task Team on Three Streams Model. The TWG has had a workshop and three meetings to date.</p>
<p>The Department must ensure that learners are provided with e-Learning Technology and resources to enable learners to connect and access virtual learning platforms to improve learning outcomes - as well as connectivity to interact with counterparts across the region and globally.</p>	<p>The Department of Basic Education in collaboration with ICASA, DCDT and Mobile Network Operators (MTN, Telkom, Liquid Telkom and Rain) will provide 17 Schools in the NHI district with the Virtual Classroom solution as part of Phase 1 implementation in 2021.</p> <p>Rollout of the USAO to Special Schools Vodacom will complete the rollout of the USAO solution to 140 schools, MTN to 50 schools and Liquid Telkom to 19 schools.</p> <p>Zero-rating of educational sites The DBE in collaboration with ICASA and DCDT zero-rated more than 300 Educational Websites as part of the COVID-19 pandemic intervention.</p> <p>The DBE is in the process of uploading CAPS and curriculum enrichment resources on the DBE Cloud platform and other educational portals that are being zero-rated.</p> <p>Establishment of Focus Schools: Draft Guidelines, including norms & standards for the establishment of new eleven types of Focus Schools has been developed.</p>
<p>Inclusive Education - The Department must submit a detailed report on</p>	<p>There has been significant improvement in the spending to support Learners with Profound Intellectual Disabilities (LIPD) over the past</p>

<p>Inclusive Education and Learners with Special Education Needs (LSEN). The Department must provide an updated, reliable data on (LSEN) and must improve spending to support Learners with Profound Intellectual Disabilities (LIPD)</p>	<p>three (3) years. (66.32% in 2017/18; 84.14% in 2018/19 and 95.15% in 2019/20)</p> <p>Furthermore, as indicated in various reports, the major contributing factor to the under-expenditure of the Conditional Grant on Learners with Severe to Profound Intellectual Disability (LSPID) is the challenge of recruiting and retaining therapists, who are a scarce skill, who have been appointed (by Provincial Education Departments) on a fixed-term contract and whose salaries account for the bulk of the Conditional Grant allocation (65%).</p> <p>To address this challenge, the sector included the appointment of therapists on permanent posts in the 2020/21 LSPID Conditional Grant Framework, as a key condition. In addition, the DBE is supporting Provincial Education Departments to facilitate permanent appointments. Progress has been made in the appointment of therapists on permanent posts.</p> <p>Three (3) provincial education departments (PEDs), namely, Eastern Cape (EC), Mpumalanga (MP) and Northern Cape (NC) have appointed therapists on permanent posts. On the other hand, the process of appointing therapists on permanent posts in Gauteng (GP), KwaZulu-Natal (KZN), Limpopo (LP) are at various stages. Appointments in NW are at an advanced stage and will be finalised in 2020/21 financial year. The DBE is working with the Free State (FS) and Western Cape PEDs to expedite the appointment of therapists in these provinces in permanent positions.</p> <p>The appointment of therapists on permanent posts will not only bring stability on the support provided to LSPID, but will also improve spending in the Conditional Grant.</p> <p>To further improve spending, the DBE has held and continue to hold virtual monitoring meetings with all PEDs. During these meetings, the implementation of procurement plans, as per provincial business plans are discussed, bottlenecks identified and mitigating strategies are shared with PEDs. During these engagements, the discussions specifically focus on the activities which are the biggest cost drivers in the Conditional Grant, such as procurement of LTSM, and assistive devices for LPIID to have these accelerated.</p> <p>The emergence of the COVID-19 pandemic and its impact on the sector has slowed spending in the conditional grant. However, the DBE continues to monitor the expenditure patterns and programme performance, and to support PEDs to address related challenges.</p>
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4. Programmes of the Department

The Annual Performance Plan summarises the priorities of the Department. The activities of the Department have been structured into five programmes.

- Programme 1: Administration;
- Programme 2: Curriculum Policy, Support and Monitoring;
- Programme 3: Teachers, Education Human Resources and Institutional Development;
- Programme 4: Planning, Information and Assessment; and
- Programme 5: Educational Enrichment Services.

The Annual Status Bar for indicators and target status indicates that the combined total of indicators for all programmes stood at 70 indicators with 57 targets achieved, nine (9) targets partially achieved and four (4) targets not achieved.

Table 1: Annual Target Status Bar - Programme Performance Summary : 2021/22

Programme	No. of indicators per programme	Annual Targets	Biennial Targets	Biannual Targets	Quarterly Targets	Annual target status 2021/22		
						Not achieved	Partially achieved	Achieved
One	5	2	-	-	3	-	-	5
Two	32	30	-	1	1	2	8	22
Three	12	10	-	-	2	-	1	11
Four	16	15	1	-	-	2	-	14
Five	5	1	-	-	4	-	-	5
Total	70	58	1	1	10	4/70	9/70	57/70
distribution								
Percentage distribution	100%	83%	2%	2%	14%	6%	13%	81%

*Indicator 4.3.2 is a biennial target which is not measured in 2021/22

All Annual Targets are WHITE unless fully achieved.

As indicated in table 1 above, the APP of 2021/22 reflected 70 number of indicators. In 2021, DBE had annual target status of 81% achievement across all of its programs as compared to the 2020/21 period, at 80%. This is a slight decline of 1% from the 2020/21 period. As per table above, 13% of the annual targets are partially achieved and 6% is an underachievement, whilst in 2020/21, 17% was partially achieved and 3% not achieved. The DBE achievement of 81% annual targets in 2021/22, is slight increase of 1% from the previous year, which was 80%. While there is slight increase in the percentage of distribution targets at, 81%, the performance of 2021/22 remains favourable.

4.1 Annual Targets

4.1.1 Programme 1: All indicator targets were fully met.

4.1.1.1 Annual Targets Not Fully Achieved:

- **Programme 2:**
 - 2.1.12: The GEC indicator was incorrectly worded which lead to interpretation as full implementation instead of implementing the GEC pilot programme. The indicator should have been clearly worded to reflect a Pilot study, hence it was regarded as non-achievement. Full scale implementation of the GEC will take place in 2025, following three years of piloting.
 - 2.3.7: ICT Devices, The Indicator and the targets were based on obligations placed on Mobile Network Operators (MNOs) by ICASA, which some of the MNOs did not meet (MTN delivered 64 instead of 140 and Cell C delivered 6 out of 107, Only Vodacom and Liquid Telkom delivered fully).
- **Programme 4:**
 - 4.2.6: The PIRLS and SEACMEQ studies were not completed as initially scheduled due to the postponement of the studies to a year after the scheduled date. The PIRLS 2021 study report will be released in December 2022. The SEACMEQ study report will be released in April 2023.
 - 4.3.4: Data collection challenges at Provincial level; Gauteng and Free State provinces did not submit evidence on time. Letters were written to the HODs and the information was submitted after the deadline. School Improvement Support Coordinators (SISCOs) have been deployed to all provinces to monitor and collect monitoring instruments since May 2022.

4.1.1.2 Annual Targets Partially Achieved:

- **Programme 2:**
 - 2.1.4 2.2.6, 2.3.8, 2.4.1, 2.4.2, 2.4.3, 2.4.4: Annual Sector reports were submitted after 31 March 2022, which is outside the reporting period. The late submission was due to provincial verification of the data. This will be rectified in the next reporting period.
 - 2.1.13: Technical Occupational Curriculum-Late submission and incomplete reports from EC and KZN. Non-compliance was subsequently escalated to the PED and reports were then completed and submitted.
- **Programme 3:**

- 3.1.1: SGBs effectiveness-The Branch submitted the correct targets which took the elections into consideration, but the target was incorrectly captured by error when the Strategic Planning unit finalised the Annual Performance Plan.

4.2 Programme Performance

- 4.2.1 Programme 1: Administration** – The purpose of Programme 1 is to manage and provide strategic and administrative support services to the Department. The Department detailed 5 Performance Indicators as follows:
- **Percentage of valid invoices paid within 30 days upon receipt by the Department:** The planned annual target was 100 percent. However, the Department's actual achievement was 99.85% - a negative deviation of 0.5%. The delay was due to Project Management not signing the invoices on time.
 - **Number of reports on misconduct cases resolved within 90 days:** The planned annual target was for four (4) reports. The Department was able to achieve this target with no deviations.
 - **Number of capacity-building programmes offered to the DBE officials:** The planned target was set at 12 programmes. The Department was able report actual achievement of 20 programmes offered – a positive deviation of eight (8) programmes. The reason for the positive deviation was due to the demand of skills development and training in the Department.
 - **Annual Performance Plan (APP) approved by 31 March each financial year:** The planned target was for the 2022/23 APP to be approved by March 2022. The Department was able to achieve this target with no deviations.
 - **Number of Quarterly Performance Reports submitted to National Treasury (NT) and the Department of Planning, Monitoring and Evaluation (DPME) 30 days after the end of each quarter:** The planned target was for four (4) Quarterly Performance Reports submitted to NT and DPME 30 days after the end of each quarter. The Department was able to achieve this target with no deviations.

The Department reported on further progress made in the key focus areas in Programme 1 in respect of the following:

- Staff Services and HR Support to Provinces;
- Training and Social Responsibility;
- Labour Relations;
- Legal Services;
- Legislative Services;
- Financial Services;
- Security and Asset Management;
- Supply Chain Management;
- Project Management;
- Donor Grant Management;
- Strategic Planning and Reporting; and
- Research Co-ordination, Monitoring and Evaluation (RCME);

- 4.2.2 Programme 2: Curriculum Policy, Support and Monitoring** – The purpose of Programme 2 is to develop Curriculum and Assessment policies, monitor and support their implementation. The Department detailed 32 Performance Indicators as follows:
- **Number of Technical schools monitored for implementation of Curriculum and Assessment Policy Statements (CAPS):** The planned target was set at 18 schools. The Department was able to achieve this target with no deviations.
 - **Number of learners per year obtaining subject passes towards a National Senior Certificate (NSC) or extended Senior Certificate (SC), including upgraded NSC, through the SCMP:** The planned target was set at 45 000 learners. The Department's actual achievement was June NSC: 3 649, June SC: 18 973, November: 40 303 bring the total to 62 925 - a positive deviation of 17 925 learners. The Programme has intensified and strengthened its learner support activities. The ongoing engagement of the DBE and PEDs enhanced the understanding of the programme by teachers and officials that resulted in the efficient administration and academic improvement. In addition, the Programme has procured and distributed the ICT equipment to more teachers and learners. More importantly, the Programme facilitated and funded the additional self-study guides that have been developed and distributed to teachers and learners. More online

study guides were distributed to learners by and through partners that include 700 public libraries, 141 teacher centres and 43 UNISA Centres.

- **Number of Children/Learners with Profound Intellectual Disability (C/LPID) using the Learning Programme for C/LPID:** The planned target was set at 3 727 Annually. The Department was able to achieve 4 347 – a positive deviation of 620 learners. Learners that could not be supported and remained at home due to COVID-19 restrictions only returned to special care centers (SCCs) following the relaxation of COVID-19 restrictions. COVID-19 related support was provided to SCCs ensured that centers were COVID-19 complaint.
- **An Annual Sector Report is produced on monitoring on the implementation of the Policy on Screening, Identification, Assessment and Support (SIAS) as a mechanism for early identification and intervention:** The planned target was for an approved Annual Sector Report on monitoring of the implementation of the Policy on SIAS as a mechanism for early identification and intervention. The actual achievement showed a draft Annual Sector Report produced as the Report was approved late. The Annual Sector Report was approved after the reporting period (13 May 2022) due to various levels of verification and validation of reported performance in the reports.
- **A National Report is produced on the amended legislation to regulate the new ECD landscape:** The planned target was for an approved National Report on the amended legislation to regulate the new ECD landscape. The Department achieved this target with no deviation.
- **A National Report is produced on the development of a new funding models for ECD:** The planned target was set at a report on investigation into the ECD funding models. The Department achieved this target with no deviation.
- **A National Report is produced on conducting an ECD census to inform the integration of ECD into the Educational Management Information System (EMIS):** The planned target was set at an approved National Report on conducting an ECD census to inform the integration of ECD into the EMIS. The Department achieved this target with no deviation.
- **A National Report is produced on developing and operationalising an ECD Human Resource Development (HRD) Plan:** The planned target was for an approved National Report on the development of a new ECD service delivery model and its workforce implications. The Department achieved this target with no deviation.
- **Number of Districts monitored on implementation of the National Curriculum Statement (NCS) for Grades 10 – 12:** The planned target was set at eight (8) districts. The actual achievement stood at 15 districts – a positive deviation of seven (7) districts. The increase (+7) in the number of Districts was caused by the absence or low number of schools offering a particular subject. For example, low enrolment subjects such as the Arts subjects are not on offer in many schools, and therefore more Districts were added to fulfill the quota of schools to be monitored per session and contribute meaningfully to the improvement of learner performance
- **Number of provinces monitored on extra support classes to increase the number of learners achieving Bachelor level passes:** The planned target was set at nine (9) provinces. The Department achieved this target with no deviation.
- **Number of schools monitored for implementing compulsory entrepreneurship education:** The planned target was set at 135 (15 per province). The Department actual achievement stood at 135 - the Department achieved this target with no deviation.
- **An Annual Sector Report produced on the implementation of the General Education Certificate (GEC):** The planned target was set at an approved Annual Sector Report on the implementation of the GEC. The actual achievement indicated an approved GEC Annual pilot study report submitted. The Annual Sector Report, with the nine (9) PED reports, on the full scale implementation of the GEC was not provided. The GEC indicator was incorrectly worded which lead to interpretation as full implementation instead of implementing the GEC pilot programme. The indicator should have been clearly worded to reflect a Pilot study, hence it was regarded as non-achievement. Full scale implementation of the GEC will take place in 2025, following three years of piloting.
- **An Annual Sector Report is produced on schools that are prepared to respectively implement and pilot the Technical Occupational Stream:** The planned target was set at an approved Annual Sector Report on ordinary Secondary Schools that pilot the Technical Occupational Stream in 2021/22. Although the target was achieved, the Department indicated that two (2) PED reports (Eastern Cape and KwaZulu-Natal) were provided late. The non-compliance was subsequently escalated to the PED and reports were then completed and submitted.

- **Number of schools monitored for piloting the Coding and Robotics Curriculum –** The planned annual target was set at 18 schools (2 per pilot province). The Department achieved this target with no deviation.
- **Number of schools monitored on the implementation of the reading norms:** The planned target was set at 18 schools. The Department achieved this target with no deviation.
- **Number of schools monitored on the implementation of the Incremental Introduction to African Languages (IIAL):** The planned target was set at 18 schools. The Department achieved this target with no deviation.
- **Number of underperforming schools monitored on the implementation of the Early Grade Reading Assessment (EGRA):** The planned target was set at 18 schools. The Department achieved this target with no deviation.
- **Number of schools with multi-grade classes monitored for implementing the multi-grade toolkit:** The planned target was set at 32 schools. The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the implementation of the National Reading Plan:** The planned target was an approved Annual Sector Report on the implementation of the National Reading Plan. The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the number of public schools monitored on the availability of readers:** The planned target was an approved Annual Sector Report on the number of public schools monitored on the availability of readers. The actual achievement indicated a draft Annual Sector Report as the Annual Sector Report was approved late. The Annual Sector Report was approved after the reporting period (05 April 2022) due to various levels of verification and validation of reported performance in the reports
- **Number of schools per province monitored for utilisation of Information and Communications Technology (ICT) resources:** The planned target was set at 27 (three (3) per province). The Department achieved this target with no deviation.
- **Percentage of public schools with Home Language workbooks for learners in Grades 1 – 6 per year after having placed an order:** The planned target was set at 100 percent. The actual achievement stood at 100.01% for Volume 1 and 99.99% for Volume 2 – a positive deviation of 0.01 percent and a negative deviation of 0.01% respectively. For V1: An ELSN school, Isizwe-Setjhaba (EMIS no.: 700330860) requested for books during delivery and V2: Laerskool Elandsvlei (EMIS no.: 300033204) proof of delivery is not available.
- **Percentage of public schools provided with Mathematics workbooks for learners in Grades 1 – 9 per year after having placed an order:** The planned target was set at 100 percent. The actual achievement stood at 100% for Volume 1 and 100% for Volume 2. The Department achieved this target with no deviation.
- **Percentage of public schools with workbooks for learners in Grades R per year after having placed an order:** The planned target was set at 100 percent. The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the learners provided with Mathematics and English First Additional Language (EFAL) textbooks in Grade 3, 6, 9 and 12:** The planned target was an approved Annual Sector Report on the learners provided with Mathematics and English First Additional Language (EFAL) textbooks in Grades 3, 6, 9 and 12. The Department achieved this target with no deviation.
- **The number of schools monitored for home languages in which Literacy Grade 1 – 3 Lesson Plans have been developed for Terms 1 – 4:** The planned target was set at ten (10). The Department achieved this target with no deviation.
- **Number of special schools with access to electronic devices:** The planned target was set at 307 special schools. The Department reported an achievement of only 13 special schools – a negative deviation of 294 special schools. The Indicator and the targets were based on obligations placed on Mobile Network Operators (MNOs) by ICASA, which some of the MNOs did not meet (MTN delivered 64 instead of 140 and Cell C delivered 6 out of 107, Only Vodacom and Liquid Telkom delivered fully).
- **An Annual Sector Report is produced on the monitoring of procurement and distribution of ICT devices:** The planned target was an approved Annual Sector Report on the monitoring of procurement and distribution of ICT devices. The Department indicated that the Report was approved late. The Annual Sector Report was approved after the reporting period (09 April 2022) due to various levels of verification and validation of reported performance in the reports.

- **An Annual Sector Report is produced on the number of teachers trained on inclusion:** The planned target was an approved Annual Sector Report on the number of teachers trained in inclusion. The Department indicated that the Draft Report was approved late. The Annual Sector Report was approved after the reporting period (13 May 2022) due to various levels of verification and validation of reported performance in the reports.
- **An Annual Sector Report is produced on the number of learners in public special schools:** The planned target was an approved Annual Sector Report on the number of learners in public special schools. The Department indicated that the Draft Report was approved late. The Annual Sector Report was approved after the reporting period (13 May 2022) due to various levels of verification and validation of reported performance in the reports.
- **An Annual Sector Report is produced on the percentage of public special schools serving as resource centres:** The planned target was an approved Annual Sector Report on the percentage of public special schools serving as resource centres. The actual achievement was a Draft Report as the Report was approved late. The Annual Sector Report was approved after the reporting period (28 April 2022) due to various levels of verification and validation of reported performance in the reports.
- **An Annual Sector Report is produced on the establishment of focus schools per Provincial Education Department (PED):** The planned target was an approved Annual Sector Report on the establishment of focus schools per PED. The actual achievement was a Draft Report as the Report was approved late. The Annual Sector Report was approved after the reporting period (2 May 2022) due to various levels of verification and validation of reported performance in the reports.

