

Budgetary review and  
recommendations report (BRRR)  
**Portfolio Committee on Basic  
Education**



**PFMA 2022-23**

17 October 2023



## MISSION

The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence

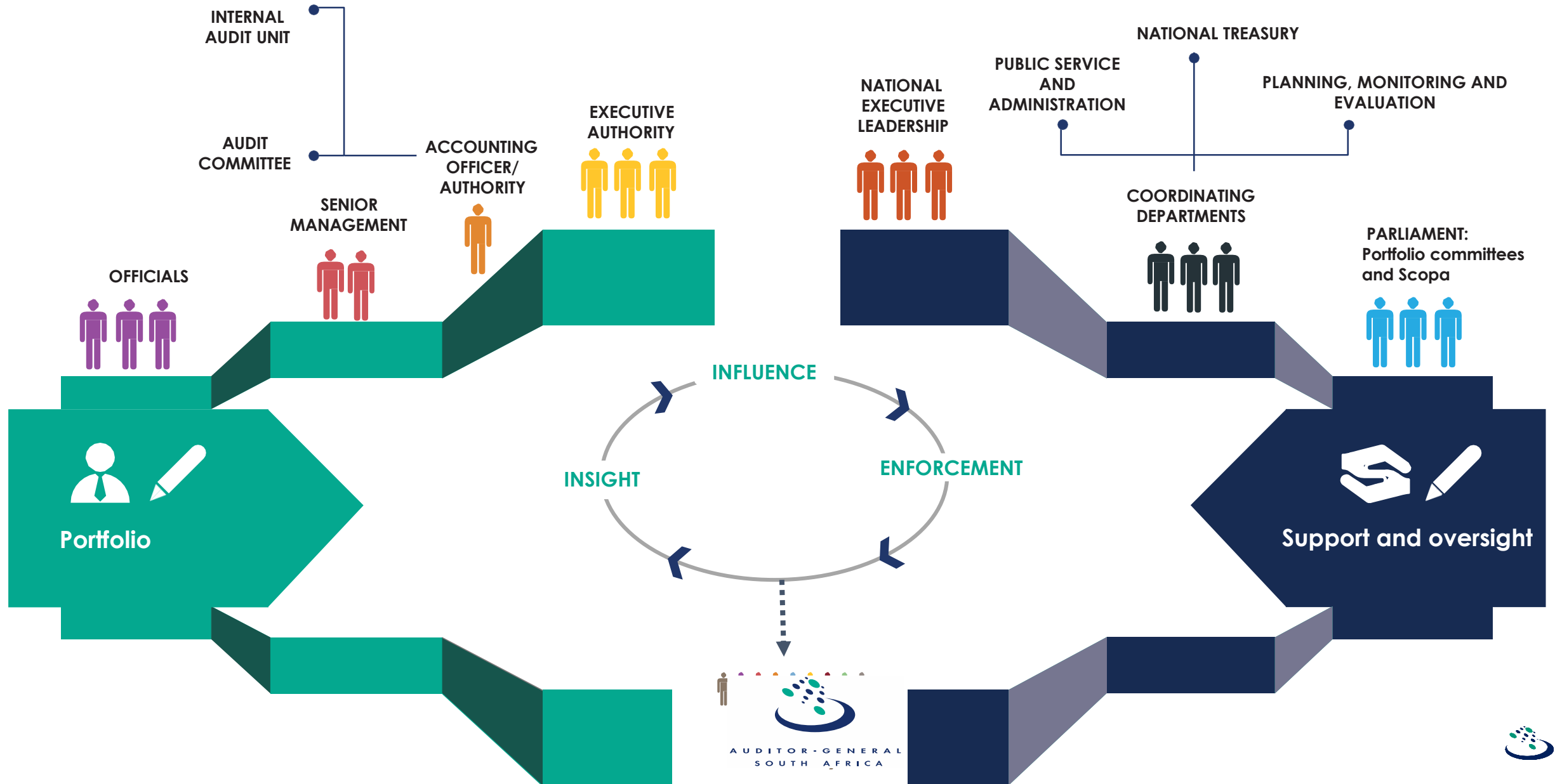


## VISION

To be recognised by all our stakeholders as a relevant supreme audit institution that enhances public sector accountability



# All have roles to play in the national government accountability ecosystem



## Problem statement

In its strategies and budgets, government reiterates education and skills development being a priority as a means to eradicate unemployment and poverty. However, more than 36% of South Africans are unemployed, with 64% being youth, this includes graduates and/or individuals who completed one or more skills intervention/ education program.



