



AUDITOR - GENERAL
SOUTH AFRICA

SCOPA BRIEFING NOTE

Western Cape
Education Department

07 June 2023

*Issued under embargo until
SCOPA is briefed on
specially requested matters*



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1. Introduction

1.1 Reputation promise of the Auditor-General of South Africa

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country’s democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.

1.2 Purpose of this document

The purpose of this document is to provide an executive summary of the audit matters that were specially requested by Scopa.

The mission of the Western Cape Education Department is to ensure that every child has quality learning opportunities in a functional and enabling environment to acquire knowledge, competencies, skills and values to succeed in a changing world.

1.4 Organisational structure

Designation	Incumbent
Member of the Executive Committee (MEC)	Debbie Schäfer (Resigned 15 May 2022) David Maynier (16 May 2022 – Present)
Head of Department (Accounting Officer)	Brent Walters
Chief Financial Officer	Leon Ely
Chief Director: Financial Management	Erna Veldman
Deputy Director – General Educational Planning	Salie Abrahams
Deputy Director-General: Curriculum and Assessment Management	Haroon Mahomed
Deputy Director-General: Institution Development and Coordination	Archie Lewis
Chief Director: Physical Resources	Lesline McGlenatendolf

2. Audit opinion history

Details	2021-22	2020-21	2019-20	2018-19
Audit opinion				
Findings on compliance with key legislation:				
• Material misstatements in financial statements submitted	No	No	No	No
• Financial statements, performance and annual reports	No	Yes	No	No
• Procurement and contract management	No	No	No	No
• Revenue management	No	No		No
• Expenditure management	No	No	No	No
• Asset management	No	No		
• Transfer of funds	No	No		
• Utilisation of conditional grants	No	No	No	No
• Strategic planning and performance management	Yes	No	No	No
• Consequence management	No	No	No	No
Findings on predetermined objectives	Yes	Yes	Yes	Yes
Internal control deficiencies	Yes	Yes	Yes	Yes

Audit opinions

	CLEAN AUDIT OPINION (no findings on performance information or compliance with laws & regulations)
	UNQUALIFIED with findings on performance information and/or compliance
	QUALIFIED AUDIT OPINION (with or without findings)
	DISCLAIMER/ADVERSE AUDIT OPINION

3. Special requests

3.1 Moving to unqualified audit opinion with no audit findings

As per audit opinion history presented on point 2 above it is evident that the department has been experiencing challenges on appropriately managing their performance information to ensure that they are free from material misstatements.

In order for the department to make improvement on their implemented internal controls pertaining to management of the performance information, they will need to adequately implement the following detailed measures:

- Management should develop standard operating procedures that are detailed enough to be linked to roles and responsibilities of the employees that are responsible to collate, review and report on performance information. These should be linked to indicator description manual and the required supporting documentation.
- Develop credible action plans that could be allocated to process owners and consistently monitored in order to address internal control deficiencies identified through internal and external audit processes in prior years to avoid repeat audit findings on pre-determined objectives. This will improve accountability process within the department as well.
- Leadership and management should enhance the performance management and reporting process to ensure that sufficient reviews are in place to prevent or detect and correct errors and inconsistencies.
- An increased effort should be made to monitor performance against the annual targets during the internal quarterly monitoring. The performance information should be reviewed against the technical indicator description and for reliability.
- An in-year detailed review will aid the reviews performed during the annual reporting period and ensure the information provided for audit is consistent with the planned indicator and free from material errors.

Additionally, the department should continue to maintain the internal controls in the areas of financial reporting and compliance with applicable laws and regulations.

3.2 Expenditure and impact on National School Nutrition Programme (NSNP)

The grant allocated to the department in 2021/22 financial period in respect of this programme was R441 319 000 and the amount spent was R441 319 000, being 100% of the grants received.

Comparable picture of the spending of NSNP grant as per the annual report of the National Department of Education page 326 is as follows:

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Province	Amount received by the department (R000)	Amount spent by the department (R000)	Unspent funds (R000)
Eastern Cape	1 443 715	1 437 852	5 863
Free State	453 516	449 380	4 136
Gauteng	958 730	968 730	0
Kwazulu-Natal	1 831 602	1 931 362	0
Limpopo	1 456 918	1 476 026	0
Mpumalanga	777 342	793 758	0
Northern Cape	213 304	213 301	3
North West	545 755	506 708	39 047
Western Cape	441 319	441 319	0
Total	8 115 269	8 218 436	49 049

Reference is made to the PFMA General Report (GR) published for 2021/22 audit results on page 84 whereby the Free State Provincial Education Department did not achieve its targets for the National School Nutrition Programme, as learners at 90% of the schools we visited did not receive meals on the days they were required to attend school during the covid-19 pandemic. At 50% of the schools we visited, learners did not receive meals that met their daily recommended nutritional requirement.

Further as reported in the GR, page 107, we emphasised the following matters pertaining to Western Cape Provincial Education Department identified when we visited schools:

- (a) complete and accurate monthly stock registers not being stock
- (b) kept expired stock in storerooms
- (c) food not being suitably stored

In some cases, this led to wastage, a lack of a balanced meal and learners not always receiving meals as intended. This greatly affected the programme's purpose of serving a balanced meal to boost the concentration of learners and ensuring that teachers get the maximum out of the available teaching time.

3.3 Prior year Audit of Predetermined Objectives (AoPO) audit findings for other Provinces

As reported in the GR, the quality of the performance reporting documents prepared and the over reliance on the audit process to make corrections in response to the findings raise questions about the credibility of in-year reporting and the effectiveness of performance reporting throughout the year. Poor monitoring and corrective action throughout the year contribute to auditees being unable to achieve their performance targets or reliably report on their performance. Accounting officers and oversight bodies (such as portfolio committees) also

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use in-year reporting for monitoring purposes; without reliable information, their monitoring process will be ineffective.

There has been a slight improvement in the reliability of reporting achievements, in the prior year only 20% of the departments' performance reporting were reliable compared to 50% in the current year, however, this was only achieved after the correction of material findings on the reported achievements. Notwithstanding some of the errors in the APRs and lack of evidence to support performance reflected.

It is still concerning that some of the departments of education (EC, KZN, LP, NW & WC) are not reporting reliably on the performance achievement on some of the significant indicators and targets, unreliable performance reporting is adding to the challenge of poor service delivery. Supporting evidence was not provided or where provided, differed significantly from the reported achievement due to the lack of adequate processes and system in place to collect and validate information.

3.4 How the department can mitigate reoccurrence of the prior year audit findings

The 2022/23 audit is in progress and therefore any audit findings identified will be discussed as audit progresses.

The audit process further includes frequent communication with management through audit steering committee meetings to ensure all the risks and potential misstatements are appropriately discussed. This includes following up audit action plan to determine whether internal control deficiencies identified in the prior audit periods are appropriately implemented.