The Department reported on further progress made in the key focus areas in Programme 2 in respect of the following:

- Curriculum, Implementation and Quality Improvement (GET and FET);
- Second Chance Matric Programme;
- Enhancement of Programmes and Evaluation of School Performance;
- Rural Education;
- Mathematics, Science and Technology (MST), e-Learning and Research;
- Early Childhood Development (ECD); and
- Reading.

4.2.3

Programme 3: Teachers, Education Human Resources and Institutional Development

– The purpose of Programme 3 is to promote quality teaching and institutional performance through the effective supply, development and utilisation of human resources. The Department detailed 12 Performance Indicators as follows:

- **Percentage of School Governing Bodies (SGBs) that meet the minimum criteria in terms of effectiveness:** The planned target was set at 90 percent of 1 000 sampled schools. The Department achieved 86 percent (860 of 1 000) – a negative deviation of four (4) percent). The Branch submitted the correct targets, but the target was incorrectly captured by error, when the Strategic Planning unit finalised the Annual Performance Plan.
- **Percentage of schools producing the minimum set of management documents at a required standard:** The planned target was set at 100 percent of 1 000 sampled schools. The Department achieved this target with no deviations.
- **Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education per year:** The planned target was set at 11 500 bursaries awarded. The Department achieved a total of 11 856 bursaries awarded – a positive deviation of 356. More budget was allocated to HEIs whose tuition fees were lower than the capped value amount of the bursary
- **Number of quarterly monitoring reports tracking the percentage of Funza Lushaka graduates placed within six months, upon confirmation that the bursar has completed studies:** The planned target was set at four (4) reports. The Department achieved this target with no deviation.
- **Number of quarterly monitoring reports indicating the number and percentage of schools where allocated teaching posts are all filled:** The planned target was set at four (4) reports. The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the number of qualified teachers aged 30 and below entering the public service as teachers:** The planned target was for an approved Annual Sector Report on the number of qualified teachers aged 30 and

below entering the public service as teachers. The Department achieved this target with no deviation.

- **A National Report is produced on monitoring the functionality of Provincial Teacher Development Institutes and District Teacher Development Centres:** The planned target was for an approved National Report on monitoring the functionality of Provincial Teacher Development Institutes and District Teacher Development Centres. The Department achieved the target with no deviation.
- **A National Report is produced on monitoring the implementation of Teacher Development Programmes by PEDs with special focus on English First Additional Language (EFAL), Mathematics, Physical Science and Accounting:** The planned target was for an approved National Report on monitoring the implementation of Teacher Development Programmes by PEDs with special focus on English First Additional Language (EFAL), Mathematics, Physical Science and Accounting. The Department achieved the target with no deviation.
- **Number of PEDs that had their post provisioning processes assessed for compliance with the post provisioning norms and standards:** The planned target was set at nine (9). The Department achieved this target with no deviation.
- **An Annual Sector Report is produced on the number of Grade R practitioners with at least a National Qualification Framework (NQF) level 6 or above qualification:** The planned target was for an approved Annual Sector Report on the number of Grade R practitioners with at least a National Qualification Framework (NQF) level 6 or above qualification. The Department achieved the target with no deviation.
- **Number of PEDs monitored on the implementation of the Performance Management Service for school-based educators:** The planned target was set at nine (9) PEDs monitored. The Department achieved this target with no deviation.
- **Number of PEDs monitored on the implementation of the Education Management Service: Performance Management and Development System (EMS: PMDS):** The planned target was set at nine (9) PEDs monitored. The Department achieved this target with no deviation.

The Department reported on further progress made in the key focus areas in Programme 3 in respect of the following:

- Educator Performance Management and Development and Whole School Evaluation (WSE);
- Education Human Resources Planning, Provisioning and Monitoring;
- Education Labour Relations and Conditions of Service;
- Continuing Professional Teacher Development (CPTD);
- Teacher Development Implementation (TDI);
- Curriculum Research; and
- Education Management and Governance Development.

4.2.4 Programme 4: Planning, Information and Assessment – The purpose of Programme 4 is to promote quality and effective service delivery in the basic education system through planning, implementation and assessment. The Department detailed 16 Performance Indicators as follows:

- **Number of new schools built and completed through ASIDI:** The planned target was set at 21 schools. The Department was able to achieve a total of 23 – a positive deviation of two (2) schools. The deviation is due to the fact that there was huge pressure exerted on the IA's to ensure that the targets are achieved and they completed as many of the projects as possible.
- **Number of schools provided with sanitation facilities through ASIDI:** The planned target was set at 1 000 schools. The Department was able to achieve a total of 1 026 schools - a positive deviation of 26 schools. The deviation is due to the fact that there was huge pressure exerted on the IA's to ensure that the targets are achieved and they completed as many of the projects as possible.
- **Number of schools provided with water facilities through ASIDI:** The planned target was set at 100 schools. The Department was able to achieve a total of 110 schools - a positive deviation of 10 schools. The deviation is due to the fact that there was huge pressure exerted on the IA's to ensure that the targets are achieved and they completed as many of the projects as possible.

- **Number of General Education and Training (GET) test items developed in Language and Mathematics for Grades 3, 6 and 9:** The planned target was set at 500 test items. The Department achieved the target with no deviation.
- **Number of NSC reports produced:** The planned target was set at four (4) reports. The Department achieved the target with no deviation.
- **Number of question papers set for June and November examinations:** The planned target was set at 294 question papers. The Department was able to achieve a total of 296 question papers – a positive deviation of two (2) question papers. Marine Sciences was introduced for the first time at Grade 12 level in 2021 NSC November.
- **Percentage of public schools using the South African School Administration and Management System (SA-SAMS) for reporting:** The planned target was set at 98 percent. The Department was able to achieve 99.73 percent – a positive deviation of 1.73 percent. Advocacy and Provincial circulars supporting collection of data via SA-SAMS. SA-SAMS is policy aligned and used for learner promotion reporting. PED's are benefitting from the DBE's investment in SA-SAMS to provide standardised data for the sector.
- **A National Report is produced on the number of provinces monitored for implementation of Learner Unit Record Information and Tracking System (LURITS):** The planned target was for an approved National Report on the number of provinces monitored for implementation of LURITS. The Department achieved the target with no deviation.
- **A National Report is produced on learning outcomes linked to the National Assessment Framework (NAF):** The planned target was for an approved National Report on learning outcomes linked to the National Assessment Framework. The Department actual achievement indicated that TIMSS Grade 5 and 9 reports have been developed and no approved National Report on learning outcomes linked to the NAF. The PIRLS and SEACMEQ studies were not completed as initially scheduled due to the postponement of the studies to a year after the scheduled date. The PIRLS 2021 study report will be released in December 2022. The SEACMEQ study report will be released in April 2023.
- **A National Report is produced on developing and operationalising a school readiness assessment system:** The planned target was for an approved National Report on the First Early Learning National Assessment developing and operationalising a school readiness assessment system. The Department achieved the target with no deviation.
- **Number of officials from districts that achieved below the national benchmark in the NSC participating in a mentoring:** The planned target was set at 60 officials. The Department was able to achieve a total of 60 with no deviation.
- **Percentage of school principals rating the support services of districts as being satisfactory:** This was a bi-ennial indicator and the audited actual performance for 2020/21 stood at 57.2 percent (618 of 1 080).
- **Percentage of District Directors who have undergone competency assessment prior to their appointment:** The planned target was set at 96 percent. The Department was able to achieve 100 percent – a positive deviation of 4 percent. There is now full compliance with Public Service Regulations requiring district directors to undergo competency assessment before appointment
- **Percentage of underperforming schools monitored at least twice a year by district officials:** The planned target was set at 80 percent. The Department was able to achieve only 29.78 percent (1 440 of 4 835) - a negative deviation of 50.22 percent. Reasons for deviation included issues of data collection challenges at Provincial level i.e. Gauteng and Free State provinces did not submit evidence on time. Letters were written to the HODs and the information was submitted after the deadline. School Improvement Support Coordinators (SISCOs) have been deployed to all provinces to monitor and collect monitoring instruments since May 2022.
- **Number of District Director forums held:** The planned target was set at three (3) forums. The Department achieved a total of four (4) forums – a positive deviation of one (1) forum. The Additional one (1) planning meeting was convened at the end of the financial year to prepare for the ensuing academic year
- **Number of districts in which teacher development has been conducted as per district improvement plan:** The planned target was set at 60. The Department was able to achieve a total of 60 with no deviation.

The Department reported on further progress made in the key focus areas in Programme 4 in respect of the following:

- Examinations and Assessments;
- National Assessment;
- Provincial Budget and Monitoring;
- Provincial and District Planning and Implementation Support;
- School Level Planning and Implementation Support;
- Quality Learning and Teaching Campaign (QLTC);
- School and District Incident Management and Support; and
- National Education Evaluation and Development Unit (NEEDU);
- Education Management Information System (EMIS);
- Infrastructure; and
- National Education Infrastructure Management System (NEIMS);

4.2.5 Programme 5: Educational Enrichment Services – The purpose of Programme 5 is to develop policies and programmes to improve the quality of learning in schools. The Department detailed five (5) Performance Indicators as follows:

- **Number of schools monitored for the provision of nutritious meals:** The planned target was set at 120 schools. The Department was able to achieve a total of 134 schools - a positive deviation of 14 schools. This deviation on school monitoring is attributed to the inconsistent monitoring due to the COVID-19 pandemic regulations
- **Number of PEDs with approved annual business plans for the HIV/AIDS Life Skills Education Programme:** The planned target was set at nine (9) PEDs. The Department was able to achieve the target with no deviation.
- **Number of districts monitored and supported in the implementation of the National School Safety Framework (NSSF), Social Cohesion, Sport and Enrichment Programmes:** The planned target was set at 75 districts. The Department was able to achieve the target with no deviation.
- **Number of learners, educators, parents, SGBs and other education stakeholders reached through social cohesion programmes:** The planned target was set at 3 000. The Department was able to achieve a total of 6 733 – a positive deviation of 3 733. Collaboration with external Stakeholders was beneficial in advocating for Social Cohesion and Equity programmes, hence the positive deviation.
- **Number of districts implementing the programme on school assemblies to end school-related gender-based violence:** The planned target was set at 75 districts. The Department was able to achieve the target with no deviation.

The Department reported on further progress made in the key focus areas in Programme 5 in respect of the following:

- School Nutrition;
- Psychosocial Support;
- Health Promotion;
- Safety in Education;
- Sport and Enrichment in Education; and
- Social Cohesion and Equity in Education.

4.3 Financial Report 2021/22

Table 2: Final Expenditure for 2021/22 (Allocation and Expenditure)

Programmes	Budget R'000	Expenditure R'000	Variance s R'000	% Spent
Administration	533 322	531 769	1 553	99.7%
Curriculum Policy, Support and Monitoring	2 115 725	2 091 344	24 381	98.8%
Teachers, Education Human Resources Development and Institutional Development	1 449 059	1 433 122	15 937	98.9%

Planning, Information and Assessment	14 709 685	14 696 404	13 281	99.9%	The budget allocation of the Department
Educational Enrichment Services	8 431 469	8 418 602	12 867	99.8%	
Total	27 239 260	27 171 241	68 019	99.8%	

Department of Basic Education in 2021/22 was R27,239 260 billion which represents an increase of R3 844 288, million or 16% from the 2020/21. The majority of the budget (76% amounting to R22 332 791) consisted of transfers and subsidies mainly to provinces and municipalities. This means that the department had an available budget of R4.9 billion for compensation of employees, earmarked funds, office accommodation, departmental operations and other projects.

The actual expenditure in 2021/22 was R27 171 241 billion or 99,8% of the allocated budget as compared to 97,9% of the previous year 2020/21 expenditure of (R22 099 625). The unspent balance of R68 019 million or 0,2% as at end of 31 March 2022 was less than R 494,35million or 2,1% at the end of 2020/21.

Main contributors of the underspending in 2021/22 was program 2 that had spent 98,8% or R24 381 million, however this is an improvement from the previous financial year where they spent 94,4 % or R102, 7 million.

Programme 4 that had under expenditure in 2020/21 by R 333,9million or 97,1 %, had improved variance in 2021/22 by 99.9%. The improvement in spending is 2,9%, which means they spent more in the year under review so the variance decreased at R13 281. Essentially this puts 2021/22 favorable at 99, 9 % in terms of expenditure for they used their allocated budget.

From the perspective of analysis, there is improvement in expenditure patterns in all 5 programs of DBE, as compared to the previous year, all programs spent more and had decreased the variance.

4.3.1 Expenditure estimates per economic classification

Table 3: Final Classification Expenditure 2021/22

ECONOMIC CLASSIFICATION	BUDGET R'000	EXPENDITURE R'000	VARIANCES R'000	% SPENT
Compensation of Employees	549 195	541 811	7 384	98.7%
Goods and Services	2 029 826	2 148 935	(119 109)	105.9%
Interest and rent on land	41 408	41 398	10	100.0%
Transfers and Subsidies	22 332 791	22 326 674	6 117	100.0%
Payment for Capital Assets	2 280 640	2 107 125	173 515	92.4%
Payment of Financial Assets	5 400	5 298	102	98.1%
Total	23 239 260	27 171 241	68 019	99.8%

Allocation Against Expenditure Per Earmarked Funds for 2021/22 Financial Year for ASIDI

ECONOMIC CLASSIFICATION	FINAL BUDGET R'000	VIREMENT S R'000	FINAL BUDGET R'000	EXPENDITURE R'000	VARIANCE S R'000	% SPENT
Compensation of Employees	6 436	0	6 436	9 797	(3 361)	152.22%
Goods and Services	143 479	(8 462)	135 017	304 603	169 586)	225.60%
Interest and rent on land	0	250	250	250	0	100.00%
Transfers and Subsidies	2 246 649	0	2 246 649	2 073 742	172 907	92.30%

Payment for Capital Assets	0	3 212	3 212	3 212	0	100.00%
Payment of Financial Assets	0	5 000	5 000	4 954	46	99.08%
Total	2 396 564	0	2 396 564	2 396 558	6	100.00%

4.3.1.1 Reasons for Deviation on Over expenditure:

- On the ASIDI Program there is over expenditure on compensation of employees by R 979 0000 million from the allocated budget of R6, 436 million resulting in a variance of R3 361 million at 152%.
- On Goods and services, the allocated R143 479 million, exceeded the budget by more than double with R304 603 million in expenditure. The actual expenditure was 112 % more than the budget. Total percentage spent was 225%.

Reasons for Economic Classifications for March 2022:

- **Goods and Services:** The overspending is on School Infrastructure on operational budget due to rental and hiring on mobile toilets for schools as a result of COVID-19.
- **Payments for Capital Assets:** The remaining budget is due to the hiring of mobile toilets that were procured as a result of COVID-19. These had to be paid under Goods and Services hence there is over expenditure on goods and services.

4.3.2 Expenditure on Conditional Grants for March 2022

ECONOMIC CLASSIFICATION	BUDGET R'000	EXPENDITURE R'000	VARIANCES R'000	% SPENT
Learners with Profound Disability Grant	242 760	242 760	-	100.0%
Maths Science and Technology Grant	412 134	412 134	-	100.0%
Education Infrastructure Grant	11 688 936	11 688 936	-	100.0%
National School Nutrition Programme	8 115 269	8 115 269	-	100.0%
HIV and Allocation Grants	241 914	241 914	-	100.0%
Total	20 701 013	20 701 013	-	100.0%

Expenditure on Conditional grants expenditure, is such that are all grants are at 100%, The allocated funds were fully spent. DBE transferred to provinces, and this is favourable as there are no variances and allocated budget has been spent.

4.4 Auditor General Report

4.4.1 Introductory Remarks

The AGSA presentation commenced with the vision and mission, as well as its mandate and that of the Portfolio Committee regarding oversight on national government accountability. The vision and mission of AGSA as well as its mandate and that of the Portfolio Committees was outlined. As per Constitutional mandate, the role of AGSA is to reflect on the audit work performed to assist the portfolio committee in its oversight role of assessing the performance of entities, taking into consideration the committee's objective to produce a *Budgetary review and recommendations report* (BRRR). The Portfolio Committee was briefed on the various AGSA audit outcomes and what was examined. AGSA also touched on the Basic Education auditees in respect of the Department of Basic Education (DBE), the Council for Quality Assurance in General and Further Education and Training (Umalusi) as well as the South African Council for Educators (SACE). In respect of the audit outcomes of the education portfolio over two years, AGSA indicated the following:

4.4.2 Overall Audit Outcomes

Report on the audit of the financial statements - Audit Outcomes for 2021/22

The Department received an Unqualified Audit opinion with no matters of emphasis for the 2021/22 financial year

4.4.3 Improvement over the Administration Term - AGSA commended Umalusi for maintaining its 'unqualified with no findings' audit outcome. It was encouraging to see the DBE maintain the unqualified audit opinion on its financial statements; however, in line with the prior year, noncompliance with laws and

regulations, as well as findings on performance reporting, remained a concern. The main control deficiency that was dominant for DBE was the material non-compliance with supply chain processes, resulting in irregular expenditure. Most of this irregular expenditure was caused by implementing agents due to inadequate project management as well as inadequate coordination of implementing agents. SACE processes for performance reporting remain inadequate, resulting in inaccurate reporting.

4.4.4 Financial Management and Compliance - AGSA touched on the Financial Management Controls as well as the impact on quality or financial statements submitted for audit. DBE made a material adjustment on the financials after the misstatement was identified through the audit process for irregular expenditure. It was noted that continued non-compliance may lead to further irregular and fruitless and wasteful expenditure being incurred limiting funds available to attend to service delivery needs.

4.4.5 Financial Health - With Revenue the debt collection period was greater than 90 days at DBE and the average debt-collection period was 830 days. In respect of expenditure a total of R0,83 million of expenditure was fruitless and wasteful (DBE) and Credit-payment period was greater than 90 days (DBE). The impact was that DBE's financial health has been assessed as concerning mainly due to the delay in paying of accruals and payables within 30 days as 30% (R145 151 000) of the amount owing has been long outstanding. The department will end up attracting the interest which will result in an increase in fruitless and wasteful expenditure. Furthermore, it takes the department more than 830 days to collect the accrued department revenue as a result of the overpayments on the projects. This is due to the delays in finalising the projects after they have reached the practical completion stage.