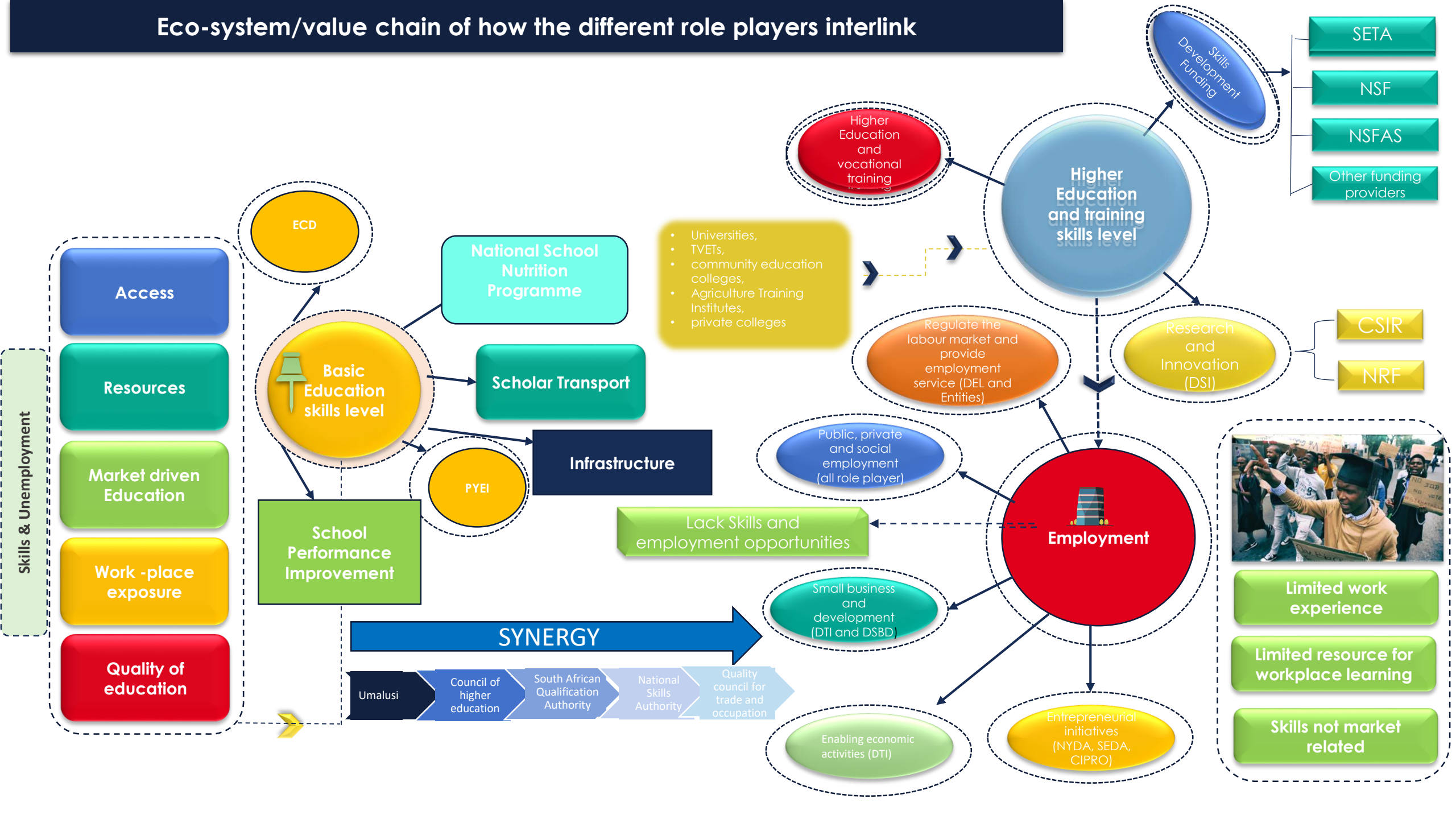
Integrated planning within the education and skills sector will facilitate quality education and responsive skills development programmes that meets market needs , therefore reduce unemployment. This will further maximise the value of the limited fiscus invested by government particularly in education and skills development



Note : In the current year we opted to start building on a message, however, the solution will cut through multiple years to ensure a sustainable solution.



# Eco-system/value chain of how the different role players interlink



## Roles and Responsibilities

**Department of Basic Education**  
Policy development, monitoring and reporting

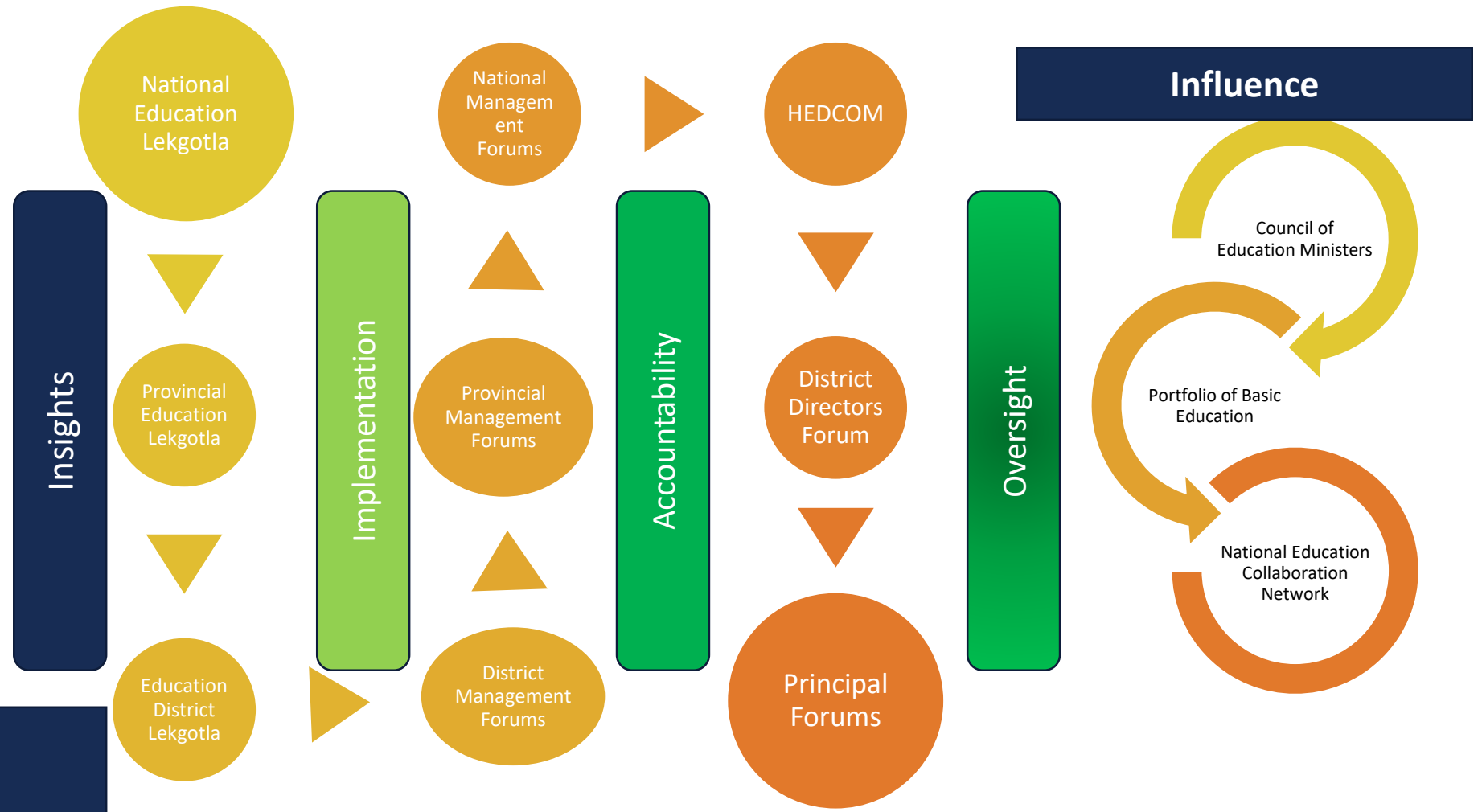
**Provincial Education Department**  
Resourcing, policy guidance, monitoring and reporting

**Education Districts & Circuits –**  
Monitoring, support and reporting

**Schools**  
Policy implementation and reporting

<b>Total Sector Budget</b>	<b>R 316 billion</b>
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*Sector Reminder*



Ensuring a curriculum with skills and competencies for a changing world, specifically Foundational skills of numeracy and literacy.