4.4.6 Compliance with Key Legislation – Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1) (f) of the Preferential Procurement Policy Framework Act (PPPFA) and preferential procurement regulation 2017. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction note 4 of 2015-16. Similar non-compliance was also reported in the prior year. There were no material findings for both Umalusi and SACE, however there were material findings for DBE. Compliance with laws and regulations continues to be an area of weakness for DBE, particularly in the areas around the compliance with SCM prescripts and consequence management. It is concerning that the department did not make sufficient progress in addressing matters of noncompliance. Continued non-compliance may lead to further irregular and fruitless and wasteful expenditure, limiting funds available to attend to service delivery needs. The root cause of the lack of compliance in the areas identified above is the fact that department takes longer to implement the outcomes/recommendations of the investigations in instances of irregular and fruitless and wasteful expenditure. Thus, the repeat findings are being observed in the same areas of noncompliance

4.4.7 Procurements and payments – The status of compliance with legislation on procurement and contract management indicated “with no findings” for both Umalusi and SACE and “with material findings” for DBE. Details of material findings included the following:

- Awards to the bidder who did not score the highest points; and
- Declarations not submitted for production and local content

4.4.8 Irregular Expenditure – The irregular expenditure of R 1,47 billion was incurred by DBE. The irregular expenditure incurred by DBE is due to non-compliance with SCM laws and regulations. The DBE incurred irregular expenditure of R1,5 billion in the current year, of which R0,6 billion related to expenditure on the contracts already disclosed as irregular in the prior years. Although the amount has declined in the current year, the implementing agents are still struggling to implement and monitor controls over compliance with SCM prescripts, as they did not award the bid to the highest scoring bidder as required by the PPPFA, and bids were awarded to bidders who did not submit a declaration on local production and content in accordance with the National Treasury instruction note. Based on the assessment of IE, it was found that the procurement process compromised one or more provisions of section 217 of the Constitution relating to fairness, cost-effectiveness, transparency and competitiveness. However, there was value for money on goods and services that were procured. The Small, Medium and Micro Enterprises may be disadvantaged and uplifting of local business to boost employment severely affected.

The closing balance of irregular expenditure continue to increase. Top contributors to irregular expenditure (implementing agents) included:

- The Mvula Trust (R 680 million);
- DBSA (R 481 million);
- NECT (R 209 million);
- IDT (EC, KZN, LP) (R 48 million); and
- Rand Water (R 13 million).

The department is yet to implement some of the outcomes of the investigations of irregular expenditure. The department has requested treasury to condone the irregular expenditure.

4.4.9 Portfolio Performance – AGSA gave a detailed overview of the quality of performance reports of DBE, Umalusi and SACE before and after audit. SACE could not reliably report on the achievement of targets as the evidence provided differed from the reported achievement in respect of:

- Number of educators supported on professional matters;
- Percentage of professional development providers approved; and
- Percentage of professional development activities endorsed.

This is because management did not prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information. Indicators are also misstated. Over and above the negative audit outcome, it is important to analyse the impact on service delivery the inadequate support and development to the educators will have on critical education areas.

4.4.10 Material Irregularities (MIs) – Material Irregularities meant any non-compliance with or contravention of legislation, fraud, theft or a breach of a fiduciary duty identified during an audit performed under the Public Audit Act that resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource, or substantial harm to a public sector institution or the general public. If an accounting officer or authority does not appropriately deal with material irregularities, AGSA's extended mandate allowed them to:

- Refer material irregularities to relevant public bodies for further investigations;
- Recommend action to resolve material irregularities in audit report; and
- Issue certificate of debt for failure to implement remedial action if financial loss was involved.

AGSA gave a detailed overview of the various MIs identified, the next steps as well as responsibilities.

Material Irregularities identified for DBE included the following:

- Non-compliance in respect of learner materials distributed to learners who did not qualify to be on the Kha Ri Gude programme
- Non-compliance in respect of prepayment for goods not delivered
- Non-compliance in respect of interest paid on payments not made within 30 days
- Non-compliance in respect of payments not made within 30 days resulting in the withdrawal of the contractor from site and cancellation of the contractual arrangement

Regarding AGSA observations, to date the department has managed to recover an amount of R16 million from Implementing agent on prepayment for goods not delivered and further amount is to be recovered from the implementing agent. The department has performed the investigations on the MIs; however, they are yet to institute disciplinary processes against responsible officials. Recommendations for the Portfolio Committee included the regular follow up on implementation of appropriate actions to resolve the material irregularities. It should also follow up on the status of the disciplinary actions against responsible officials and the recovery of the loss.

4.4.11 Report on the Audit of the Annual Performance Report - The AGSA has evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for Programme2 - Curriculum Policy, Support and Monitoring in the Annual Report for the year ended 31 March 2022. Upon evaluation AGSA did not raise any material findings on the usefulness and reliability of the reported performance information for this programme.

4.4.12 Quality of Submitted Financial Statements - The issue with department financial statements is that AGSA noted several material irregularities which the Accounting Officer was dealing with and hoped to conclude by 31 October 2022. DBE made a material adjustment on the financials after the misstatement was identified through the audit process for irregular expenditure. There is a concern that DBE in terms of monitoring compliance, intervention is required. Should noncompliance continue, it may lead to further irregular and fruitless expenditure ultimately limiting funds available to attend to service delivery matters. Umalusi submitted financial statements that did not contain material misstatements and AGSA commended them for clean audit of the past 3 years.

4.4.13 Quality of Performance Reporting - Upon assessments, there were material misstatements raised on SACE reported performance information regarding Professional Development for the following indicators:

- Number of educators supported on professional matters;
- Percentage of Professional Development providers approved; and
- Percentage of Professional Development activities endorsed

AGSA indicated that SACE, management did not implement adequate internal controls that enabled the sufficient review of *the annual performance report*; this led to material findings in respect of the reliability of the selected programme;

4.4.14 Credible Performance Reporting - According to AGSA the usefulness and reliability of the reported performance information were based on the departments approved performance planning documents.

However, AGSA could not evaluate the completeness and appropriateness of the performance indicators that are included in the performance documents.

SACE was unable to reliably report on the achievement of its performance targets as the evidence provided, differed from the reported achievement. The negative audit outcome for SACE in this regard impacted service delivery due to inadequate support of educators.

4.4.15 Consequence Management - In accordance with the PAA and the general notice issued in terms thereof, steps were not taken to prevent irregular expenditure amounting to R1 471 593 000 as disclosed in note 31 to the annual financial statements, which is a contravention of the section 39(1) (c) (ii) of the PMFA and treasury regulation 9.1.1. Most of the department irregular expenditure root cause was the non – compliance with the procurement and contract management prescripts by implementing agents for school infrastructure projects. In respect of Consequence Management, some of the Fruitless and Wasteful Expenditure cases were not investigated. Action included the following:

- Investigation
 - To conduct an investigation on the four (4) incidents as follows:
 - (a) Two (2) cases to be concluded by 30 September 2022
 - (b) Two (2) cases to be concluded by 31 October 2022.
- Need investigation committee with capacity
- Need clear timeframes
- Need to implement consequence management

4.4.16 Audit Action Plan (2021/22 Performance Audit):

- **Fruitless and Wasteful Expenditure** - Possible financial loss incurred as a result of cancelled/stopped projects (Fruitless and wasteful). Action included the following:
 - Strengthening coordination between DBE, IAs and provinces (relevant Units within provinces, i.e. Infrastructure and Rationalisation Unit).
 - Data verification from provinces.
 - Investigation of the Fruitless and Wasteful expenditure.
 - Need investigation committee with capacity
 - Need clear timeframes
 - Need protocol agreement with PED
 - Need appropriate form of contract with IA to ensure accountability
- **Possible overstatement of immovable tangible assets** - Schools reached practical completion and already in use but not yet transferred to provinces. Action included the following:
 - Additional resources have been procured to drive progress on Section 42.
 - IAs report bi-weekly on progress in respect of final accounts and close out reports.
 - Outstanding VOs to be finalised in order for final accounts to be completed.
 - Some IAs are holding weekly meetings to clear the backlogs regarding final accounts.
 - Additional resources added in IAs and PSPs charged for the additional work done by the IA.
- **Possible Fruitless and Wasteful Expenditure** - Defects identified on the ASIDI infrastructure projects. Action included the following:
 - Establish status of each project in terms of Completion
 - Allocate responsibility for Repairs based on status of Completion.
 - For new projects bi-weekly reporting is taking place therefore the problems are minimized.
 - Need to identify the IA, Principal Agent (individual & company)
 - Need implementation of consequence management
 - Need capacity building in DBE on contract management, monitoring & reporting
- **AOPA** - Indicator 2.1.12 (Annual Sector Report is produced on the implementation of the General Education Certificate) actual achievement is inconsistent with the Planned Annual Target. Action included the following:
 - Indicator was reviewed by Management on a quarterly basis and progress reports were provided as evidence. Management reviewed the 2022/23 Technical Indicator Descriptions (TIDs) and proposed amendment from a sector report to a national report. During 2022/24, the DBE will be undertaking a scaling-up process of school participation with the first full-scale implementation of the GEC scheduled for 2025.
 - Need capacity to roll-out
- **AOPA** - The NSNP implementation by the nine provincial education departments was not monitored effectively by the responsible DBE unit. Inadequate training interventions for provincial, district

coordinators and NSNP monitors. Defects identified on the ASIDI infrastructure projects. Action included the following:

- Incorrect information included
- Need capacity to coordinate & monitor training plans
- **Irregular Expenditure – SCM:** Incomplete documents submitted for audit. Action included the following:
 - All procurement of goods and services will be done through SCM
 - Need enhanced SCM capacity (built environment)
 - Need workshop on decision matrix with AGSA / OCPO
- **Non-compliance to laws and regulations – SCM:** Variation orders not approved by the DG. Action included the following:
 - Submit supporting documents to prove that there was no un-approved increase in contract value
 - Need standard operating procedures
- **AOPO - Performance Information:** Actual achievement reported in the annual report does not fall in the current year of audit. Action included the following:
 - The DBE will update the Technical Indicator Descriptions in the 2022/23 APP to include this scenario as a Data Limitation for Annual Sector Report and National Report indicators where applicable.
 - Timelines will be monitored quarterly to ensure that evidence is approved within the reporting timelines.
 - Need capacity to monitor
- **Potential Irregular Expenditure - Potential Irregular Expenditure:** Alleged irregular expenditure not confirmed within 30 days. Action included the following:
 - Investigation:
 - To conduct and confirm assessment on the possible irregular expenditure
 - To conduct an investigation on the eleven (11) affected Implementing Agents as follows:
 - Three (3) cases to be concluded by 31 October 2022
 - Three (3) cases to be concluded by 30 November 2022
 - Three (3) cases to be concluded by 31 December 2022
 - Two (2) cases to be concluded by 31 January 2023
 - Need investigation committee with capacity
 - Need clear timeframes
 - Need to implement consequence management
- **Non-compliance to laws and regulations -** Appropriate action not taken with respect to possible BBBEE certificate misrepresentation. Action include the following:
 - Annual Report and Audited Annual Financial Statements will be submitted to the BBBEE Commission.

4.4.17 DBE Input on Sector Audit - In respect of the Sector Audit the Department of Basic Education explained the work of DBE to support provinces. There were three findings in the Sector Audit on PYEI, NSNP and Infrastructure. The monitoring of how these findings were being addressed has been included in the performance agreements of the relevant DDGs. The Portfolio Committee received a detailed overview of the findings in the Sector Audit in respect of the following (including actions taken/to be taken):

- Basic Education Employment Initiative; and
- National School Nutrition Programme.

4.4.18 Irregular Expenditure – The Department gave a detailed breakdown of the summary of irregular expenditure up to 2021/22 as well as possible irregular expenditure up to 2021/22. This also included a narrative comparison of irregular expenditure per financial year which covered some of the following:

- Date of incident;
- Company involved;
- Nature of non-compliance;
- Fraud and corruption detected;
- Amount involved;
- Goods and services rendered; and
- Officials involved and action taken.

4.4.19 Fruitless and Wasteful Expenditure - The Department gave a detailed breakdown of the fruitless and wasteful expenditure up to 2021/22 as well as possible fruitless and wasteful expenditure up to 2021/22. The details included the following:

- Service Provider;
- Project;
- Item;
- Amount; and
- Progress.

4.4.20 Condonations – The Department also gave a detailed overview and breakdown of the condonations on irregular expenditure with details pertaining to the service provider, condoned amount as well as the status of the application for approval.

4.4.21 Material Irregularities – The Department gave a detailed overview and breakdown of the material irregularities with the status and progress as follows:

- **Interest Paid on Payment not made within 30 days (TCN Architects)** - Infrastructure was briefed on the outcome of the investigation on 25 August 2022. The PSU submitted additional information that will required a revision of the report. The investigation team finalised the analysis of additional information and the report was shared with affected line function for comments after revision. Comments were considered and further adjustment were effected and a final report was circulated for final comments by 7 October 2022. Comments were received, report to be finalised for further action
- **Feedback on Kha Ri Gude Campaign** – Learner materials distributed to learners who did not qualify to be on the Kha Ri Gude programme as controls to verify learners registered for the program were ineffective (inadequate) - The Investigating Officers were to present the solicited information from the DBE to the Prosecuting Authority for completeness of information from DBE and for determination on the way forward, on the case. The Investigating Officers committed to providing updates on the case to the DBE on a regular basis, and the DBE still awaits the first update after the meeting. The HAWKS investigator had an engagement with Internal Audit on the finalisation of the supplementary statement for correctness prior sign off. A meeting is scheduled is for the 12 October 2022 for sign off and for further processing according to their process. Action taken included the following:
 - Salaries of coordinators were stopped in 2016.
 - Chief Director responsible has since passed on and as a result consequence management could not be meted.
 - Final written warnings were issued in 2016 to the affected officials.
- **Prepayment for goods not delivered (Bulk purchasing of material)** - TMT submitted a revised summary of actual purchases amounting to R56 million, which is R22 million lower than the pre-payment of R78 million. R16 million was recovered previously. The balance of R6 million was recovered from TMT management fees. Preliminary calculation of interest on the outstanding amounts was prepared by DBE. This may need to be recovered in future. Working sessions on 5-6 October 2022 with TMT EC mapped the way forward regarding the submission of supporting documents. Similar working sessions will be planned for TMT LP.
- **(Part A): Payments not made within 30 days resulting in the withdrawal of the contractor from site and cancellation of the contractual arrangement (RICTS Interest)** - The revised report after further consultation with the relevant affected line function, ASIDI and SCM to clarify on areas of concerns. The completed and the revised report was shared with DG and Labour Relations. The Labour Relations process of issuing an *audit letter* has started. The Labour Relation Unit has received a response from the affected official to be analysed and further processing. The disciplinary hearing panel has been approved and appointed by the DG. Appointment letters were issued to the Chairperson and the Initiator, awaiting confirmation of a date of the disciplinary hearing.
- **(Part B): Payments not made within 30 days resulting in the withdrawal of the contractor from site and cancellation of the contractual arrangement (RICTS final payment)** - DBE prepared final accounts and final payment certificates. Such final payment certificates reflected an amount due to the DBE. The contractor disagreed with the amounts and responded with an argument of prescription. Rushmere Noah was appointed as legal counsel. DBE gave notice to the Contractor of a dispute - such dispute will be handled in terms of the provisions of the JBCC contract.
- **Monitoring Through Weekly Meetings** – The Department gave a breakdown of a range of meetings as follows:
 - Ministry, DG and Infrastructure Meetings – 63
 - DG's Monday Meetings with Individual Implementing Agents – 456

- Infrastructure Operational Meetings with Implementing Agents – 407
 - DG's Thursday Meetings with CEOs/Heads of Implementing Agents - 76
- The salient points of focus during meeting included
- Clearing of Audit Findings and Matters of emphasis.
 - Timely allocation of projects to implementing Agents.
 - Monitoring the implementation of work plans with targets and milestones.
 - Payment of tranches and invoices to Implementing Agents and contractors.
 - Turnaround time for matters requiring concurrence from the Department of Education.
 - Completed Projects which should be transferred to provinces and Public Works (Section 42)
 - Monitoring expenditure against the allocated budget.
 - Movement of Projects from design, planning, and tender to completion.
 - Delivery of infrastructure Projects through the EIG.
 - Analysis of the cost of delivering infrastructure projects.
 - Dealing with all matters that are outstanding and causing delays to the delivery of projects.
 - Creating job opportunities for young people through the delivery of infrastructure projects.
- **Impact of Monitoring** – The Department also gave details in respect of construction site visits and monitoring at a contractual level. The impact of the monitoring showed the Department has been able to improve its Audit profile from Qualified to Unqualified Audit Opinion. Implementing Agents have been made to sign work plans with clear targets and milestones which are contractually binding. Delivery of projects have been accelerated towards meeting the practical completion schedule (e.g. water, electricity, and inappropriate structures targets in the APP were met and even exceeded). Poor quality of work has been uncovered and responsible contractors, Project managers, Professional Service Providers (PSPs) and Implementing Agents dealt with accordingly. A number of blockages which delayed the delivery of projects have been unblocked. Implementing Agents, Project managers, PSPs and Contractors have been held liable (imposition of penalties) for failure to meet their contractual obligations. Suppliers have been able to increase the capacity to shorten their turnaround for delivery as well as address defects in the design of the equipment and materials. Delays in the payment of contractors, PSPs and Manufacturers (Suppliers) have been addressed. Instances where communities rejected the ABT to build schools and delays caused by business forums have been dealt with. School principals, SGBs, Districts, Provincial officials, and Local Government Councillors got involved in the value chain of monitoring the delivery of projects.

4.4.22 Portfolio Committee Observations and Questions

- Members queried the report on devices procured for special needs learners and sought clarity on reasons for non-delivery as well as the impact this may have on learners. Members also queried the what alternative interventions was put in place to cover short-fall by MTN and Cell C in respect of devices not delivered.
- Regarding the percentage of achievement by DBE on targets – Members queried how the Department was able to demonstrate the link between achieved targets and the impact and evidence of improved learner performance.
- The report from AGSA also touched on the non-effectiveness of the DBE Internal Audit Committee. Members queried how effective the Audit Committee was as well as the shortcomings and capacity issues. Members questioned why such matter could not be dealt with by the Department prior to the AGSA having to report on it.
- Members also raised concerns with the challenges DBE was facing with Implementing Agents (IAs). Members queried whether the Department has been able put in place systems to prevent reoccurrence of irregular expenditure by IAs. Has the Department been able to identify the errand IAs that contribute to challenges of irregular, fruitless and wasteful expenditure. What consequence management was in place to prevent a reoccurrence of these challenges. How many of projects had IAs overspend – what were the overall costs and reasons for overspending.
- It was also noted that the AGSA reported that there was shortcoming in DBE with laws which resulted in non-compliance in respect of lower scoring bidders rewarded work over higher scoring bidders. Members queried the mechanisms in place to avoid such non-compliance. Members also sought further details on those officials in SCM that contribute to such non-compliance.
- Regarding Provincial performance and reasons for poor financial statements and late submission of relevant information – Members queried the interventions in place by the Department to assist such failing PEDs. Members queried whether there was any consequence management against errand officials. Members queried whether the Portfolio Committee would consider calling PEDs to the Portfolio Committee to engage on issues raised in AGSA report.
- It was noted that some PEDs utilised a centralised system for NSNP roll-out, while others used a decentralised system which worked much better. Embers queried whether there was a reason why some provinces used the centralised system – and whether such provinces could be convinced to change to a decentralised system to improve performance on NSNP.
- With the monitoring of underperforming schools and IAs, Members queried whether the Department

could consider new mechanisms to solve challenges of implementing agents in respect of building schools - and have collaborative models for building schools, especially in disadvantaged areas.

- Regarding possible fruitless and wasteful expenditure investigations current taking place, Members queried what the timelines were for reporting on these.
- Members noted the DBE team working with Higher Education in respect of bridging the gaps between the two Departments. Members queried whether there were statistics on tracking of matriculants who may have entered universities or opting to enter the job-market.
- In respect of Funza Lushaka graduates that are not placed, Members queried how they are being accommodated.
- There was a significant investment by tax-payers into the Basic Education Sector. Members sought clarity on what the yield and impact of the investment to the Department was. There was a need to see a positive return on tax-payer investment to DBE.
- Regarding research, Members queried the number of research reports completed in last year - and how many research projects were targeted. Members also queried the number of research reports uploaded to the research suppository.
- Members sought further information on steps to be taken in respect of the Second Children's Amendment Bill.
- With home-education/home schooling, Members queried the number of applications received by the Department. Members queried why around 40 percent of applications had been refused/rejected and reasons for the number of registered home schools dropping so drastically.
- On the roll-out of CSE, Members sought figures pertaining to learners expelled for sexual misconduct and abuse or learners falling pregnant, those referred for abortion or referred for contraception.
- Regarding school closures, it was noted that the report did not cover details on school closures. Members queried the historical value of infrastructure expenditure for schools closed – and what was the trend.
- With irregular expenditure (R240 million) reported in the past, The Director-General indicated that about R60 million had been retrieved and reported in previous financial year. Members queried how much money was retrieved specifically for ASIDI apart from the R60 million already reported on.
- Provinces continued with non-compliance with submitting of relevant information. Members queried interventions from the Department to ensure compliance and strengthen daily, monthly and supervisions of internal controls.
- It was noted there was overspending and money being directed for purposes not intended for. Members queried who approved such redirecting of funds and whether there was any consequence management in place against errand officials.
- Members queried whether the Department was ensuring that recommendations and findings of the AGSA was prioritised and implemented.
- Regarding procurement challenges with service provider and contractors, Members queried why such errand contractors were not being charged and/or expelled. It would seem the Department was not doing enough to hold those accountable and rectify repeated mistakes.
- Regarding legal matters, Members queried the financial implication for the Department for cases finalised and those cases pending.
- Members also sought clarity on the report of tenders which may have been cancelled – and the delivery expectation and delivery process for tenders.
- On issues of the General Education Certificate (GEC), Members sought details on progress in respect of the pilots run by the Department and the lessons and observations in this respect.
- With ECD, Members queried the findings and recommendations on the new ECD landscape and new ECD funding model.
- Regarding ICT, Members queried whether the Department had a sector plan for digitization platforms for schools based on capacity.
- In respect of HIV/Aids, Members queried whether there was an annual business plan for the programme as underspending of the grant was noted. Members further sought clarity on the challenges with implementing this grant – as well as challenges with underspending.
- With school sport and the MIG grant allocation to schools as well as municipalities allocated certain percentage for sport, Members queried whether there had been any engagement/collaboration with COGTA in respect of sporting facilities made available.
- Members also sought clarity on issues of underspending in respect of financial performance on buildings and fixed structures.
- Members also sought clarity on reasons for overspending for goods and services.
- In respect of monitoring, Members queried the frequency of monitoring by the Department of PEDs annual operation plans – and whether monitoring reports could be shared with the Portfolio Committee.
- It was noted that the bulk of irregular expenditure may have been due to challenges with Implementing Agents and inadequate project management.

- It was noted that SACE as an entity was struggling to produce credible audit reports.
- Provinces who do not provide relevant reports and information needed to be sanctioned and Members queried the interventions from the Department in holding them accountable.
- Regarding the NSIPD grant, Members commended the Department on implementation and queried what the Department may do differently in the coming year.
- With the EIG, Members queried how many new school were planned and how many were built from the current budget. Members also queried whether the grant allocation went directly to PEDs - without them having any plans in place to adequately utilise these funds.
- Members also queried reasons for money being returned to National Treasury which was meant for LTSM.
- The BEEI was a good initiative and Members queried why the initiative could not be sustained over a longer period – as it offered much needed employment to youth. In other countries, teacher assistants were a norm.
- Members also queried why the Department was not able to give the Committee an updated report on COVID-19 expenditure for the Department and PEDs. Members sought a consolidated report on the matter
- Members were clear that will all said and done, there seemed to be a lack of consequence management at the Department and PEDs

4.4.23 AGSA Conclusions and Recommendations

4.4.23.1 Overall Root Causes of Significant Findings - DBE and SACE did not implement effective preventative controls over preparation of financial statements and annual performance report. DBE did not put in place adequate controls to prevent non-compliance with procurement legislation.

4.4.23.2 Key Recommendations to and Commitments by Accounting Officers and Authorities:

- All role players should continue to work together to strengthen the capacity, processes and controls of entities in the portfolio, which will enable credible financial and performance reporting, compliance with key legislation, sound financial management and improved service delivery.
- The department is urged to strengthen and improve on monitoring and controls relating to compliance with legislation. Instances of non-compliance were still evident in a number of audit focus areas reviewed as part of our scope. Some of these instances resulted in financial losses and likely financial losses for the department, as evidenced by material irregularities of which the accounting officer was notified.
- The department must ensure close monitoring of supply chain processes which will serve as a deterrent for non-compliance while ensuring that all role players discharge their responsibilities.
- The department ought to put more effort to deal with irregular and fruitless and wasteful expenditure and instances of such possible expenditure for ensuring accountability.
- Consequence management should be instituted timeously against all transgressors and recoveries made of all losses incurred. Institutionalising financial disciplines at all the entities is still critical. This will ensure credible financial and performance reporting that is supported by evidence.
- The department should strengthen daily and monthly controls to ensure credible financial reporting that is supported by reliable underlying supporting schedules. This was shared with the department and will be incorporated in the remedial plan,
- The department should continue holding implementing agents and department officials accountable in ensuring quality school infrastructure delivery.

4.4.24 Education Sector - Irregular and Fruitless and Wasteful Expenditure over 3-years for the Sector – The AGSA gave a detailed breakdown of the irregular and fruitless and wasteful expenditure incurred by the Department in the sector. A total of 100 percent of the irregular expenditure incurred in the sector was due to noncompliance with SCM laws and regulations while the highest contributors to the fruitless and wasteful expenditure in the portfolio was:

- Free State (R 12 501 000) (infrastructure projects poor quality work);
- Eastern Cape (R 7 004 000) (interest on late payments); and
- Mpumalanga (R 1 372 000) (payments made for closed farm schools)

AGSA also gave a detailed breakdown of the nature and status of the Material Irregularities for the Sector.

4.4.25 KwaZulu-Natal Floods Real-Time Audit – The AGSA gave a detailed and comprehensive presentation on the impact, cause and recommendations regarding the KwaZulu-Natal floods. This included details on the number of schools damages and the number of mobile units planned. AGSA also noted some of the following:

- **Lack of coordination in department resulting in inadequate needs assessment:** For example, only 13 mobile classrooms were allocated for 880 learners.

- **Procurement weaknesses:** Pre-qualification criteria used were not in line with Preferential Procurement Regulations and suppliers appointed to panel did not meet pre-qualification criteria; no evidence of objective criteria set for allocation of work to suppliers; work not equitably allocated to suppliers on panel.
- **Incomplete installation of mobile units:** Of the 53 units reported as complete, none of the 16 units sampled (100%) had been completed during site visit and handing over had not taken place.
- **Deliverables not per specifications:** Various quality defects, including poor positioning, instability, poor support, electrical non-compliance and inadequate weather proofing. Equipment and learning materials not delivered: Rain-damaged furniture, equipment, stationery and books had not been replaced.

4.4.26 Value-Add Work Performed on Education Sector Service Delivery

4.4.26.1 National School Nutrition Programme – The audit was conducted at 9 provinces, 18 education districts and 180 schools. Some provinces transferred funds to schools while others managed procurement on behalf of schools.

- **Impact:** The implementation of the NSNP improves the livelihood of learners from poor socio-economic backgrounds. However, in some instances, learners were served meals in an undignified manner and in an environment prone to contamination and food poisoning, which could negatively impact the learning capacity of these learners.
- **Cause:** Some schools did not discharge their roles and responsibilities; proper guidance was not given; monitoring not done adequately while reporting was not done consistently.
- **Recommendations:** Provide directives for schools to align the NSNP planning, monitoring and reporting to the annual management process to compel schools to include NSNP when they do school self-evaluation. Include the NSNP actions in the school improvement plan and report quarterly and annually on the progress made in improving NSNP implementation.

AGSA Overall Observations on NSNP Service Delivery:

- AGSA noted that schools did not manage school nutrition programme effectively –
- In most provinces except Gauteng, it was noted that some schools did not have functional NSNP committees and coordinators and in some schools the committees were not aware of their roles and responsibilities.
- The delivery and management of NSNP stock was not done effectively - At some schools, food items were not delivered timeously or not delivered at all, resulting into schools experiencing shortage of food items thereby affecting the provision of healthy and the right meal portions. Some schools did not have a stock register and record of stock reconciliations, and it was difficult to determine whether the schools use the first-in first-out system.
- NSNP funds were used for purposes not related to the meals programme - In North West, eight schools (40%) out of the 20 visited used the NSNP funds extensively for other purposes such as construction of pavements, carports and buying products not related to NSNP. In the Northern Cape, a school had not served food to learners since February 2022 because the NSNP funds were used for disaster management.
- Schools did not adhere to hygiene and safety regulations - In some schools, food handlers did not use the prescribed personal protective equipment or meals were prepared in an uncondusive environment.
- Monitoring, support and reporting not consistently done - Monitoring, support and reporting not consistently done by those responsible at different levels.

4.4.26.2 Basic Education Employment Initiative (BEEI) - Phase II of the Basic Education Employment Initiative (BEEI) was implemented with the objective of creating fixed-term job opportunities for unemployed youth in the 18-35-year age cohort. Phase II aimed to appoint an estimated 287 000 assistants at a cost of R6 billion over five months. The audit focused on whether the objective was achieved and whether the initiative was efficiently and effectively implemented. The audit was conducted at DBE, 9 PEDs, 18 education districts and 180 public schools.

- **Impact:** Full use was not made of the opportunity to improve the youth's future employability as intended, among other objectives.
- **Cause:** Short-term nature and limited capacity in the PEDs resulted in the initiative being implemented under constraints and competing priorities. Training was hampered by delayed procurement of training services, non-availability of transport, and accommodation and network issues. Progress was not adequately monitored and reported to enable timely corrective action.
- **Recommendations:** Dedicated staff should be made available by education departments and schools to efficiently and effectively implement short-term projects such as BEEI, including recruitment, appointment, management as well as monitoring and reporting. Intergovernmental processes should be improved to ensure double dipping does not take place

AGSA Overall Observations on implementation of BEEI:

- Recruitment and appointment processes:
 - a. Assistants did not meet the appointment criteria in terms of:
 - i. qualifications and age
 - ii. youth without criminal records
 - iii. youth not receiving other income, stipends, grants.
 - b. Contracts and job descriptions for assistants did not conform to project framework.
 - c. Replacements were not appointed upon contract terminations.
 - d. Some of the appointed assistants did not acquire formal training.

Instances of double dipping, especially the SRD grant, were prevalent in all nine provinces resulting in an average of 53 548 assistants also receiving SRD grants per month, with total SRD grant payments of R150 251 150 over the 5-month period to appointed assistants.

- Attendance, leave administration and payment of stipend:
 - a. Inadequate management and monitoring of assistants because daily attendance was not adequately recorded. This, together with late issuance of guidance on the pro-rata payments by the DBE in December 2021, resulted in absenteeism exceeding the entitled leave as per the framework without pro-rata payments being implemented. Pro-rata payments were also not implemented where appointments and terminations took place during the month.
 - b. Incorrect calculation of UIF resulting in overpayment of assistants and under deduction of UIF contributions to be paid.

4.4.26.3 Infrastructure - For the 2021-22 audits, AGSA focused on grant management across sectors. The audit included an assessment of the department's utilisation of education infrastructure grants as well as school's backlog grant (ASIDI). Key projects funded by this grant were identified, tested and reported on. The AGSA also detailed the infrastructure project life cycle with an overview of findings across the life cycle. AGSA also listed the number of provinces with findings for Education. The Departments are struggling to provide quality education facilities in a successful and timely manner. Some of the deficiencies identified included the following:

- Inadequate project planning;
- Ineffective project implementation (monitoring and supervision) and management
- Lack of consequence management to rectify problems and encourage accountability from both client and contractor
- Ineffective project management
- Lack of intergovernmental relationships to ensure that suitable resources are timeously acquired.

It is reassuring that not all school projects that were included for a follow-up, yielded repeat findings. However, the follow-up on prior year findings did confirm the inability of some accounting officers to implement a responsive action plan to address findings. This is indicative that our call for action has not been taken seriously, and we therefore raise repeat findings.

The availability of schools and classrooms impacts on the teaching environment, while a lack of infrastructure affects teaching and learning negatively. The examples below reflect on the impact that the poor management of infrastructure projects has on the lived experience of the citizens:

- Laerskool Frikkie Meyer (GP) - Access to the refurbished school was delayed as a result of poor planning. Management did not exercise adequate oversight in planning of the project to ensure that the factors impacting the contractual timelines are identified in time and addressed. Therefore, the contractor was waiting for instructions to proceed with certain activities on site. Earthworks and alterations were incomplete, waiting submission of compensation events by the professional team. Delay in completion of a 12-month refurbishment contract. The delay impacts the community negatively as the refurbishment has not been completed in time and access to finished facilities is postponed. It also increases cost to the department in terms of renting mobile classrooms for a longer period than planned.
- Batlharo Tlaping Secondary School (NC) - Project to build new hostels and facilities in order to address the issue of learners having to travel long distances from their homes to get to school. The works were certified as being practically complete (fit for use) yet there was no electrical connection to the main supply. The value of the electrical installations on the priced bill of quantities was R2 384 223,70. The amount paid could not be confirmed.
- Kidston Junior Primary School (R128 397 029) - Practical completion was achieved in October 2021; however, in May 2022 the school was occupied by less than half of its capacity. A lack of intergovernmental relationships to ensure that suitable resources are timeously acquired in order to fully utilise the school. The utilisation of the facilities rests with the provincial department.

- Dinizulu Senior Secondary School (EC) - This project was delayed by 40 months, or more than three years. Delayed payments by the department caused many stop-and-goes on the project. The project management team was not effective in addressing project quality issues and enforcing quality control timeously or addressing the poor workmanship of the contractor. It is reassuring that not all the school projects that was included for a follow-up, yielded repeat findings. However, in some instances, the follow-up did confirm the inability of some accounting officers to implement a responsive action plan to address findings. This impacts on the timely delivery of quality education in an efficient and effective way. For example:
- Jubilee Park Primary School (EC) - Due to poor planning by the IA and professional team, the school incurred multiple re-measurement, resulting in cost increases. The project was also delayed due to late payment by the department. Project variation orders increased the contract sum by R28 012 533,95, which is 36,37% over the original contract sum of R77 013 582,04. Variation orders to the value of R13 097 254,64 were also more than the 20% threshold, and no approval was sought from the relevant treasury. The R13 million constitutes irregular expenditure.
- Malebogo Primary School (FS) - The project achieved only partial practical completion on 31 March 2022, approximately five years later than the planned practical completion. During our site visit on 21 June 2022, some deliverables such as the hall, were still outstanding as the contractor prioritised completion of the learning and teaching facilities. Prolonged delays in completion of the project also exposed the department to cost escalations and/or cost overruns as the project cost escalated by R23 965 925 or 54% from R44 003 073 to R67 968 998.

Prolonged delays in completion of the project resulted in numerous incidents of unrest and uprisings by the community who demanded immediate completion and occupation of the facilities.

4.4.27 AGSA Overall Recommendations - AGSA having evaluated the report, on infrastructure recommends that the Department of Basic Education (DBE), should pay attention to the following:

- Improve planning processes of projects to ensure that correct needs are identified and addressed.
- Plan adequately to reduce delivery delays, unnecessary extensions, and cost increases.
- Manage projects adequately. Address deviations from the contract or poor performance promptly in terms of the contract (implement penalties or terminations immediately once the deviation is discovered)
- Prioritise completing projects and avoid the risk of unnecessary time delays and cost escalations.
- Improve project management and monitoring to ensure that all instances of poor workmanship are promptly identified and rectified.
- Ensure that the draw on the experience of past infrastructure audits for guidance that provides valuable direction for the leadership and governance structures of auditees to improve the service delivery associated with infrastructure.
- To improve the audit outcomes for the education sector, leadership should enforce the implementation of preventative controls to strengthen the control environment as this will be much more effective.
- The leadership of the sector should ensure the standardisation of the sector and inclusion of the MTSF indicators in all APPs of the education departments and implement the accelerated interventions for realisation of MTSF aspirations.
- The DBE and PEDs should ensure that there is tight monitoring provided to education districts and schools on adhering to NSNP grant requirements when spending on the meal provision and that all unspent funds from schools are collected and reallocated where the need is.
- The leadership in the auditees needs to ensure that the monitoring of adherence to compliance is strengthened and improved and that consequence management processes are intensified to address the root causes of transgressions.
- Leadership should further strengthen the in-year monitoring and corrective action put in place to enable prudent and efficient spending of the budget and proper cash flow management in order to improve the status of the financial health of most of the sector auditees.
- The department should follow up on the progress made in implementing appropriate action to resolve the Material irregularities within the sector.

4.4.28 AGSA Portfolio Committee Recommendations - During the engagement with the Portfolio Committee, AGSA recommended the following to improve the Audit Outcomes:

- Monitoring and conduct regular follow up with the executive authority and the accounting officer
- Assess progress on processes implemented by the department to further strengthen the controls around the management of the implementing agents.
- Follow up with the department to ensure that remedial actions as well as consequence management processes are implemented.
- Follow up on the commitments made by the accounting officer on addressing the material irregularities reported.
- Follow up with the accounting officer with regards to progress made on standardization of the sector and including of MTSF indicators in Annual performance plans of the departments and achievement thereof.