## BASIC EDUCATION 2023/24

### Quality of education

Assess how decisions for school curriculum choice and implementation affect critical skills demands and needs.

### SDG 4.5

Assess the progress towards attainment of SDG 4.5 advocating for the provision of equal and equitable quality education for children with disabilities by 2030.

## BASIC EDUCATION 2024/25

Curriculum Coverage – Assess whether the implementation of the Curriculum And Assessment Policy Statement (CAPS) is improving the quality of education in terms of teaching methods, assessment tools, and grade promotion.



	Unqualified with no findings (clean)	Unqualified with findings	Qualified with findings	
2019-20 FIRST YEAR OF ADMINISTRATION	Umalusi	SACE	DBE	3
2021-22	Umalusi	DBE SACE	0	3
2022-23	0	DBE SACE	0	3

**MOVEMENTS FROM PREVIOUS YEAR:**  
 0 ▲ 1 ▼

**FROM FIRST YEAR OF ADMINISTRATION:**  
 1 ▲ 0 ▼

- In our previous audit cycle, we urged the auditees to institutionalise the preventative and detection controls in order to improve sound financial management and audit outcomes within the portfolio. We indicated that sustainable improvements in audit outcomes would only be achieved when all role players in the accountability ecosystem consistently discharge their roles and responsibilities. The lived experience of the people meant to be serviced has not significantly changed as most of the commitments made are still in progress.
- The department has implemented most of our recommendation in dealing with the non-compliance with the SCM prescripts which has caused an increase in irregular expenditure over the years. Most of the implementing agents that used to contribute the most in increased has demonstrated commitment in ensuring that the department is no longer incurring irregular expenditure through the non-compliance with SCM laws and regulation. We have however, noted non-compliance with SCM legislation with one implementing agent (NECT) which is new. We further encourage the department to strengthen on boarding of new implementing agents to ensure consistent application of laws and regulations.
- In responding to our recommendations, the department has investigated almost all the cases of irregular expenditure. The institution of consequence management is taking along time, this needs to be attended to urgently.

## Financial health

**Revenue** DBE and SACE

- Average debt-collection period is equal to 721 days
- Debtors' impairment provision of accounts receivable exceeds 10% for SACE (statutory receivable)

**Expenditure** DBE

- R15,66 million Expenditure incurred in the current year was fruitless and wasteful by DBE due duplicate allocation of the projects to the implementing agents thereby incurring additional costs.

**Assets and liabilities** DBE

- Accruals and payables exceeded a period of 30 days (The department's delay in paying/processing of accruals and payables within 30 days as 20% (R83 657 000) of the amount owing has been long outstanding.)

DBE's financial health has been assessed as concerning mainly due to the delay in paying of money owed 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 721 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.

DBE utilised the unspent conditional grant, meant for Early Childhood Development and National School Nutrition Programme, received from North West Provincial Education Department that was meant to be surrendered to the NRF. This resulted to irregular expenditure of R65,7 million incurred as there was not approval of the utilisation of the funds in contravention of the PFMA.

The money incurred in vain could be re-directed to commence other infrastructure projects.



01

### Procurement and contract management

Awards were not made to the highest scoring bidder  
Award made to suppliers not submitted local content certificate (DBE)

02

### Effecting Consequences

No sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure

03

### Prevention of irregular and fruitless and wasteful expenditure

Irregular and fruitless and wasteful expenditure not prevented (DBE)

04

### Material Misstatements in AFS

Material misstatement identified on the audit of AFS which were subsequently corrected (DBE, SACE & Umalusi)

The leadership in the department needs to swiftly institute consequence management against officials responsible for non-compliance to help the department to recover the losses on time from those officials who incurred or caused irregular expenditure/losses to be incurred and to deter other officials from contravening legislation.



National Treasury Instruction No. 4 of 2022/2023: **PFMA Compliance and Reporting Framework** (Instruction) which came into effect on **03 January 2023**, was issued in terms of section 76(1)(b), (e) and (f), (2)(e) and (4)(a) and (c) of the PFMA

Public objective of the Instruction note is to prescribe the **principles and compliance reporting requirements** for PFMA institutions to the Public Finance Management Act, 1999 regarding **unauthorised, irregular and fruitless and wasteful expenditure** (UIF&WE).

## Framework

The new framework brought **significant changes** in relation to the disclosure of **irregular, and fruitless and wasteful expenditure** (IFWE). These changes are as follows:



- 1** **Movement** in the disclosure note of IFWE has been moved from annual financial statements to the annual report.
- 2** **PFMA institutions** will only disclose IFWE incurred in the current year, with a one-year comparative analysis.
- 3** **Historical balances (i.e., opening balances)** have been completely removed from the annual financial statements

## Message to portfolio committee

The fact that the disclosure of IFWE (historical balances and movements) is **no longer required on the annual financial statements** and **no audit assurance is provided** thereon, the oversight structures would need to engage **directly with the information disclosed in the annual report** to exercise their oversight responsibility.

AGSA refined its audit approach to uphold transparency by continuing to audit the IFWE disclosure in the annual report

There is a clear messaging in the audit report on reliability of the IFWE disclosure in the annual report

The objective was to ensure that we could still be in a position to report to users of the AFS in cases where these historic balances of IFWE are not complete and accurate. This had no impact on the audit opinion.