4.4.29 PC on Basic Education Observations and Questions:

- Members raised concern with entities who had not improved on issues of irregular expenditure – and whether there was an audit plan in place to address such matters. Yearly, AGSA made certain findings and recommendations. Members queried whether these were being implemented by entities -with little or no accountability measures in place. Members also queried what happened when entities did not agree with AGSA findings and recommendations, and if so, who were these entities and how was the matter resolved. How did AGSA address challenges with entities not submitting relevant information on time.
- The AGSA presentation seemed to confirm much of the concerns regarding Implementing Agents (IAs) as they negatively impact on service delivery in the sector. DBE was placing much of the irregular expenditure at the door of IAs – a matter that needed engagement with DBE. Members sought clarity and details pertaining to deviation of projects and project budgets exceeding original costing and exceeding allowed adjustments.
- Members also raised issue in respect of targets identified and the usefulness of such targets – some targets were questionable.
- Members noted the list of IA offenders and sought clarity on what the type of offences entailed.
- It was noted that certain provinces did not submit information on time as required. Members sought clarity on reasons for not submitting on time as well as the possible implications in this regard.
- In respect of the appointment of Teacher Assistants, Members queried whether there were systems in place to eliminate/avoid similar challenges of the past for the new intake.
- With lessons learnt during the COVID-19 pandemic, Members queried whether AGSA was doing thing differently in respect of compliance processes etc.
- Regarding the recouping of outstanding money from errant IAs, Members queried whether the AGSA had any advice and remedial action for DBE in recouping monies owed to them. Members also noted that there were no consequence management processes in place. Members also queried the extent of enforcement of contract conditions in respect of poor contract management, where performance information by IAs was not being complied with.
- With the current financial situation all aspects of life were being affected, especially budget cuts. Members queried how the Department could attract additional financial support outside of the fiscus.
- Members raised concern with the audit outcomes for SACE and requested AGSA to offer their views on the reasons and challenges faced by SACE – was SACE implementing AGSA recommendations and findings.
- Members noted and sought clarity on the discrepancies with the costing for mobile classrooms supplied to flood-damaged schools in KwaZulu-Natal.
- Regarding the R 15billion irregular expenditure, Members sought clarity on the name of the company who received the contract.
- Members also queried whether AGSA was addressing the issues around grade-inflation and the intended cost increases.
- Members also queried how performance was being reported and whether DBE performance was being assessed in respect of the impact of the investment.
- Regarding school infrastructure not being fully utilised, Members queried whether there was an indication of money spent on school infrastructure not being fully utilised.
- Members also sought clarity on the money DBE needed to recover from previous audit reporting. The Director-General had promised monies would be recovered as far as possible. Members queried how much had been recovered to date.

4.4.30 AGSA Responses to PC on Basic Education Observations and Questions

The Portfolio Committee was briefed on the audit processes and the support and collaboration between AGSA and DBE. The engagements had become more progressive with time. With the amendments to the Act, the AGSA was able to report on issues pertaining to Material Irregularities (MIs). It was important that each of the various role-players discharged their duties and responsibilities as per the Act. An explanation on the manner of auditing performance was explained with performance auditing being transparent and supported. In the main, targets needed to be defined and reported. AGSA had also introduced Value Added Work Performed. The AGSA would submit a report to the Portfolio Committee on highlighting those provinces who may have excluded budgets for projects.

The AGSA also alluded to issues pertaining to the usefulness of targets and the method of achieving targets not properly defined. It was important that targets were clearly defined for consistent measuring of targets. Regarding SACE, it was mentioned that, in the main, SACE was not implementing AGSA action plans and required further in-year monitoring supported by evidence. AGSA teams visited various projects and engaged IAs in respect of consequence management and the lack thereof. AGSA teams also scrutinised payment certificates on site. Many provinces were experiencing delays in projects being completed and this may lead to un-utilised facilities. In respect of the damaged classrooms in KwaZulu-Natal, it was mentioned that an entire analysis was done which included the evaluation of flood-damaged schools as well.

The Employment Initiative was an intervention that provided relief to families and communities. As a sector the initiative had a specific framework and targeted group – and needed to determine the aspiration intended for youth. It would seem there was deviation from the framework and the targeted youth. There was a need to ensure all relevant data from all departments to be utilised in identifying the targeted youth. The AGSA would ensure the Portfolio Committee received certain responses in writing.

4.4.31 DBE Responses to PC on Basic Education Observations and Questions

The Director-General, Mr H Mwel, agreed with the AGSA findings made. He agreed there was still much to be done but reminded Members of where the Department had moved in the last few years in respect of qualified audit outcomes being reduced. He further agreed that DBE engagement with AGSA had improved with good collaboration. Further to this, the Department had a strong Audit Committee holding them accountable. The Chairperson raised concerns with the SACE audit outcomes and a need for DBE and relevant stakeholders to assist and ensure proper consequence management where necessary

4.4.32 Portfolio Committee Recommendations

Based on the observations made from inputs received, the Portfolio Committee ordered that the Minister should ensure that the Department, in collaboration with the AGSA, must consider the following recommendations:

- Ensure that SACE is supported and guided to improve on audit outcomes – with consequence management enforced against errand officials, 30 days after the adoption of this report.
- Ensure that SACE is able to comply and implement AGSA recommendations, action plans and findings with immediate effect and that SACE reports back to the Portfolio Committee on implemented recommendations 90 days after the implementation of this report.
- AGSA be given more powers to enforce audit findings and recommendations to be implemented by entities
- Consequence management must be enforced on entities who do not submit relevant information timeously.
- Members recommended that AGSA should submit written reports on the following:
 - Detailed report on highlighted provinces who exceed their budgets for projects and exceed allowed budget adjustments
 - Details report on the offending Implementing Agents as indicated in the report – as well as breakdown of their individual offences.
 - Detailed report on the Service Provider who incurred irregular expenditure of R1.5 billion
 - Detailed report on any new/current school infrastructure not being utilised fully
- AGSA should ensure expediency of targets set by entities
- Ensure that systems are in place to mitigate and minimise challenges experience in the past in respect of the employment/appointment of Teacher Assistants, 60 days after the adoption of the report.
- AGSA support and advice on possible remedial action respect of recouping of monies owed by Implementing Agents to the Department.
- AGSA support and advice on how the Department could attract further financial support outside of the fiscus if possible.

4.4.33 Responses by the Department of Basic Education

Much of the Report of the Department had been augmented after the engagement with the AGSA at a previous meeting – taking into consideration the comments and questions of Members of the Portfolio Committee. It was important that the Department also acted on matters not carried out by PEDs as expected. Some targets were not within the Department's control and the Department could merely appeal to PEDs to assist. The Department had ongoing engagements with accounting officers in their own right and collaborated well where concurrent function allows. The Department welcomed the call from the Portfolio Committee to engage directly with PEDs to account before it. With such meetings to be considered, the Department would assist PEDs to adequately prepare for such engagements with the Portfolio Committee. Beside the Department continuing to correspond with PEDs in writing and engage in meetings, there was not much more the Department could do. The Department, in its engagement with the Portfolio Committee was always open and honest in respect of reporting. With consequence management, the challenges were that the Department was not the employer of officials in PEDs – and had no authority to carry out consequence management against such errand officials. The best the Department could do was engage with the HODs to act against errand officials.

The Department further explained some of the detail pertaining to the irregular expenditure in the Eastern Cape which involved the ECPED and SITA. The issues were of a legal nature which touched on issues of authority to procure ICT. The Department was not directly involved but would ask that the Eastern Cape Provincial Education Department submitted a report on the matter to be shared with the Portfolio Committee. When PEDs are called to the Portfolio Committee, they may need to account on COVID-19 expenditure as well. With the BEEI initiative, the Department agree that this be considered a more permanent arrangement over a longer period as it has made a difference in schooling and the lives of young people. This sentiment

has been expressed at National Treasury and Cabinet levels and there was hope that the new programme may become more permanent to create employment opportunities for our young children. Regarding the R200 million, the Department indicated that the money was redirected to well-performing provinces, if not, the money would have been lost the education sector for EIG. With LTSM matters in the Eastern Cape, the Department explained that the allocation was only made available to the PED in December – much too late for LTSM procurement. Regarding the R11 billion, the Department would need to engage PEDs for a detailed report on utilisation of the funds for which targeted projects – the report could be shared with the Portfolio Committee. The Department further indicated that spending of the grant for Learners with Disabilities could have been better. The Department was extending meeting invitations to PEDs on this grant performance to urge for improved performance on the grant. The Department would also ensure the Portfolio Committee received a detailed report on procurement/provisioning of assistive devices for special schools through network providers.

In respect of SACE, the Department continued to work with the entity to improve on their level of performance – but accepted there were some challenges. It needed to be noted that SACE also had its own audit committee which was regulated by law. The best the Department could do was offer advice. Regarding the challenges with implementation plans was that it was located in the nexus of concurrent functions – and provinces were not subordinate to any other Department. The Department was not always able to intervene as quickly as they wished to as the law did not always allow for this. The Department was not the employer of officials from PEDs and therefore were constrained in what they could do. The Department would submit a detailed report on DBE monitoring and frequency of monitoring to the Portfolio Committee. With ICT, the Department mentioned that this was driven by the ICT strategy which the Department could share with the Portfolio Committee. The Department continued to work with network operators to ensure adequate procurement of the necessary resources. With the GEC progress, the Department had an in-principle approval from Umalusi for the GEC and the Department was working to increase on the pilot programme. The GEC pilot started in 2021 and was based on a phased approach and focused on one component of the GEC. There were various components for the GEC explained. This year the Department was looking at inclinations assessment i.r.o attitude and interest of learners. The full scale implementation of the GEC may be in 2025. In respect of the DBE Internal Audit Committee, the Department acknowledged there were challenges with capacity and the Department had approved additional personnel with a review of the current internal audit structure. In the interim the Department has also employed personnel on fix-term contracts to enhance capacity in the internal audit committee. All recurring findings from the AGSA was being addressed by the Department and recommendations were being implemented. The Department no longer allocate projects to any errand service providers/Implementing Agents. The Department would follow-up on the matter raised by a Member in respect of a case in the North West Province – and requested the Member offered more details for a proper investigation. Regarding the impact of the work of the Department, it was agreed that inputs and outputs were not the only reporting focus. Departmental planning did focus on the impact of outcomes. An intervention could be made by DPME where many of the issues could be addressed - to look also at impact. For many programmes, impact could take some time for implementation to settle.

Regarding school closures, the Department's report was based on the APP and if not a target in the APP, it may not be included in the report submitted. With home-education/home schooling, the Department offered to make all relevant statistics and detailed information on applications and registration of home schooling/home education. The only legislation currently developed by the Department was the Basic Education Laws Amendment Bill. It was explained that all Funza Lushaka graduates who could not be placed would be allowed to find placement elsewhere as the need arises. The Department noted that the Portfolio Committee had an outcry regarding the priority appointment of Funza Lushaka graduates. It needed to be noted that schools appointed graduates as per the priority and needs of the schools. What was challenging being that Funza Lushaka bursars also changed their subject choices - and it may be that schools did not require them specifically. The Department had not done any research in respect of learner tracking for those who enter the job-market or enter universities. The Department would make available a report to the Portfolio Committee on projects of Implementing Agents where there was irregular expenditure. The Department also noted some complications between the lowest and highest bidders for projects – as the highest bidder was not always the best for the project. The Department was engaging with all relevant stakeholders in respect of how tenders were being awarded. Where there was irregular expenditure/overspending on projects, the Department also requested IAs to take action against their own errand officials. The Department also explained their priorities for delivery of infrastructure, devices and connectivity to schools – starting with special needs schools. It was also raised that there was a myth that there was a shortage of teachers. This was not true and the Department continued to analyze teacher cohorts, age and teacher retirements. On misconduct cases concluded, the Department would submit a detailed report to the Portfolio Committee.

4.4.34 Portfolio Committee Recommendations

Based on the observations made from inputs received, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education consider the following recommendations:

- In collaboration with network providers, ensure devices procured for special needs learners is delivered to schools in question. Where this is not possible, the department should consider

alternative interventions to cover the short-fall in respect of devices not delivered, within 30 days after the adoption of this report.

- Ensure that the DBE Internal Audit Committee is adequately resourced, capacitated and staffed to be more effective.
- The Department, needs to review the current audit committee structure to improve on performance.
- Tackle the challenges with Implementing Agents, address such challenges through the necessary systems put in place to prevent reoccurrence of irregular expenditure.
- The Department must ensure that adequate consequence management is implemented against any errand officials and Implementing Agents. The Department should further consider having repeat offenders charged or expelled from service.
- Ensure PEDs are held accountable/sanctioned for non-compliance with submitting relevant information and data to the Department timeously.
- For effective compliance, the Department must support and provide assistance to non-complying PEDs.
- The Department should strengthen its monitoring and support to PEDs and consider a single de-centralised system for the roll-out of the NSNP for all provinces
- Initiate and convince those utilising the centralised system to change to a de-centralised system.
- Submit a report to the Portfolio Committee 60 days after the adoption on the following:
 - A detailed report on fruitless and wasteful expenditure investigations underway.
 - A detailed report on research projects completed – and envisaged new research projects
 - A detailed report on applications and registration of home-schools/home-education
 - A detailed report on procurement/provisioning of assistive devices for special schools through network providers.
 - A detailed report on projects of Implementing Agents where there was irregular expenditure
 - A detailed report on the tenders which may have been cancelled by DBE
 - A detailed report on misconduct cases concluded.
 - A detailed report on the R11billion utilised by PEDs for targeted projects
 - A detailed report on the status and progress with the GEC qualification
 - A detailed consolidated report on the COVID-19 expenditure for the Department and PEDs
- Collaborate with Institutions of Higher Learning in respect of statistics on tracking of matriculants who may have entered universities or opting to enter the job-market.
- Ensure all AGSA recommendations and findings are prioritised and implemented, and reported back to the Portfolio Committee
- Collaborate and engage with COGTA in respect of the MIG grant for school sport
- Ensure focused assistance and support for SACE to ensure better performance in producing credible audit reports.
- Engage with National Treasury, for a more sustained BEEI initiative for a longer period.
- Implement consequence management and sanctions against errand officials, service providers and Implementing Agents.
- The Portfolio Committee schedule direct engagement with PEDs to account before it.

4.5 Statutory Bodies and Entities

4.5.1 Financial and Fiscal Commission (FFC)

4.5.1.1 Infrastructure Expenditure Trends

Accelerated School Infrastructure Delivery Initiative (ASIDI) – The Accelerated School Infrastructure Delivery Initiative (ASIDI) was introduced in 2011/12 and aimed at:

- Eradicating inadequate, unsafe and poor physical infrastructure by using allocated funds properly
- Eliminating backlogs in school infrastructure
- Upgrading schools to meet the standards prescribed by the Norms and Standards for School Infrastructure

Funding for ASIDI flows to the DBE through the School Infrastructure Backlog Grant (SIBG) allocations. The SIBG was established with intention of being a high impact, temporary intervention. SIBG was scheduled to end in 2017/18, then in 2018/19, and to be merged with the Education Infrastructure Grant, but has been extended in order to complete projects underway/in the pipeline. Grant is characterised by complex delivery chain involving, DBE, provinces, DBSA and contractors. Since inception, R21.6 billion has been allocated in respect of SIBG which is used to fund the ASIDI programme. On average 75,2% (R17.3 billion) of the allocated amount has been spent.

4.5.1.2 Education Infrastructure Grant (EIG) – The EIG was introduced to:

- Accelerate the construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education

- Enhance capacity to deliver infrastructure in education
- Address damaged education infrastructure
- Assist in ensuring that targets set out in the minimum norms and standards for school infrastructure are met

The EIG is a schedule 4 conditional grant to provinces. It is therefore meant to supplement provincial allocations: provinces are also required to make contributions from PES. Over past few years' allocations to EIG have been cut due to fiscal consolidation efforts. A total of R99.2 billion was allocated to EIG between 2011/12 and 2021/22. Relative to general spending performance of infrastructure conditional grants, EIG has performed well - actual spending averages 95.7% over the period 2011/12 and 2021/22.

4.5.1.3 Expenditure Patterns in respect of Non-Infrastructure Conditional Grants

Non-Infrastructure Conditional Grants: Growth in Allocations to Non-Financial Conditional Grants, 2015/16-2021/22

Conditional Grant (R'000)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
National School Nutrition Programme Grant	5,700,238	6,080,058	6,597,737	6,995,175	7,244,247	7,745,990	8,434,297
Maths, Science and Technology Grant	329,472	380,683	370,887	412,337	401,552	364,802	459,021
HIV and Aids (Life Skills Education) Grant	214,802	231,406	245,813	246,660	264,827	195,337	253,010
Learners with Profound Intellectual Disabilities Grant			72,000	191,193	234,849	255,803	262,486
Growth in Allocations (%)		2015/16-2016/17	2016/17-2017/18	2017/18-2018/19	2018/19-2019/20	2019/20-2020/21	2020/21-2021/21
National School Nutrition Programme Grant		6.7%	8.5%	6.0%	3.6%	6.9%	8.9%
Maths, Science and Technology Grant		15.5%	-2.6%	11.2%	-2.6%	-9.2%	25.8%
HIV and Aids (Life Skills Education) Grant		7.7%	6.2%	0.3%	7.4%	-26.2%	29.5%
Learners with Profound Intellectual Disabilities Grant				165.5%	22.8%	8.9%	2.6%

The largest conditional grant is the National School Nutrition Programme grant – allocated just over R8.4 billion in 2021/22. The smallest grant is Learners with Profound Intellectual Disabilities – allocated R262.5 million in 2021/22. The fastest growing in 2021/22 are the HIV/AIDS and Maths, Science and Technology conditional grants. Generally spending has been aligned to allocations. The dampened spending recorded for 2020/21 should be seen in the context of the Covid-19 pandemic and its impact on the sector – definite improvement across all grants in 2021/22. Reasons for underspending include:

- Delays by service providers to deliver on time
- Delays in filling vacant posts
- Delays in supply chain management processes
- Poor management of procurement plans by PEDs

4.5.1.4 Equity in Education – Provincial Equity Share (PES) contributes significantly to the Provincial Fiscal Framework. An important aspect to the PES allocation formula is its heavy reliance on objective data to determine the shares. The PES formula is largely data driven, any changes in the data results estimated population would ultimately cause significant changes to a province's share in various components of the Equitable Share (ES). Research by the commission has shown that a significant percentage of the PES allocation on compensation of employees:

- Key drivers contributing to provinces' high spending on the compensation of employees
- The other major factor contributing to high personnel costs in provinces identified during stakeholder engagements is teacher's skills gap
- Due to rising pressures for province to compensate employees, the study has seen the reduction in allocation of Goods and Services, which can compromise the quality of education as a shortage of learner support material affects education quality

This was two dimensional i.e. equal treatments, fairness, social justice as well as equal opportunity, achievement – access to basic minimum standard of education (CAPS set the basic minimum

standard). South Africa has achieved equality through no fee school and open school choice policies. Attaining equity remains a challenge because education policies and the funding framework does not fully address barriers to education potential.

4.5.1.5 Equity in Schools - The South African Schools Act (SASA) requires government to fund schools adequately and equitably. National Norms and Standards for School Funding (NNSSF) intends to reduce resource disparities between affluent and less affluent schools. Poor schools continue to experience structural systemic challenges. Some provinces are unable to augment NNSSF funding to support the under-resourced schools.

4.5.1.6 National Norms and Standards for School Funding - Through the National Norms and Standards for School Funding, a quintile-based funding approach has been implemented. A five-tiered system is used with Quintile 1 including the neediest schools whilst Quintile 5, the most affluent – learners in quintiles 1, 2 and 3 do not pay school fees. The approach aims to achieve redress and equity through directing greater funding to needier learners. Each year the National DBE sets the target per learner amount for each quintile, which provincial departments of education should adhere to. The 2020 threshold amounts for schools were retained/ unchanged in 2021. Cases to note:

- KZN has been funding all quintiles at a level below the national threshold amount since 2014;
- Mpumalanga funding all quintiles below national threshold level since 2016;
- Northern Cape funding Quintiles 1 to 3 below national threshold level since 2015; and
- EC is displaying this below threshold level funding in 2021 and 2022.

4.5.1.7 Conclusion – Infrastructure conditional grants are key to ensure that schools have adequate infrastructure for learning to take place. However, there has been inconsistent growth with respect to funding resources, for example SIBG decreased from R2 271 826 in 2018/19 to R1 786 955 in 2020/21. Performance of infrastructure conditional grants has significantly improved over the recent years – SIBG spending increased from 60,3% in 2016/17 and reached 100% in 2021/22, EIG increased from 85,4% in 2020/21 to 97% in 2021/22. Inconsistency on non-infrastructure grants allocation – HIV an AID decreased from R264,8 million in 2019/20 to R195,3 million in 2020/21. With respect to spending performance, non-infrastructure grants are showing an improvement in 2021/22 compared to 2020/21 expenditure. Improvement is needed in some areas including supply chain management processes and procurement plans. Some provinces have been consistently funding schools below the national threshold – this impacts education outcomes negatively. The Commission therefore recommends that all provinces should at least strive to meet the minimum national threshold

4.5.1.8 FFC Findings and Recommendations

- The commission recommends that DBE applies a costed norms approach, where a full costing exercises should be undertaken by all provinces, particularly for the provision of education and health.
- Government needs to protect the redistributive nature of the basic education funding system in the face of potential basic education budget constraints
- There should be improved coordination of infrastructure delivery plans and programmes to ensure alignment between PES and conditional grant allocations between the National department of basic education and all provincial departments of education.
- Update the allocation formula for the Education Infrastructure grant to ensure alignment of grant need indicators with grant objectives and further streamline expected and reported grant outputs to improve focus and ease of monitoring
- Furthermore, the DBE should undertake a skills audit to identify the skills gap with respect to the old and the new curriculum, and based on the audit results:
 - Identify the number of teachers who need to be trained and the funding requirements
 - Develop and implement a training programme

4.5.1.9 PC on Basic Education Observations and Questions

- Members sought clarity regarding the report from AGSA on the contractor who claimed losses against the Department due to non-payment within a stipulated time-period.
- Members noted and agreed with many of the FFC observations and findings especially in relation to our poorer schools.
- In respect of the Maths and Science Allocation, Members were of the view that the DBE allocation was critical – Members queried whether the grant was commensurate with the needs identified.
- Members also queried how the FFC was able to ascertain the quality of expenditure.
- Members also queried which specific programmes identified by FFC was not equitably supported.

4.5.1.10 FFC Responses to PC on Basic Education Observations and Questions

The team from FFC visited provinces doing oversight and also focussed on the Woman's Charter as well as key sector spending. It had been found that there were gender imbalances in respect of spending – the FFC would share more detail in writing to the Portfolio Committee. The Committee was given a broad overview and background to the ASIDI programme from its inception. The ASIDI grant was explained as an indirect grant where the National Department acted on behalf of provincial

departments. After completion, provinces would take over the infrastructure. FFC also explained some of the risks and indicated a move towards a more decentralised transfer of grants. There was a need to make the distinction of which level/sphere of government was closest to the ground to provide the necessary services.

In respect of quality of spending, the FC use the Spending Guidelines as a starting point for monitoring spending performance. It was noted the DBE was doing well in respect of spending performance. The programmes that required more support were those pro-poor programmes which needed to be protected – and not have a blanket approach to budget cuts.

4.5.1.11 Portfolio Committee Recommendations

Based on the observations made from inputs received, the Portfolio Committee ordered that the Minister should ensure that the Department, in collaboration with the FFC, must consider the following recommendations:

- FFC submit written reports on the following:
 - Detailed report on Gender Imbalances in respect of sector spending, 60 days after the adoption of this report
 - highlight provinces who exceed their budgets for projects and exceed allowed budget adjustments
- Monitor and oversee national and provincial spending quality and performance
- Ensure pro-poor programmes are supported and protected against unilateral budget cuts.
- Address issues of funding allocations to PEDs which are deemed to be inadequate.

4.5.2 Council for Quality Assurance in General and Further Education and Training (Umalusi)

4.5.2.1 Background and Mandate - The mandate of Umalusi was determined by Chapter 2 of the Constitution which states that everyone has a right to education, the National Qualifications Framework which establishes Umalusi as a Quality Council and the GENFETQA Act assigning Umalusi the responsibility for quality assurance of general and further education and training.

4.5.2.2 Role of Umalusi – Umalusi is the Quality Council responsible for qualifications registered on the general and further education and training qualifications sub-framework (GFETQSF) of the National Qualifications Framework (NQF). The Quality Council ensures that the providers of education and training have the capacity to deliver and assess qualifications and learning programmes and that they do so to expected standards of quality.

4.5.2.3 Reflections on 2021/22 – In 2021/22, Umalusi continued focusing on the priorities set out in the organization's five-year strategic plan 2020-2024. Even though COVID-19 affected some colleagues during this financial year, the implementation of the 2021/22 Annual Performance Plan (APP) was not disrupted. This was possible because the organisation had put systems in place that enabled service delivery to continue during the pandemic. As a result, all 2021/22 APP targets were achieved.

4.5.2.4 Strategic Priorities – The Umalusi strategic priorities could be summarised as follows:

- Reviewing the quality assurance of assessment approach in view of the budget cuts and the Covid-19 impact.
- Continued evaluation of qualifications on the Umalusi sub-framework and appraising the relevant criteria
- Actively participating in the process of amending the founding Acts to accommodate new qualifications
- Intensifying research on educational developments to provide evidence-based advice to the Ministers of Education.
- Intensifying the advocacy to communicate accurate and relevant messages to all stakeholders on issues relating to qualifications on our sub-framework.

4.5.2.5 Audit Report – The report of the External Auditor (RAiN Chartered Accountants Incorporated) indicated that Umalusi achieved its third Unqualified Audit Opinion with no material findings (Clean Audit). This was possible because of the maintenance and improvement of Umalusi systems and controls.

4.5.2.6 Performance Information – The overall Annual Performance stood at 100 percent achieved. The status of achievement per programme indicated 100 percent for Programme 1 Programme 2 and Programme 3.

4.5.2.7 Status of achievement per programme

4.5.2.7.1 Programme 1: Administration - Programme 1 covered the following sub-programmes:

- Strategy and Governance (S&G);
- Public Relations and Communications (PR&COMMS);
- Information Communication Technology (ICT);
- Human Capital Management HCM); and
- Finance and Supply Chain Management (F&SCM).

Programme 1 Performance

Performance Indicator	Annual Target	Annual Output
1.1.1: Number of advocacy webinars conducted	4	5
1.2.1: ICT Network health score maintained at $\geq 95\%$	$\geq 95\%$	97%
1.3.1: Average vacancy rate maintained at $\leq 10\%$	$\leq 10\%$	6%
1.4.1: Percentage of valid invoices of creditors and suppliers paid within 30 days	99%	100%

4.5.2.7.2 Programme 2: Qualifications and Research - Programme 2 covered the following sub-programmes:

Qualifications, Curriculum and Certification

- Ensuring and enhancing the status and quality of qualifications on the sub-framework, which Umalusi develops, manages and reviews;
- Evaluating curricula to ensure that these are of acceptable quality;
- The certification of candidate performance for all qualifications on the GFETQSF; and
- Verifying all qualifications Umalusi and its predecessor, SAFCERT, have issued since 1992.

Statistical Information and Research - Conduct research and analysis and reports on quality within the GFETQSF. The mandate is to:

- Conduct research that is informed by the emerging needs of the education system so as to engage stakeholders towards innovative thinking;
- Report on the key indicators of quality and standards in general and further education and training;
- Establish and maintain databases; and
- Lead research and analysis and provide statistical support and information across Umalusi.

Programme 2 Performance

Performance Indicator	Annual Target	Annual Output
2.1.1 Number of reports produced on the management of qualifications in the sub-framework	1	1
2.2.1 Percentage of error-free learner records for which a certificate is printed	100 %	100 %
2.3.1 Percentage of verification requests received that are completed in terms of the service level agreement: two working days	96 %	96.84 %
2.4.1 Number of research reports completed in various formats	5	5

4.5.2.7.3 Programme 3: Quality Assurance and Monitoring - Programme 3 covered the following sub-programmes:

Quality Assurance of Assessment - This function entails the following:

- External moderation of question papers;
- External moderation of internal assessment;
- Verification of monitoring of the assessment system;
- Monitoring of the conduct, administration and management of assessment and examinations processes;
- Management of concessions, assessment and examination irregularities; and
- External moderation of marking processes.

Evaluation and Accreditation - Quality assurance of provision and assessment through evaluation and accreditation of private education institutions and private assessment bodies. This entails ensuring that:

- Standards for provision determined, maintained and strengthened;
- Systems are in place to quality assure the capacity of the private education and training institutions seeking accreditation to implement qualifications registered on the GFETQSF through an accreditation and monitoring process;
- Systems are in place to quality assure the capacity of private assessment bodies seeking accreditation to assess qualifications registered on the GFETQSF.

Programme 3 Performance

Performance Indicator	Annual Target	Annual Output
3.1.1 Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF	10	10
3.2.1 Percentage of question papers approved per qualification	100%	100%
3.3.1 Number of assessment bodies audited for their state of readiness to conduct examinations	4	4
3.4.1 Number of subjects for which verification of marking is conducted	88	93
3.5.1 Number of subjects for which moderation of internal assessment is conducted	125	198
3.6.1: Percentage of accreditation outcomes for private education institutions finalized within 12 months of the site visit	85%	100%
3.7.1: Percentage of identified private education institutions monitored after being granted accreditation	90%	90.1%

4.5.2.8 Human Capital Management (HCM) - The Council gave a detailed breakdown of the following:

Employment and Vacancies:

Salary Band	2020/21 No. of Employees	2021/22 Approved Posts	2021/22 No. of Employees	2021/22 Vacancies	% of Vacancies
Top Management	4	4	4	-	0%
Senior Management	10	10	10	-	0%
Professional Qualified	67	62	58	4	6%
Skilled	16	16	16	-	0%
Semi-skilled	40	40	35	5	13%
Unskilled	6	7	6	-	0%
Total	143	138	129	9	6%

Employment Changes:

Salary Band	Employment at the beginning of period	Appointments	Terminations	Employment at end of the Period
Top Management	4	-	-	4
Senior Management	10	-	-	10
Professional Qualified	58	4	4	58
Skilled	16	1	1	16
Semi-skilled	35	-	-	35
Unskilled	6	-	-	6
Total	129	5	5	129

4.5.2.9 Financial Information

4.5.2.9.1 External Audit Report (RAiN) – CLEAN - Unqualified Audit Report with no material findings. Consistency is being built as this is the third year in a row, from 2019 to 2022. The audit was conducted following the international standards on auditing (ISAs). The financial statements compiled in GRAP and the requirements of the PFMA present fairly, in all material respects, the financial position, performance and cash flows of Umalusi as of 31 March 2022. Umalusi submitted financial statements free from material misstatements. Umalusi does not have any unadjusted audit differences for the 31 March 2022 final audit. No instances of material non-compliance with requirements of applicable legislation. Overall, the financial viability is assessed as good. Officials of the entity have the required skills and competencies.

4.5.2.9.2 Statement of Financial Position

Table 1: Statement of Financial Position

Figures in Rand	Note(s)	2022	2021
Assets			
Current Assets			
Receivables from exchange transactions	9	5,666,706	5,070,915
Prepayments	8	103,660	1,550,064
Cash and cash equivalents	10	53,475,060	44,781,996
		59,245,426	51,402,975
Non-Current Assets			
Property, plant and equipment	3	59,112,713	56,718,838
Intangible assets	4	-	5,896
		59,112,713	56,724,734
Total Assets		118,358,139	108,127,709
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	13,887,563	12,741,966
Provisions	12	6,772,691	5,405,235
		20,660,254	18,147,201
Non-Current Liabilities			
Operating lease liability	5	9,071	163,233
Employee benefit obligation	7	9,912,000	8,929,000
		9,921,071	9,092,233
Total Liabilities		30,581,325	27,239,434
Net Assets		87,776,814	80,888,275
Reserves, Revaluation reserve	11	34,804,310	34,804,310
Accumulated surplus		52,972,504	46,083,965
Total Net Assets		87,776,814	80,888,275

Umalusi had a revenue of R 186 786 000 million in 2021/22, which is comprised of DBE grant of (R136, million), plus R20 million received in the last quarter as well as other income generation funding. The council total revenue as compared to 2020/21 increased by 19% from R156 309 467 million to R186 190 812 million in 2021/22. From the total revenue, the actual expenditure as at end 2021/22 stood at R179 302 418 million. This is an increase of 10% as compared to R163 310 320 million of the previous financial year.

In the year under review, the expenditure on goods and services stood at 37% expenditure. Relating to compensation, this is moderately within the same levels as compared to the previous year. Expenditure for moderation and verification was within target, main contributing factor being prudent financial discipline to reduce unnecessary spending on items like venue hire and had instead utilized the online platforms for training and workshops.

Notes to Financial Position

- **Note 9: Receivables from exchange transactions** – The balance of R 5,7 million comprises in the main of:
 - Trade receivable of R3,9 million
 - Other receivables of R1,7 million
- **Note 10: Cash and cash equivalents** - The balance of R53,4 million comprises in the main of:
 - Bank balance – R1,1 million
 - Short-term deposit account – R52,3 million
- **Note 3: Property, plant and equipment (PPE)** - The balance of R59 million comprises in the main of:
 - Land & Buildings – R47,5 million
 - IT equipment – R2,5 million
 - Other ppe – R9,2 million, which includes infrastructure, office equipment, motor vehicle furniture and fixtures etc.
- **Note 6: Payables from exchange transactions** - The balance of R13,8 million comprises in the main of:
 - Income received in advance – R8,7 million (accreditation process)
 - Accrued expenses – R4,3 million
- **Note 12: Provisions** - The balance of R6,7 million comprises in the main of:
 - Leave – R6 million
 - Thirteenth cheque – R758 thousand
- **Note 7: Employee benefit obligation** - The balance of R9,9 million comprises in the main of:
 - Post-retirement medical aid – RR9,9 million (future commitment for qualifying employees)

- **Note 11: Revaluation reserve** - The amount calculate remains the same as the previous year at R34,8 million

Table 2: Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Accreditation fees		5,194,667	3,407,919
Certification		5,695,041	2,633,061
Interest received - investment	17	2,402,523	2,172,487
Other income	16	2,534,085	3,193,231
Rental income		1,025,772	601,923
Verification fees		11,934,724	7,896,846
Total revenue from exchange transactions		28,786,812	19,905,467
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	157,404,000	136,404,000
Total revenue	13	186,190,812	156,309,467
Expenditure			
Actuarial losses		(178,000)	(112,000)
Depreciation and amortisation	20	(6,108,866)	(6,051,742)
Employee related costs	19	(85,506,325)	(85,571,123)
General expenses	23	(44,536,811)	(37,643,778)
Lease rentals on operating lease	14	(263,611)	(154,627)
Loss on disposal of assets and liabilities		(56,013)	(1,902)
Moderator and verifier costs		(41,563,113)	(32,026,281)
Provision for doubtful debts	22	(1,089,679)	(1,748,867)
Total expenditure		(179,302,418)	(163,310,320)
Surplus (deficit) for the year		6,888,394	(7,000,853)

Notes to Financial Performance

- **Note 17: Investment income** - R2,4 million – interest generated on investment – Corporation for public deposits
- **Note 16: Sundry income** - The balance of R2,5 million comprises in the main of:
 - Quality assurance of assessment fees – R1,7 million (SACAI & IEB)
 - Rental – R803 thousand
- **Note 18: Government grant** - Grant Department of Basic Education – R157,4 million – 84% of total revenue
- **Note 20: Depreciation and amortisation** - Property, plant and equipment – R6,1 million
- **Note 19: Employee-related costs** - The balance of R85,8 million comprises in the main of:
 - Basic – R72 million
 - Medical aid – R3 million
 - Post-retirement medical - R1,2 million
 - Pension – R9 million
- **Note 23: General expenses** - The balance of R44,5 million comprises in the main of:
 - Audit fees – R1,2 million
 - Computer and licensing – R3,6 million
 - Consulting and professional fees – R10,6 million
 - IT support – R9,2 million
 - Travel costs – R6,4 million
 - Covid-19 expenditure – R88 thousand
 - Other expenses, such as security, printing repairs, maintenance etc. – R13 million

4.5.2.10 Trends of Actual Revenue and Budget – The organisation continuously generates revenue below its target due to uncertainty on demand for verification and certification. The split between own generated revenue and grant/transfer from the government is consistently at a proportion of approximately 80/20, which makes it challenging to expand the activities beyond the current levels.

4.5.2.11 Trends of Actual Expenditure and Budget – The organisation continues to exercise prudent financial control to contain costs to be within a budget and defray expenditures following SCM policy, Treasury and all applicable financial prescripts and legislation.

4.5.2.12 Cash Surplus – The DBE assisted with the request to retain the cash surplus of R38,5 million. National Treasury has approved this request. This surplus will be utilised to address the following aspects:

- utilised to complete the refurbishment infrastructure project and necessary equipment
- investment to cover the post-retirement medical aid
- additional monitoring and evaluation of Umalusi qualifications

4.5.2.13 Conclusion – Umalusi conveyed their sincere appreciation to their Council for their support. Also to thank the Chairperson of the Portfolio Committee on Basic Education, Ms. Mbinqo-Gigaba, and the Honourable members for the opportunity to present Umalusi's 2021/22 Annual Report.