## Status of compliance with SCM legislation

### 2022-23 key findings

### Auditee

Breach of five pillars of procurement: Equitable, Fairness, Cost effectiveness, Transparency and Competitiveness

DBE: R889 million

Other: Unspent conditional grant utilised without approval, non-compliance with the PFMA

DBE: R65 million

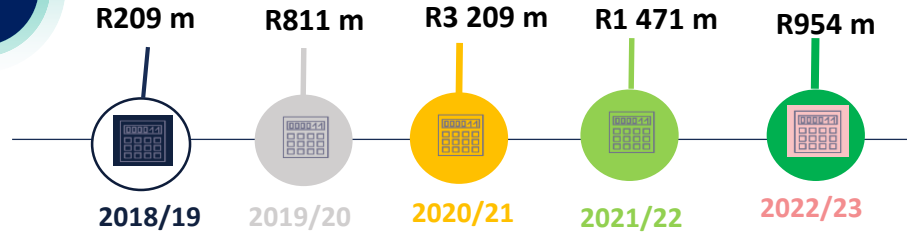
**Top contributor**

**DBE: R954 million**

**100%**



## Irregular expenditure



## Impact

The Small, Medium and Micro Enterprises may be negatively be affected

### DBE:

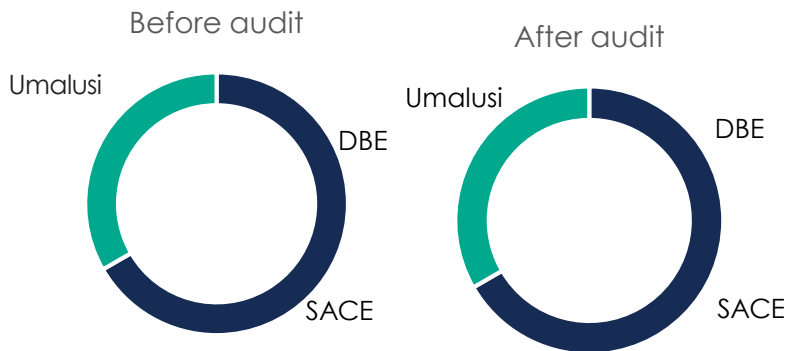
Non-compliance with PFMA requirements – unspent grant utilised without approval

### Irregular Expenditure relating to Implementing agent (non-compliance)

- ❖ Awards not made to the highest scoring bidder and invitation to tender for commodities designated for local content and production, did not stipulated the minimum threshold for local production: R103 million
- ❖ Expenditure on the multi-year contracts that were declared irregular in the prior year: R786 million

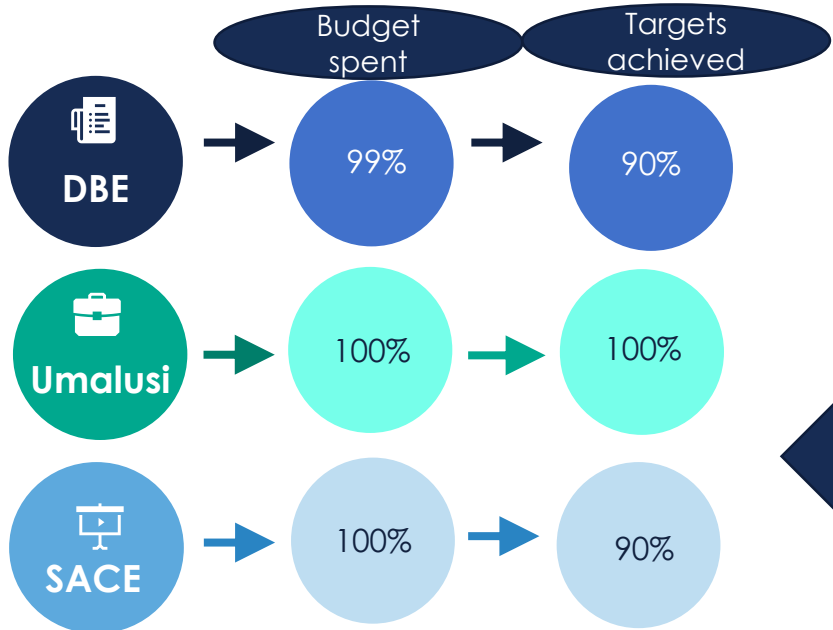


## Quality of performance reports before and after audit



■ With findings ■ With no findings

## Achievement of targets – 2022-23



It's important that budget spent to translate to achievements of targets

**DBE Findings: Planning**  
 The indicators (4.2.1 and 4.3.5 ) were included in the approved annual performance plan of DBE but then not clearly defined during planning processes. Consequently, the information might be less useful for measuring performance.

**Findings: Reporting**  
 The reported achievement for indicators (4.1.1 and 4.2.1) were not supported by the credible supporting documents as they materially differed which resulted to material finding for SACE.

**SACE**

Over and above the negative audit outcome, this will impact service delivery for the entity as the educators will not be adequately supported and developed in the critical areas of education.

**Impact**

**DBE & SACE**



1

## Key service delivery targets/ key targets in medium-term strategic framework for the relating to programme 2 , 3 and 4

- Number of Children/ Learners with Profound Intellectual Disability (C/LPID) using the Learning Programme for C/LPID.
- % of public schools with workbooks for HL/Maths and Gr R until 9 per year.
- Number Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education
- Number of new schools built and completed through ASIDI.
- Number of schools provided with sanitation facilities.
- Number of schools provided with water facilities through ASIDI.

2

## Key service delivery targets not included in plans of DBE

- Number of unemployed youths trained in an accredited course in general maintenance of school buildings
- Revise History Curriculum and Assessment Policy Statement for Grades 4-12
- Conduct master training for History Curriculum Specialists in each province on the revised History Curriculum

3

## Achievement of annual targets as reported in annual performance report (all indicators) – 2022-23

Key targets not achieved by auditees:

### DBE

- 2.3.7 Number of special schools with access to electronic devices.
- 4.1.1 Number of new schools built and completed through ASIDI.

### SACE

- 3.1.1. Percentage of finalised investigations into new cases
- 3.1.2. Percentage of finalised investigations into rolled-over cases
- 3.2.1. Percentage of finalised disciplinary hearings into new cases

4

## Insights, root cause and impact of targets not achieved

- The underachievement of the planned service delivery and reported achievements will compromise the achievement of government's priorities and erode future budgets meant for service delivery.
- The impact of the exclusion of MTSF indicators is that the MTSF targets might not be met and could potentially have a direct impact on the delivery of quality education to the citizens.

# Material irregularities



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SOUTH AFRICA

MI process implemented at DBE

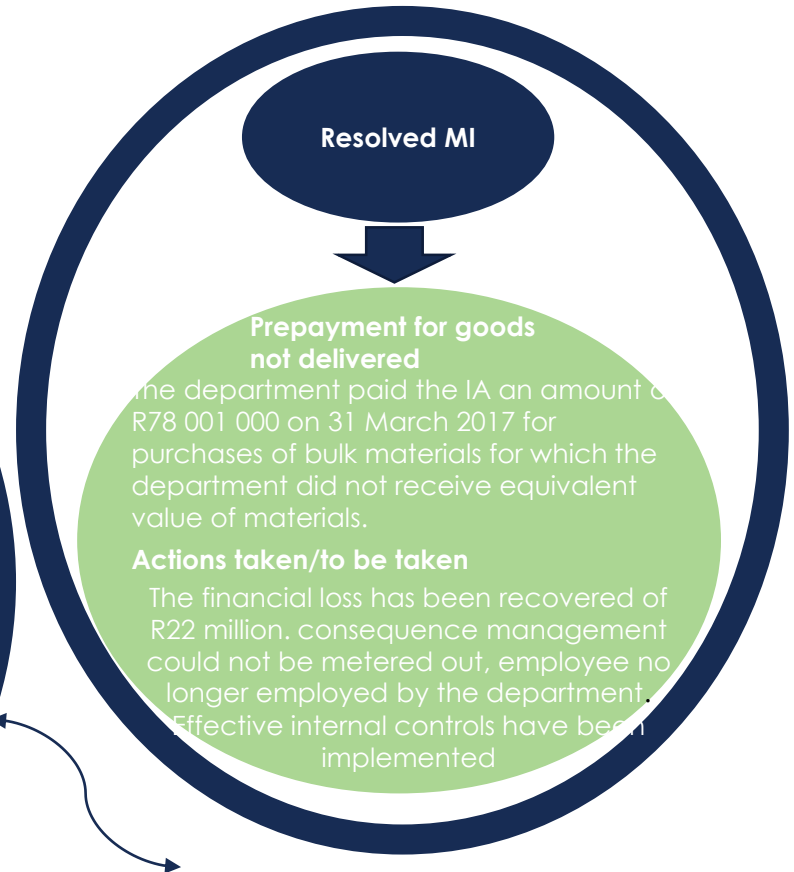
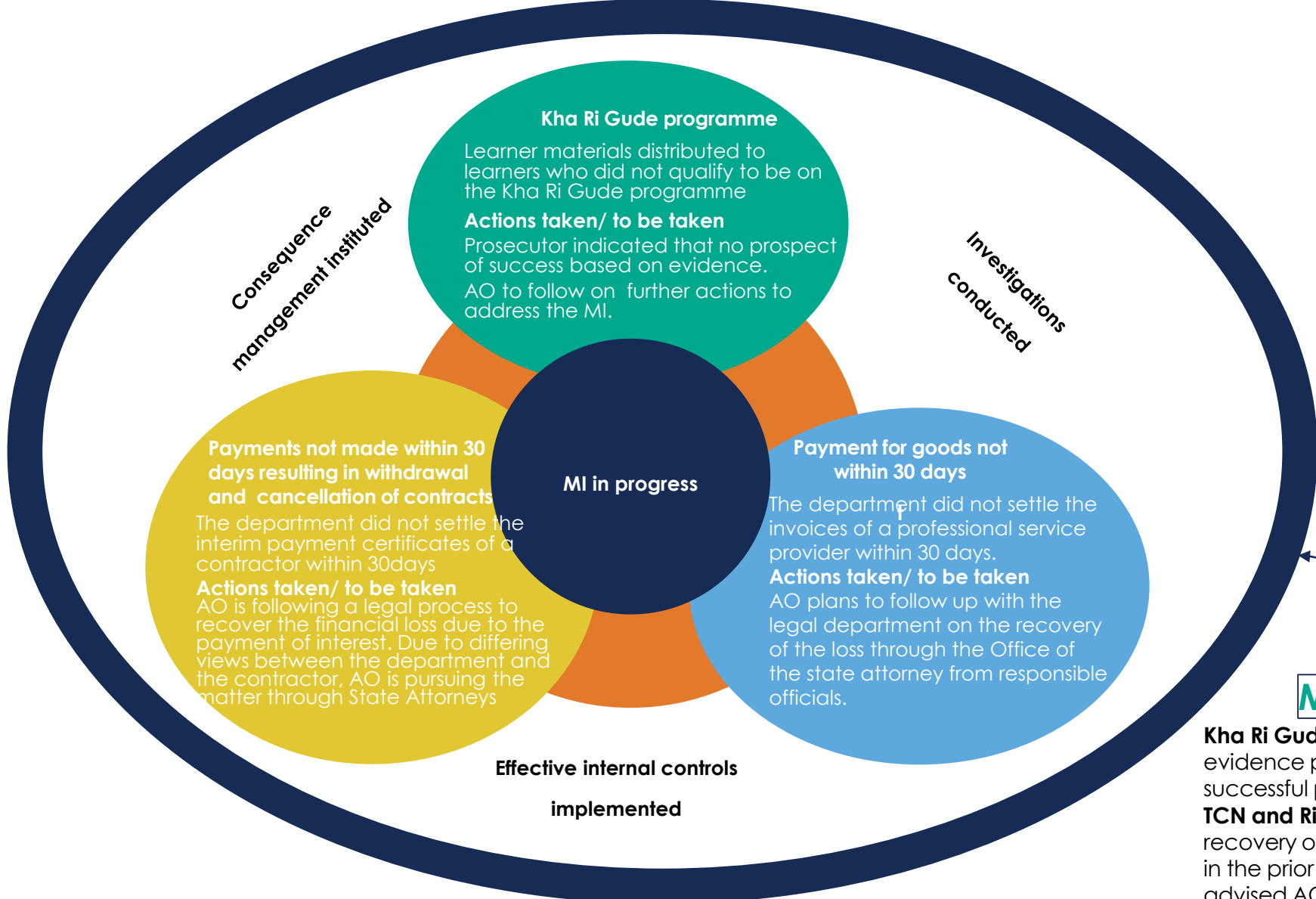
means any **non-compliance** with, or **contravention** of, legislation, fraud, theft or a **breach of a fiduciary duty** identified during an audit performed under the Public Audit Act that **resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource, or substantial harm to a public sector institution or the general public**