4.5.2.13 Portfolio Committee Observations - Umalusi

- All Members commended Umalusi for the third clean audit opinion. This year, if possible, Chairperson release statement on reaching all its targets.
- In respect of the one country, once plan initiative, Members noted that programmes of DBE needed to speak to plans of DHET.
- Regarding the Matric results release, Members queried whether consideration could be given for the release to happen at the end of the year rather than January – allowing HEIs to do the necessary placements of prospective student. Members queried what Umalusi could do to avert some of the challenges and pressures faced by HEI
- Regarding the 80/20 split between its own generated funding and grant/transfers from government, Members queries what projects/programmes Umalusi would undertake if they received increased allocations – and how would such impact on the mandate of Umalusi.
- Members queried the level of quality standards of South Africa relative to other countries education systems.
- Members queried the factor that contributed to education outcomes – and the innovations planned by Umalusi to improve the education system to better adapt.
- Regarding teacher training, Members queried whether the teacher training and development was improving at an adequate pace – what could Umalusi propose in this regard.
- Members queried how technology would impact on the education system
- Was there an increasing trend toward private education institutions.
- Members sought clarity on exactly where Umalusi drew its good practice from as there was a view that entities could learn from their best practice.
- need to learn from yourself and your sources.
- Members also queried the affiliations Umalusi was part of - and how frequently Umalusi interacted with other similar bodies in the world.
- Regarding staff turnover, Members queried what Umalusi was doing to prevent staff from leaving Umalusi – how competitive was Umalusi salary packages.
- Regarding the institutions quality assured by Umalusi, was there any indication that all were at the same level of academic standard – were they equal or did they all only reach minimum standards.
- There had been reports that students with Matric bachelor pass did not have the necessary academic skills required for Universities – Members sought the views of Umalusi.
- It was noted that the Umalusi research was more operationally focussed. Members queried what future-oriented research was done on online schooling, hybrid schooling etc.
- With accreditation of special needs programmes/institutions, mainly from abroad, Members queried how and who accredited these programmes/institutions. How could Umalusi be approached to assist with registration on special needs programmes.
- It was noted that the cost of assessment for registering a school remained a huge barrier and Members queried what Umalusi was doing to reduce costs and provide a fair playing field.
- Members also sought clarity and a status update on the NSCA, and when this would be implemented and available. Members also sought clarity on issues of NSCA format.

- Members queried whether Umalusi did any tracking of learners within the system year-on-year.

4.5.2.14 Umalusi Responses to Portfolio Committee Observations and Questions

The Council thanked all for their commendations on the Umalusi clean audit but also cautioned to say that a clean audit for spending public funds should not be seen as remarkable. This audit kept the Council occupied as they continue to do their best and maintain the current status quo. Issue of output indicator for the Department vs. Input indicator for Higher Education was an important matter and it needed to be understood that organisations acted as separate entities and showed respect for what others did. How it was done and how organisations supported each other to reach objectives was an important shared conversation. The Council was of the view that statements of lack of skills and schools being day-care centres was irresponsible and irrational. It was not Umalusi who accepted students into universities but universities themselves. No one should cast aspersions on achievement of others. Most universities were now of the view that academic development programmes were not required any longer. In respect of the timing of the release of the Matric results, Umalusi was of the view that this remained an ongoing debate amongst relevant and affected stakeholders. The decision on the timing of the results release was not done without the necessary collaboration with all concerned. The education outcomes were not related to expenditure. Of those student who wrote exams in Maths and Science approximately 25 percent will manage around a 50 percent pass mark – this was a statement regarding the external factors impacting on learning. Regarding 4IR, the Council was of the view that this was not new technologies but when used as a place holder it meant different things. There was too much focus on the means of production. Umalusi drew its good practice from many sources and if there are lessons to be learnt, these were available. The Council had a governance approach that spoke of decision making – with strong moral courage, aligned with competent executive and lower level staff working together. Regarding the academic levels of the various examination authorities, there was no evidence to illustrate that one was better than the other. Umalusi also tried to have balanced approach in increasing of its own revenue. With increased funding Umalusi could improve service delivery in many areas e.g. ICT systems and security, electronic system for replacement certificates online etc. The monitoring and evaluation unit had aspects that could be improved upon with additional funding - also to broaden the moderation processes. Umalusi had a similar salary scales as most government departments and entities, however, the pension and medical aid was not aligned with government and there were staff leaving the organisation. Umalusi tried to ensure their vacancy rate stayed below 10 percent. With the cost of accreditation, Umalusi was looking to revise the rebates on accreditation and registration fees and also reviewed rebates specifically for independent schools. Umalusi remained sensitive to these matters and annually reviewed these costs. With comparability of standards, Umalusi indicated that they were all subjected to the same quality assurances of all accreditation bodies. All papers were accredited by Umalusi for the various institutions. Umalusi issued one certificate and not specific to any assessment bodies and had the same weighting and value. With accreditation, this was in terms of the assurance framework and only accredited those registered with DBE. There was a need to ensure a regulatory framework was in place. Umalusi did grant some concessions for certain institutions. With the NSCA, the Council was still using the four subjects and the qualification has been registered with NQF and it was fit for purpose. Umalusi only evaluated the appraised Curriculum in terms of the directives. The Department still needed to address these directives and the Council was awaiting DHET to submit relevant documents.

4.5.2.15 Department of Basic Education – As a sector the Department and entities were grateful to the Portfolio Committee for raising the accountability bar. The Department and entities would continue to do its best to respond accordingly and give information as required. All questions not responded to would be forward to the Portfolio Committee in writing within 7-days.

4.5.2.16 Portfolio Committee Recommendation for Umalusi

Based on the observations made from inputs received from Umalusi, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education, in collaboration with Umalusi consider the following recommendations:

- In collaboration with Umalusi and DHET consider and review the timing of the release of the Matric examination results giving enough time for student admissions and placement.
- Ensure that Umalusi best-practice in respect of audit performance is shared and replicated with SACE to improve SACE audit performance.
- Ensure Umalusi was assisted with competitive remunerations packages to limit the number of staff leaving the organisation.
- Consider a reduction in the costs for registration and assessment of schools.
- Ensure finalisation and implementation of the NSCA.
- Consider initiatives to track tracking and trace of learners within the system year-on-year.

4.5.3 South African Council for Educators (SACE)

4.5.3.1 Background and Mandate - The South African Council for Educators (SACE) is a Schedule 3A public entity, established in terms of Act No. 31 of 2000, as amended, to enhance the status of the teaching profession. The Basic Education Laws Amendment Act (2011) has amended the South African Council for Educators Act No. 31 of 2000 to enable the Council to manage the Continuing Professional Teacher Development System, and to allow the Council to request for additional funding from the public fiscus when necessary.

The South African Council for Educators is accountable to the Department of Basic Education (DBE) and fits into the Minister of Basic Education's Delivery Agreement and Action Plan towards schooling 2030, which speaks to "improving the quality of teaching and learning" through the improvement of teacher capacity and practices.

The key business of SACE is to promote professionalism, empowering educators through development and ensuring that educators are committed to the teaching profession such that they adhere to the ethos as enshrined in the Constitution of the Republic of South Africa.

4.5.3.2 Legislative and Policy Environment – The SACE Act, 2000 stipulates the objectives as:

- to provide for the registration of educators;
- to promote the professional development of educators; and
- to set, maintain and protect ethical and professional standards for educators, by means of the functioning of the council.

4.5.3.3 Annual Performance Plan 2021/22 - The Annual Performance Plan 2021/22 summarised the priorities of SACE as outlined in the Strategic Plan 2020-2025. The activities of SACE have been structured into six programmes as follows:

- Programme 1: Administration;
- Programme 2: Professional Registration;
- Programme 3 Professional Ethics
- Programme 4: Professional Development
- Programme 5: Professional Teaching Standards
- Programme 6: Professional Research

4.5.3.4 Reporting Period Overview - The Annual Report signals the second year of implementing Council's 2020 – 2025 strategic plan and moving towards the strategic plan mid-term review in 2022/2023. The financial year also marks the first reporting cycle for the public entity's Accounting Authority (AA), appointed and inaugurated by the Minister of Basic Education in August 2021, for the 2021–2025 term of office. Overall, 43 326 newly qualified educators, were registered during the period under review. More ethical misconduct ethical. Council had a total of 1327 educator misconduct cases to be processed for the period of 2021/2022 with a total budget to R4m. A total of 1327 reported cases are made up of 563 case rolled over to the 2021/2022 financial year from previous years, and 764 new cases received for the 2021/2022 financial year. A total of 614 investigations versus 86 disciplinary hearings were conducted, with a total of 19 educators struck off from the roll of educators indefinitely and 5 struck off for a particular period. A total of 26 804 educators benefited from the development and support on participation in the CPTD system and various professional matters. Policy advisory brief on safety and security in schools, promoting reading in the profession through the SACE virtual library, analysis of educator misconduct cases was some of the research activities undertaken. The SACE Programme on SACE women in school leadership and management was established to focus on the struggles and success of women in education. Council continues finalising the new office for Northern Cape, with Upington as the possible area for the office location. The remaining two provinces will follow in the next financial year. The activities of SACE have been structured into six programmes as follows:

- Programme 1: Administration;

- Executive and Governance
- Planning, Monitoring & Evaluation and Reporting
- Corporate Services
- Communication and Stakeholder Relations
- Financial Management
- Information and Communication Technology
- Programme 2: Professional Registration;
 - Registration of Teachers
 - Registration of student educators
- Programme 3: Professional Ethics
 - Investigations
 - Disciplinary Hearings
 - Sanctioning
- Programme 4: Professional Development;
 - Continuing Professional Teacher Development Management
 - Member Support
 - Quality Management
- Programme 5: Professional Teaching Standards;
 - Initial Teacher Education
 - Newly Qualified Educators
 - Practicing Educators
- Programme 6: Professional Research.
 - Research Reports
 - Data Management
 - Research Dissemination
 - Virtual Library

4.5.3.5 Summary of Output Performance Indicators Not Achieved - SACE had a total of 8 indicators which were not achieved as follows:

Performance Indicator	Annual Target	Annual Output	Reasons for Deviation
Percentage of invoices paid within 30 days	100%	91%	Not achieved due to delays in dispute resolution
Percentage of Digitized system in a year	60%	40%	Slow turnaround time of service providers
Percentage of educators applying through the online system for professional registration	50%	28% (12 310 / 43 326 x 100)	The Online Registration system currently only accommodates first time applicants and most of the Professionally qualified applicants especially in the last quarter were those that were updating therefore they could not apply through the Online system.
Percentage of investigations on new cases finalised	80%	44.4% (339 / 764 x 100)	This indicator depends largely on availability of learners who are the dominant witnesses to obtain information regarding each filed case of misconduct against teachers. Due to closure of schools for a greater part of the year, very little could be done during that period. This is also owing to the focus placed on roll-over cases in indicator 3.1.2.
Percentage of investigations on roll-over cases finalised	80%	49% (275 / 563 x 100)	This indicator depends largely on availability of learners who are the dominant witnesses to obtain information regarding each filed case of misconduct against teachers. Due to closure of schools for a greater part of the year, very little could be done during that period. This is also owing to the focus placed on roll-over cases in indicator 3.1.2.

Percentage of disciplinary hearings on new cases finalised	50%	24% (40 / 162 x 100)	Every case which gets finalised depends on substantive evidence obtained to secure a conviction. Much of the evidence require by Council is the sworn testimony of child witnesses. these remained unavailable to Council as schools remained closed, whereat children and the accused educators can only be secured to dispense with cases. On that basis this drastically affected what Council could achieve despite having started the year with hope of closing as many cases as possible and even revising them drastically owing to the changes in the new normal environment did not help to finalise more cases.
Percentage of selected practicing signed-up educators verified for the continuing professional development uptake	30%	11% (2 288 / 20 908 x 100)	During the 2021-2022 Financial year many of the providers moved away from face to face to online activities, therefore given prevailing inequalities in various schools and communities educators could not access the system due to data and connectivity problems.
Percentage of signed-up final-year initial teacher education students	55%	0%-	The request was made to universities, unfortunately responses were not coming through from some universities and in terms of TDI the denominator should be drawn in total population of final year students. The Council is currently engaging all relevant structures to allay fears surrounding the data sharing.

4.5.3.6 Programme 1: Administration –The purpose of the Programme is to implement and manage the policy directives and priorities of the Council to ensure the functional proficiency of SACE through appropriate support services. Sub-Programmes for Programme 1 included the following:

- Executive and Governance;
- Planning, Monitoring & Evaluation Reporting and Research;
- Corporate Services;
- Financial Management;
- Communication and Stakeholder Relations;
- Financial Management; and
- Information and Communication Technology.

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of Council and EXCO meetings** - The planned target was set at 12 meetings and the SACE actual achievement was 17 – a positive deviation of five (5) meetings.
- **Number of quarterly performance reports submitted to DBE** - The planned target was set at four (4) reports. The SACE actual achievement was four (4) reports with no deviation.
- **Percentage of employees assessed through performance development system** - The planned target was set at 100 percent and the SACE actual achievement only stood at 100 percent with no deviation.
- **Percentage of trained employees** - The planned target was set at 30 percent and the SACE actual achievement was 31 percent – a positive deviation of one (1) percent.
- **Number of SACE promotion and advocacy activities on the selected core mandates** - The planned target was set at four (4) and the SACE actual achievement was four (4) activities with no deviation.
- **Percentage of invoices paid within 30 days** - The planned target was set at 100 percent but the SACE actual achievement was 91 percent. A negative deviation of nine (9) percent.

- **Percentage of Digitised system in a year** - The planned target was set at 60 percent but the SACE actual achievement was 40 percent. A negative deviation of 20 percent.

4.5.3.7 Programme 2: Professional Registration – The purpose of this programme is to register qualified educators and create sub-registers for special categories; maintain and update educator database and enhance the quality of the registration of teachers by introducing standards. Sub-Programmes for Programme 2 included:

- Registration of Educators; and
- Registration of Student Educators.

Within this programme, SACE had three (3) performance indicators as follows:

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of educators** - The planned target was set at 25 000 and the SACE actual achievement was 43 326 – a positive deviation of 18 326.
- **Percentage of educators applying through the online system for professional registration** - The planned target was set at 50 percent and the SACE actual achievement was only 28 (12 310 of 43 326) – a negative deviation of 22 percent.
- **Creation of additional specified categories for student educators** – The planned target was for a pilot five-year registration of first year student educators with 12 Universities. The performance indicator was reviewed and removed from the APP.

Registration Highlights and Challenges - The following categories were registered, provisionally registered or conditionally registered following their screening of conduct through the SAPS and Department of Justice and Constitutional Development's National Register of Sexual Offenders:

- 43 326 Newly Qualified Teachers (Professionally qualified with BED or PGCE and first qualification)
- 32 634 Final Year Student Teachers (Provisionally Registered)
- 3541 ECD Practitioners with NQF Level 4 Qualifications
- 2952 ECD Practitioners with NQF Level 5 Qualifications
- 3270 Academically Qualified but Professionally Unqualified (conditional Registration with PGCE Requirement)

The analysis of the SACE annual professional registration data is important in contributing to the education sector's discussions around teacher supply and demand in terms of:

- absolute shortage projections of 50 000 to 70 000 by 2030,
- quality and substance in specific subjects/areas of focus in need,
- Inadequate numbers of created teaching posts due to budgetary constraints,
- number of newly qualified professionally registered teachers taking up posts in the schooling system or the country,
- needs in the ECD sector, special needs education, three stream model, focus schools and rural schools.

A total of 18 326 more newly qualified educators were registered as compared to 25 000 in 2021/2022 because most of them could not update their provisional to full registration status due to cancellations in their graduation and 2020 academic year that overlapped into the first quarter of 2021. With the introduction of the POPI Act in July 2021, Council found itself in a position where it could not receive student teachers' information from Higher Education Institutions. Hence one indicator was dropped from the APP. It should be noted that this indicator was developed before the approval of the POPIA. While the registration processes and turn-around time improved significantly, there are still isolated incidents of delayed registration finalisation due to:

- use of fraudulent agencies,
- incomplete forms and online registration transactions and
- more focus on walk-ins.

4.5.3.8 Programme 3 – Professional Ethics - The purpose of this programme is to promote and maintain ethical standards in the profession. Sub-Programmes for Programme 3 included the following:

- Investigations;
- Disciplinary Hearings; and
- Sanctions

Key Performance Indicators, Planned Targets and Actual Achievement

- **Percentage of investigations on new cases finalised** - The planned target was set at 80 percent but the SACE actual achievement was only 44.4 percent (339 of 764). A negative deviation of 35.6 percent.
- **Percentage of investigations on roll-over cases finalised** - The planned target was set at 80 percent but the SACE actual achievement was only 49 percent (275 of 563). A negative deviation of 31 percent.
- **Percentage of disciplinary hearings on new cases finalised** - The planned target was set at 50 percent but the SACE actual achievement was only 24 percent (40 of 162). A negative deviation of 26 percent.
- **Percentage of disciplinary hearings on roll-over cases finalised** - The planned target was set at 60 percent and the SACE actual achievement 78 percent (68 of 87). A positive deviation of 18 percent.
- **Number of analysis reports produced on sanctioned educators** - The planned target was set at two (2) reports and SACE actual achievement was five (5) reports. A positive deviation of three (3) reports.

SACE presented a detailed summary of processed cases as well as sanctions from the 70 disciplinary hearings concluded from the 2020/21 rolled over cases and the 16 disciplinary hearings concluded from the 2020/21 rolled over cases with guilty verdicts.

Highlights and Challenges

- Unprecedented huge caseload during the period under review:
 - In 2021/2022 764 new cases of educator misconduct cases reported as compared to 443 in 2020/2021 – Increase by 321 (41.9%)
 - Plus 563 cases rolled over from the previous financial year/s
 - A total of 1 374 caseloads that is not in sync with R4m available/ allocated budget, 7 staff members and limited contracted panellists
- Top 5 Reported Cases in 2021/2022
 - Assault / Corporal Punishment – 248 out of 764 (32.46%)
 - Sexual Misconduct – 191 out of 764 (25%)
 - Verbal Abuse / Intimidation / Victimisation – 127 out of 764 (16.62%)
 - Fraud / Mismanagement of Funds / Theft – 75 out of 764 (9.8%)
 - Use of Improper Language / Alcoholism – 44 out of 764 (5.7%)
- Other areas include Racism (10 out of 764), Threatening to Kill and Murder (2 out of 764) and others.

Further challenges included the following:

- SACE does not have control over reported cases and period of reporting – Reactive Case Management Approach;
- Continued case dumping to SACE by the Provincial Education Departments at the end of the financial year;
- Prioritisation of sexual misconduct and assault/corporal punishment;
- Dependent on parents' cooperation and availability of children as witnesses; and
- Inevitable recurring carry-over of cases to the new financial years

4.5.3.9 Programme 4: Professional Development, previously known as Continuing

Professional Teacher Development (CPTD) System - The purpose of this programme is to ensure that educators engage in life-long learning to improve their professional competence. Sub-Programmes within Programme 4 included the following:

- Continuing Professional Teacher Development Management System;
- Member Support; and
- Quality Management.

Key Performance Indicators, Planned Targets and Actual Achievement

- **Percentage of selected practicing signed-up educators verified for the continuing professional development uptake** - The planned target was set at 30 percent but the SACE actual achievement was only 11 percent (2 288 of 20 908). A negative deviation of 19 percent.
- **Percentage of signed up final year initial teacher education students** - The planned target was set at 55 percent. SACE actual achievement stood at 0 percent. A negative deviation of 55 percent.

- **Number of educators supported on professional matters** - The planned target was set at 20 000 and the SACE actual achievement was 26 804 educators. A positive deviation of 6 804 educators.
- **Percentage of professional development providers approved** - The planned target was set at 75 percent and the SACE actual achievement was 100 percent (64 of 64). A positive deviation of 25 percent.
- **Percentage of professional development activities endorsed** - The planned target was set at 85 percent and the SACE actual achievement was 100 percent (1 062 of 1 062). A positive deviation of 15 percent.
- **Percentage of endorsed activities monitored** - The planned target was set at 10 percent and the SACE actual achievement was 100 percent (50 of 50). A positive deviation of 90 percent.

Highlights and Challenges - Notwithstanding the Programme performance information misstatements in Programme 4, the performance audit opinion shifted from disclaimer in 2020/2021 to qualification in 2021/2022. In October 2021 (third quarter of the financial year) we reported the implementation of the remedial action plan for Programme 4 to the Portfolio committee following the programme performance information disclaimer audit opinion. In real terms, the remedial action plan commenced in October 2021 with more impact on last quarter of the financial year. While Programme 4 achieved more numbers than any other years, it fell short in terms of management focusing more on performance information at number counting and verifying levels only and not quality assuring the teachers' self-completed data in the collected records and attendance registers.

The required additional remedial work for Programme 4's 2021/22 audit findings is in progress in terms of:

- Consequence management on not rewarding failure of the concerned management;
- Dedicated data clean up, information management and quality assurance systems and processes, as well as capacity building sessions in the area;
- Mandatory Monitoring and Evaluation part and full qualifications by Programme Managers;
- Heighten systems and processes for credible and reliable performance information in line with the DPME / National Treasury Frameworks;
- Mandatory Monthly and quarterly performance information review sessions by management;
- Quarterly Executive Committee performance oversight and accountability sessions;
- Strengthened role of Internal Audit Unit in certifying quarterly performance information;
- Use of the audit lessons to review the APP 2022/23 and develop the 2023/24 APP
- Quarterly Bi-lateral meetings with the DBE Branch TT on SACE mandates, quarterly performance reports and the CPTD system.
- Organisational Job evaluation process that will assist to review management in the programme and others; and
- SACE review and repositioning programme that will also inform the job review process, as well as the positioning of management according to their internal capacity and quality effectiveness.

A total of 26 804 educators across the provinces, were capacitated and supported on participation in the CPTD system, as well as various professional matters. From the 26 804, 14 567 were supported online through SACE's Mondays and Wednesdays online webinars that take place through direct invitations to educators as part of promoting learning anywhere, anytime, while 12 237 took place face-to-face in collaboration with education districts located in the rural areas. Also, 5% of selected educators (2880) were given support in reporting their participation in the Continuing Professional Teacher Development Management System (CPTD MS), and Developing Professional Development Portfolios. A total of 1062 professional development activities and programmes were endorsed, and 64 providers approved. However, the spread of these programmes and providers continue to be in big cities only.

4.5.3.10 Programme 5: Professional Teaching Standards - The purpose of this programme is to improve and maintain the status and image of the teaching profession and ensure the quality of initial teacher education and ongoing professional development through quality assurance mechanisms and standards. Sub-Programmes within Programme 5 included the following:

- Initial Teacher Education;
- Newly Qualified Educators; and

- Practising Educators

Key Performance Indicators, Planned Targets and Actual Achievement

- **Development of the teacher professionalisation policy** - The planned target was an approved Teacher Professionalisation Policy. This target was achieved with no deviation.
- **Policy framework registering student educators from year one** - The planned target was for an approved policy framework registering student educators from first year of study. This target was achieved with no deviation.
- **Development of the Professional Certification Framework and Policy for educators registering with Council** - The planned target was a draft professional certification framework and policy consulted on. The SACE actual achievement reported a draft framework and policy consultation reports.
- **Development of the teacher designation** - The planned target was for a Teacher Designation Communication Strategy and Plans implemented. The SACE actual achievement indicated a report on teacher designation communication strategy implementation.
- **Development of re-certification framework** - The planned target was for extensive consultation and the SACE actual achievement was a consultation report.

4.5.3.11 Programme 6: Professional Research - The purpose of this programme is to enhance research coordination within SACE in order to strengthen its advisory role and service that is informed by policy, research, and consultative processes. This programme also aims to promote research on professional matters and any other educational matter relevant to SACE and the educational landscape. Sub-Programmes within Programme 6 included the following:

- Research Reports;
- Data Management;
- Research Dissemination; and
- Virtual Library.

Key Performance Indicators, Planned Targets and Actual Achievement

- **Number of Research reports produced** - The planned target was set at three (3) reports and the SACE actual achievement was three (3) reports with no deviation.
- **Number of statistical reports produced on the status of the profession** - The planned target was set at two (2) reports and the SACE actual achievement was two (2) reports with no deviation.
- **Number of SACE journal Magazines produced** - The planned target was set at two (2) journal magazines and the SACE actual achievement was two (2) journal magazines with no deviation.
- **Percentage of visits by educators to the virtual library** - The planned target was set at 10 percent and the SACE actual achievement was 11 percent – a positive deviation of one (1) percent.

Narrative Highlights - Given the number of SACE-endorsed professional development programmes and activities, Council conducted a research study the uptake of the endorsed professional development activities by teachers and their relevance and effectiveness in schools. Analysis of sexual misconduct cases received in the 2020/2021 financial year. Analysis of the randomly sampled educators who are signed up in the CPTD information system and would be further supported in their professional development journey and in utilising the system. For both, analysis gaps were identified in the data-capturing processes of the Council, which could not provide a clear picture of the state of the profession. Produced policy brief to the Minister on Teachers' Safety and Security in Schools. Continue with supporting teachers' reading through the SACE virtual library which has 50 000 titles. Conceptualization of a model to work collaboratively with districts. A pilot has been implemented with 10 out of the 12 districts in KZN. Conceptualization of a programme on women in leadership and management. The DBE EMGD Directorate has been supportive in many of the SACE sessions for the capacitation and empowerment of these women.

4.5.3.12 Financial Information

Table 1: Statement of Financial Position as at 31 March 2022

	Note(s)	2022	2021
Assets			

Current Assets			
Other Receivables	4	410 916	-
Receivables from exchange transactions	5	1 856 327	996 568
Receivables from non-exchange transactions	6	403 513	354 159
Cash and cash equivalents	7	105 534 224	105 626 344
		108 204 980	106 977 071
Non-Current Assets			
Property, plant and equipment	2	94 696 438	77 636 387
Intangible assets	3	3 035 353	2 660 676
		97 731 791	80 297 063
Total Assets		205 936 771	187 274 134
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	27 051 250	10 800 245
Unspent CPTD Grant	8	2 839 984	3 763 639
		29 891 234	14 563 884
Total Liabilities		29 891 234	14 563 884
Net Assets		176 045 537	172 710 250
Accumulated surplus		176 045 537	172 710 250

4.5.3.12.1 Financial Position - 31 March 2022: Revenue

The total revenue from exchange/operating transactions increased by 58% from R11 227 502 in 2021 to R17 735 925 in 2022. Government Grants (CPTD's) increased by 46% from R12 951 193 in 2021 to R18 908 655 in 2022. Total Revenue increased by 14% from R104 284 028 in 2021 to R118 610 121 in 2022. Total Assets increased from R187 274 134 in 2021 to R205 936 771 in 2022 with a 10% increase. Non-Current Assets increased from R80 297 063 in 2021 to R97 731 791 in 2022 with a 22% increase. There was a discrepancy with current liabilities which is in fact an increase as opposed to a decrease which was a misstatement. The current liabilities increased by 105% from R14 563 884 in 2021 to R29 891 234 in 2022. Accumulated surplus increased by 2% from R172 710 250 in 2021 to R176 045 537 in 2022. This was due to an unspent CPTD grant and Unspent operating expenses. According to the SACE report the financial Position of SACE is favourable.

4.5.3.12.2 SACE Financial Performance – 31 March 2022: Expenditure

Total expenditure increased by 31% from R88 230 138 in 2021 to R115 274 834 in 2022 as a result of better operation activities which resulted in an increase in surplus by 381% from R16 053 890 in 2021 to R3 335 287 in 2022. Personnel (Employee benefit costs) expenditure increased by 20% from R58 435 915 in 2021 to R70 141 393 in 2022, as a result of inflation and vacant posts needing to be filled and the leave policy being changed. The budget was more effectively spent from 2021 to 2022 as displayed in the Surplus amounts between the 2 years, R3,3million

Notes: Financial Position:

- Total assets increased by 10% (property, plant and equipment and receivables from exchange transactions);
- Non-current assets increased by 22% (acquisition of Eastern Cape, Western Cape and Free State offices);
- Current liabilities increase of 105% (Change of policy on leave management);
- Accumulated surplus increase of 2% (Unspent CPTD grant and Unspent operating expenses); and
- Financial position of SACE is favourable (going concern).

Table 2: Statement of Financial Performance

	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Registration, reprints and membership reinstatements fee	10	15 687 603	9 195 207

Rental income		257 948	-
Recoveries	12	11 443	19 755
Other income	12	102 120	9 318
Interest received	13	1 676 811	2 003 222
Total revenue from exchange transactions		17 735 925	11 227 502
Revenue from non-exchange transactions			
Transfer revenue			
Government Grants	14	18 908 655	12 951 193
Membership Fees	15	81 193 102	79 464 717
Fines	11	772 439	640 616
Total revenue from non-exchange transactions		100 874 196	93 056 526
Total revenue		118 610 121	104 284 028
Expenditure			
Employee benefit costs	16	(70 141 393)	(58 435 915)
Depreciation and amortisation	17	(4 241 026)	(3 077 915)
Lease rentals on operating lease		(1 456 714)	1 462 524)
Debt Impairment	18	(491 319)	(584 983)
Loss on disposal of assets and liabilities		(20 847)	(862)
Operating Expenses	19	(38 923 535)	(24 667 939)
Total expenditure		(115 274 834)	(88 230 138)
Surplus for the year		3 335 287	16 053 890

Notes: Financial Performance:

- Revenue from Operating Transactions increased by 58%. Increase in registration-related revenue.
- An increase of 46% on CPTD subsidy spending. This was due to improved contacts and interaction with the educators.
- There was a Total Revenue increase of 14% due to inflation-related increase and filling of vacant posts. There was also a change of leave policy.
- Operating Expenditure increased by 58% due to the adjustment of business operation, improved interaction with the educators and ultimately improved delivery.
- There was a Total Expenditure increase by 31% due to improved operation activities and improvement in surplus by 381%.
- SACE operated within its approved budget.
- A surplus of R3.3 million was realised and approval has been obtained to retain surplus for contingency and improving operating infrastructure. The improvement of 381% was from the previous year.

Table 3: Statement of Cash Flow

	Note(s)	2022	2021
Cash flows from operating activities			
Receipts			
Membership, registration, reprints and other		99 761 905	88 862 509

receipts			
Grants		17 985 000	12 878 000
Interest received		1 676 811	2 003 222
		116 423 716	103 743 731
Payments			
Employee costs		(61 053 729)	(56 671 907)
Payment suppliers and others		(33 354 589)	(31 637 628)
		(94 408 318)	(88 309 535)
Net cash flows from operating activities	20	22 015 398	15 434 196
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(20 686 279)	(16 629 261)
Proceeds from sale of property, plant and equipment	2	169 495	-
Purchase of other intangible assets	3	(1 245 088)	(1 072 781)
Proceeds from sale of other intangible assets	3	65 270	-
Movement in deposits held in trust		(410 916)	-
Net cash flows used in investing activities		(22 107 518)	(17 702 042)
Net Increase in cash and cash equivalents		(92 120)	(2 267 846)
Cash and cash equivalents at the beginning of the year		105 626 344	107 894 193
Cash and cash equivalents at the end of the year	7	105 534 224	105 626 347

Notes: Cash Flow

- Cash inflow into SACE increased by 12%.
- There was an increase in CPTD subsidy spending as well as an increase of collection of subscription and registration fees.
- Net cash flows from operations increased by 43% due to an increase in revenue(inflow).
- Cash and Cash equivalents on the 31st March 2022 remained at R106 mil – necessary approval has been obtained.

4.5.3.13 Auditors Report - SACE received an unqualified audit opinion for 2021/22. Improvement was made in terms of compliance to legislations and relevant standards. Material misstatements were raised on reported performance information regarding Professional Development for the following indicators:

- 4.2.1 Number of educators supported on professional matters;
- 4.3.1 Percentage of Professional Development providers approved; and
- 4.3.2 Percentage of Professional Development activities endorsed.

Remedial action was being implemented in line with the information highlighted in Programme 4.

4.5.3.14 Portfolio Committee Observations and Questions on SACE

- Members noted that there were targets that were not reached by SACE.
- Members noted with concern the report from SACE that the country may face a shortage of 50 – 70 000 teachers. Members queried the work of SACE in addressing challenges with teacher shortages and priority placement of graduates by the Department.
- On SACE target for teacher placement, Members queried how this could not be achieved when there was a large cohort of unemployed teachers in the system. Members also queried why there

was consideration given to employ Foreign Educators with specialised subjects and not utilising South African unemployed teachers and train and develop them to specialisation.

- In respect of data gathering for teacher training and development opportunities, teachers were having difficulty submitting relevant information – this showed a lack of professionalism. It seemed teacher lacked the skills and knowledge to do online application and preferred to visit SACE walk-in centres. Members queried whether there was any customer survey done to find out reasons for teachers opting for the walk-in centre rather than the online portal.
- Regarding research, Members queried whether the budget for research was adequate for the research work of SACE. Members queried whether any research was done on profiling of sexual offenders within the education sector – and whether such reports could be shared with the Portfolio Committee.
- Members noted the sentiments of the Department that there would be no teacher shortages while many disagreed with this. Members queried the sentiments of SACE on the matter.
- Members sought clarity on how long it took for SACE to process application for teacher registration – could SACE offer an age-analysis of applications received?
- Regarding safety and security at schools, teachers were dealing with many incidents of violence and intimidation, especially in gang-infested areas. Many educators had little recourse and many chose to abandoned the profession for fear of their lives. Members queried whether SACE was able to highlight and investigate this matter.
- Members sought clarity on what the GBV programme entailed and what was done to provide support and address issues of safety and security, especially for female educators.
- Members noted that there had been some improvement of performance.
- Members sought more detail on the findings of the analysis on misconduct cases researched by SACE - and what are the recommendations.
- In respect of 4IR, Member queried what activities of SACE was being implementing in teacher development
- Regarding ECD, Members queried what continuous development was being planned for the ECD landscape after making Grade R compulsory
- Members did raise their dissatisfaction with the SACE audit performance and needed to understand the issues faced by SACE in respect of inadequate audit reporting and the AGSA issues raised.
- Members needed clarity on how SACE decided on its targets – and when SACE may have been aware that such targets would not be reached. What had SACE done to rectify and address these challenges.
- Members sought clarity on issues of SACE capacity to perform its functions adequately and achieve on targets.
- Members queried figures for the number of teachers registered with SACE and the number of teachers in the sector as a whole. Members queried the number of teachers being supported by SACE – and the number of teachers being prioritised for teacher training and development.
- Also on subscriptions, Members sought clarity on the subscriptions received against the number of teachers registered.
- Members also noted the worsening public and teacher perception of SACE.
- Members also noted that perpetrators got away and not brought to book due to unavailability of witnesses/victims who are silenced. Members queried what the possible percentage of such cases were and whether these could be brought to finality.

4.5.3.15 Responses from SACE

On the issue of finances and the public money collected by SACE, it was confirmed that this was in safe hands. SACE did collect revenue every year and accounted for such money. SACE books were exposed for scrutiny. SACE presented its statement of financial performance in respect of money collected and spent as disclosed through discloseable expenditure and operating expenses disclosed as notes. The AGSA had audited the SACE books with no misstatements and the SACE financial status was in good order. SACE acknowledged the sentiments and areas of concern raised by teachers and the general public. Council has taken note of these matters and embarked on a repositioning exercise to assess whether SACE was still on the right path and making a positive impact – this was an ongoing exercise. SACE was also addressing issues of whether they gave value for money and wanted to balance the revenue and resources it had to ensure it meets its obligations. As for the role of SACE from a legislative perspective, SACE had policy frameworks on teacher education and development which was linked to the SACE Act.

On issues of continuous professional teacher development (CPTD) SACE had authority to manage a system for CPTD. By managing such a system, it spoke to SACE providing fit-for-purpose CPTD. SACE would manage the CPTD in a certain manner e.g. approval of service providers of training and development for teachers as well as quality assurance of the CPTD programmes offered to teachers.

This meant SACE needed to employ specific staff to evaluate and give feedback to providers on the status of their programmes. SACE also needed to build a CPTD information system with different role-players who participated. SACE also employed co-ordinators at ground level in provinces, paid for by SACE, to support teachers. Whether teachers were being developed or was participating was the responsibility of providers and employers. SACE continued to work collaboratively with DBE on systems to ensure programmes running in terms of professional development was reported and integrated in SACE systems as well.

SACE was only able to have targets in relation to what SACE could afford – and may only be a drop in the ocean. With issues of sexual misconduct, this remained an area where SACE continued to advocate. This was a matter that seemed to increase with research indicating the profile would be of mostly men who had double-personalities. It also spoke of psychological issues that could not be explained in terms of how these matters were being dealt with. Issues relating to the professionalism of teachers needed to be recognised and teachers needed the necessary assistance and support. SACE was not responsible for placement of teachers in schools – SACE only registered them for employment. In respect of registration turn-around time, SACE indicated that walk-ins were immediate while the online registration took a few days due to workflow chain being followed.

SACE councillors appreciated the level of accountability and oversight of the Portfolio Committee and there was tremendous growth in SACE. Every committee of Council now had a committee charter of performance standards and accountability. Often SACE was seen as a watchdog, but there was a need to educate teacher to uphold educational standards. Issues of education remained fluid and the Council had moved from being reactive to being proactive. The Council had become much more accountable and held management of SACE to high standards. Councillors had confidence in SACE and teacher unions also had the full support for Council. SACE had registered growth and teachers were now trusting SACE for professionalisation.

4.5.3.16 Portfolio Committee Recommendations: SACE

Based on the observations made from inputs received from Umalusi and SACE, the Portfolio Committee recommends that the Minister should ensure that the Department of Basic Education, in collaboration with Umalusi consider the following recommendations:

- In collaboration with the Department and AGSA, ensure SACE received focussed attention on underperformance and inadequate audit reporting as well as setting of targets.
- Ensure SACE is able to implement any findings and recommendation of AGSA timeously.
- Ensure utilisation of unemployed teachers in the system with added training and development in specialised subjects before consideration is given to employ Foreign Educators.
- Ensure a customer survey is done on teachers using the walk-in centres or online portal for registration.
- Ensure the turnaround time, for on-line registration was reduced.
- Ensure that SACE provide the Portfolio Committee with a detailed report on:
 - Research findings regarding profiling of sexual offenders within the education sector
 - Present findings of the analysis on misconduct cases researched by SACE, with recommendations
- Ensure adequate and fit-for-purpose training and development on 4IR is implemented
- Ensure SACE develop a turnaround strategy on negative perceptions of the Council by teachers and the general public.
- It is further recommended that SACE should take AGSA's recommendations very seriously.

The Democratic Alliance (DA) reserved their rights in support of the Portfolio Committee Budget Review and Recommendations Report (BRRR)
Report to be considered