If **accounting officer / authority** does not appropriately deal with material irregularities, our expanded mandate allows us to:



## Appropriate actions taken

## MI resolved



## MI's Outstanding

**Kha Ri Gude programme** -As per the correspondence and evidence provided, there is indication of no prospect of successful prosecution. Further evidence to be provided  
**TCN and Ricts** – The legal opinion sought indicated that recovery of loss has prescribed though investigation finalised in the prior year. State attorney maintains their opinion and advised AO to seek 2<sup>nd</sup> opinion. Awaiting feedback from AO





# MATERIAL IRREGULARITIES IN THE SECTOR



**Material irregularities (MIs) – refer to material irregularity chapter for further details.**  
Status as of 31 July 2023

**19 active MIs at 8 auditees**

*Accounting officers have been notified*

## APPROPRIATE ACTIONS (7)

3 Cases

Payments for goods or services not received – Eastern Cape (3)

2 Cases

Auditees made payment of interest and other penalties – (Kwa-Zulu Natal (1) and Limpopo (1)

1 Case

Salaries made to persons no longer employed by the department- Kwa-Zulu Natal

1 Case

Non-compliance with supply chain management prescripts – Gauteng

## MI NOTIFICATION (8)

6 Case

MI notifications issued and the response from AO not yet due (1)-North West; (1) Eastern cape and Mpumalanga (4)

2 Case

MI notifications issued and assessing response Northern Cape –(1) ; Kwa-Zulu Natal (1)



**RESOLVED (8)**

8 Cases

Payments for goods or services not received- Free State (1) and Eastern cape (6) and (1) North West

**AGSA further actions (4)**

Auditees made payment of interest and other penalties –Free State (3) and Eastern Cape (1)



# ICT environment/ projects



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Audit work was conducted at the department of Basic Education focusing on Project review, Utilisation of EFMS system and cyber security.



## Basic Education

### Impact:

- This exposes the departments to cyber-attacks and unauthorised access, consequently leading to disruption of services,
- Non-utilisation of EFMS system, may result in the department not being able to manage, monitor and oversee all active infrastructure projects across the country.
- Significant shortfall in funding of SA-SAMS modernization project may potentially lead to incomplete project deliverables.

### Cause:

- Not holding SITA accountable for non-delivery on its services.
- Delay in rolling out Education Facilities Management System for active infrastructure projects.
- Project funders non adherence to the funding agreement.

### Recommendations to AO/AA:

- Expedite the process of rolling out EFMS system to all the provinces and holding provinces accountable.
- Implement processes to hold SITA accountable for non delivery.
- Explore options for additional funding to cover the outstanding amount needed for the implementation of release 4 and release 5

## Key observations on ICT

### Observations

#### Lack of cyber security governance and controls

Weak ICT security environment as a results of missing patches, unsupported applications and weak configurations.

### Observations

#### The utilisation of Education Facilities Management System

- DBE took over the management of the EFMS system in 2021 to rollout to all PEDs. However the system was fully rolled out in only three provinces, namely EC, NW & NC and not fully utilised.

### Observations

#### Project review on the implementation of (SA-SAMS) Modernization

- R100 million was budgeted for the entire project, however it has been reduced to R68 million. Only R12 million budget remaining to implement releases 4 and 5 which will hinder the successful implementation of the project.
- System quality management plan and testing were not performed for all completed releases.



Audit work was conducted across all 9 provinces focusing on ICT projects for the schools(e-learning), data quality, Project review on SA-SAMS, Utilisation of EFMS system and cyber security.

## Key observations on ICT in Education

### Observations

#### Poor data quality in the provincial data warehouses

Identified significant number of learners who were deceased, duplicate learners and educators and learners with invalid ID numbers.

### Observations

#### Lack of cyber security governance and controls

Weak ICT security environment as a results of missing patches, unsupported applications and weak configurations.

### Observations

#### E- learning projects

The provinces had embarked on the e-learning journey with the initial phase of procuring ICT devices such as classroom tablets and laptops for educators. The following were noted:

- Poor network connectivity affecting learners and teachers.
- Smart devices that are corrupted, lost or stolen and not replaced or fixed.
- Schools devices not in line with the required specifications.
- Some provinces has not started implementing e-learning projects.

### Observations

#### The utilisation of Education Facilities Management System

• DBE took over the management of the EFMS system in 2021 to rollout to all PEDs. However the system was fully rolled out in only three provinces, namely EC, NW & NC and not fully utilised.

### Observations

#### Project review on the implementation of (SA-SAMS) Modernization

- R100 million was budgeted for the entire project, however it has been reduced to R68 million. Only R12 million budget remaining to implement releases 4 and 5 which will hinder the successful implementation of the project..
- System quality management plan and testing were not performed for all completed releases.



## Education sector

### Impact:

- Poor data quality from the data warehouses, may result in inadequate budgeting, incorrect allocation for school nutrition programme, incorrect allocation of school learning materials and insufficient ICT related Infrastructure. Therefore compromising schools performance.
- This exposes the departments to cyber-attacks and unauthorised access, consequently leading to disruption of services,
- Lack of delivery on the e-learning initiatives, affects the quality and efficiency of learning in the of classroom .
- Non-utilisation of EFMS system, may result in the department not being able to manage, monitor and oversee all active infrastructure projects across the country.
- Significant shortfall in funding of SA-SAMS modernization project may potentially lead to incomplete project deliverables.

### Cause:

- Data quality audits were not performed.
- Not holding SITA accountable for non-delivery on its services.
- Lack or limited budget allocated to e-learning projects.
- Delay in rolling out Education Facilities Management System for active infrastructure projects.
- Project funders non adherence to the funding agreement.

### Recommendations to AO/AA:

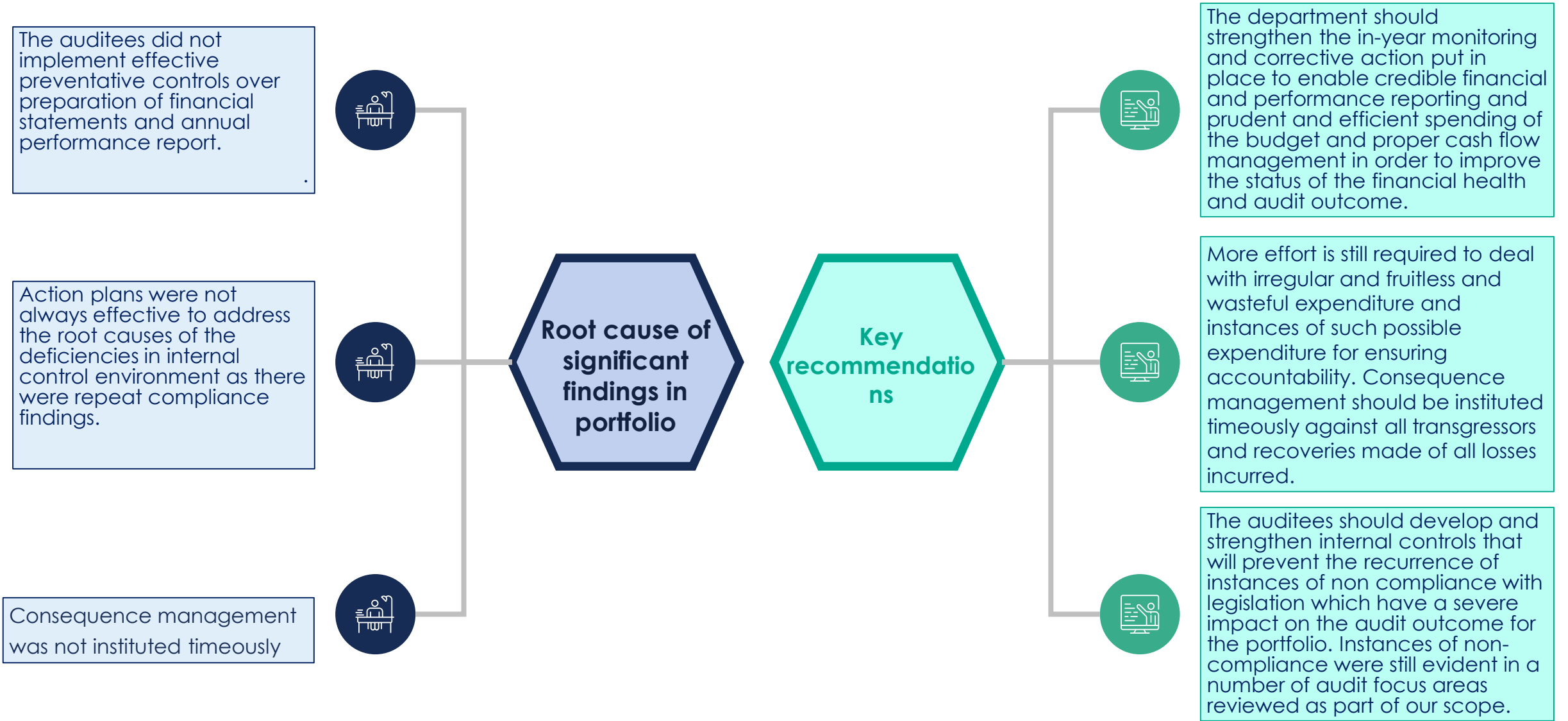
- Implementing processes and procedure to ensure continuous data quality audits prior to reporting and holding provinces accountable.
- Implement processes to hold SITA accountable for non delivery.
- Expedite the process of rolling out EFMS system and Explore options for additional funding for the projects.



# Root cause and recommendations



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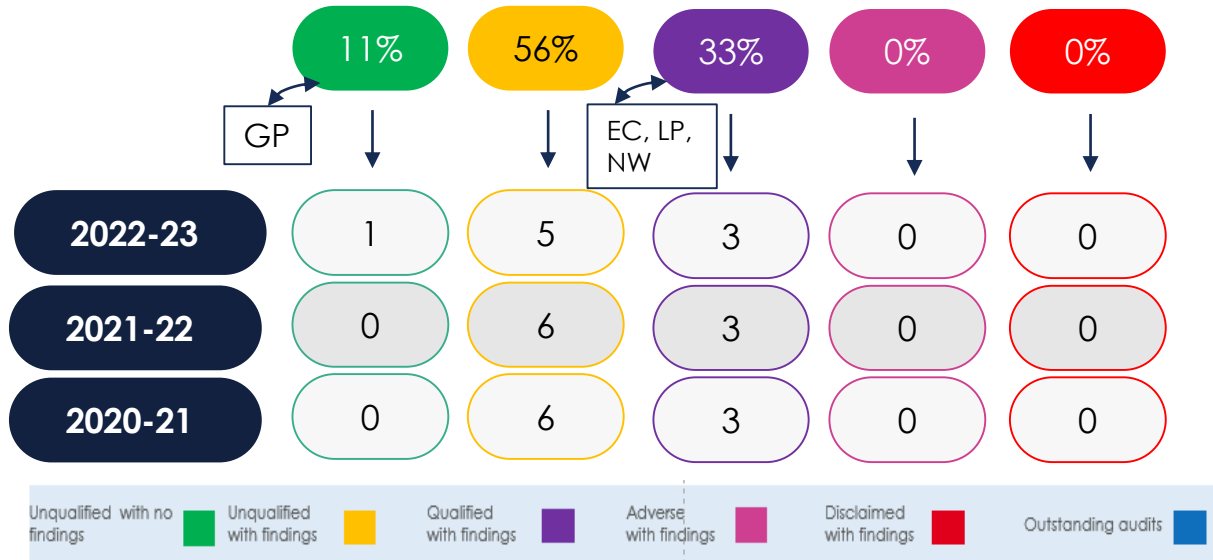


# EDUCATION SECTOR



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## Financial reporting

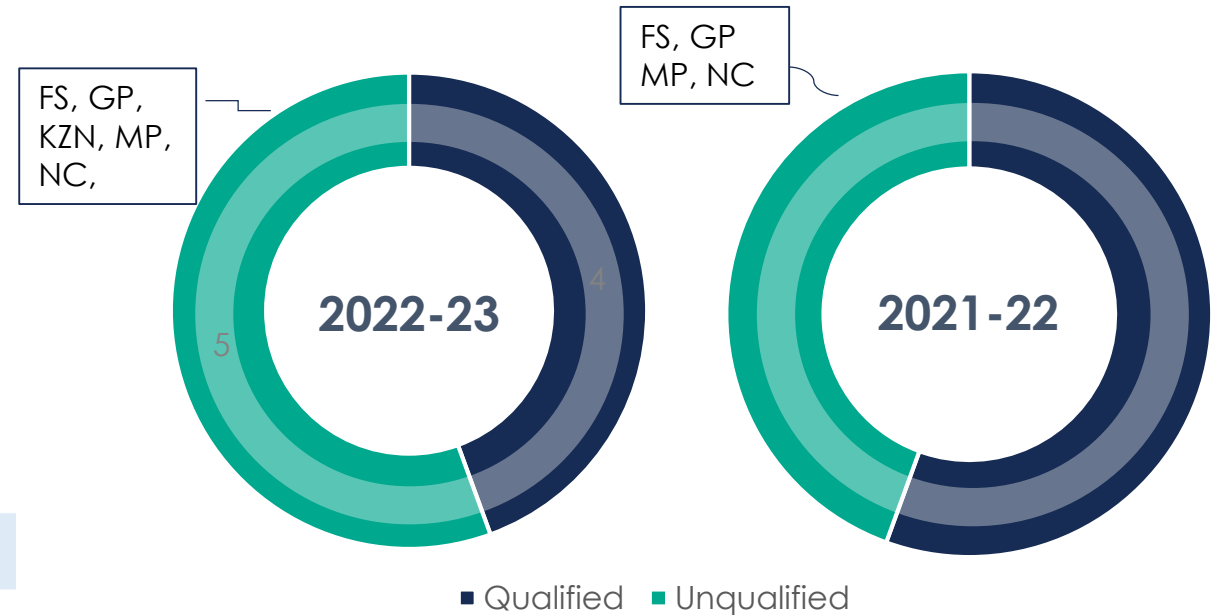


Overall, the outcomes for the sector have improved compared to the prior year after Gauteng Department obtained unqualified with no findings.

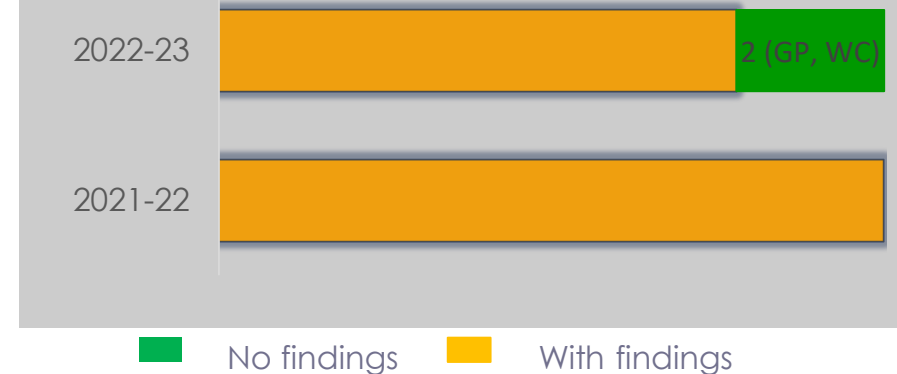
While EC, LP and NW remained with qualified audit opinion. The quality of financial reporting for most of the departments in the sector was still poor as a result of errors on accounting for infrastructure assets. Inadequate project management and coordination of implementing agents remains a major control deficiency affecting preparation of quality and credible financial statements for most of the departments in the sector.

Non-compliance with legislation remains high and concerning as we reported material non-compliance within the sector that negatively affected the audit outcomes. The sector continues to struggle with non-compliance with supply chain management prescripts and this is also the area where the risk of fraud is highest, hence it is necessary for a culture of compliance and respect for the law needs to be re-enforced. This has also resulted in an increase in irregular expenditure of R5,12 bn for the current year.

## Performance planning and reporting




## Compliance with laws and regulations





## Status of compliance with SCM legislation



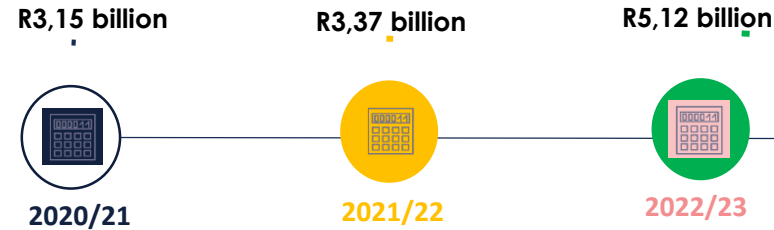
2022-23 key observations	Auditee
Breach of five pillars of procurement: Equitable, Fairness, Cost effectiveness, Transparency and Competitiveness	7 (except GP&WC)

### Top contributor

- LP: R1,96 billion
- KZN: R1,52 billion
- GP: 0,58 billion

## Irregular expenditure



## Impact

The small, Medium and Micro Enterprises may be disadvantaged and local economy negatively affected.

## Financial health

Nature	Total	Top contributors	Auditees impacted
Unauthorised expenditure	R32, 46m	NC – R28,34 m KZN – R4,10 m	NC KZN
Fruitless and wasteful expenditure	R70,98m	EC - R24,28 m LP – R23,48 m FS – R14,3 m	All auditees, except WC
Deficit	R726,73m	GP – R724, 79m KZN – R1,94 m	GP KZN
More than 20% of cash shortfall funded by next year's operational budget	N/A	EC – R2 000,00m FS – R894,84 m KZN – R597,03m NC – R308, 71m	EC FS KZN NC

Persistent weak financial management and budgeting controls led to the financial health status within the sector deteriorating, which negatively affected their ability to deliver services. Some departments continued to spend money that they did not have, and 20% of the departments had a combined deficit of R726,73 million.



# Reflection on sector performance

## MTSF Achievement (sector)

Indicators	5 year MTSF target	4 year totals from 2019/20	
		Own target	Achievement
Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies.	90%	51%	39%
Number of public schools that offer Grade R	Proportion of 5-year olds (Grade RR) enrolled in educational institutions by 2024	75 000	62 504
Number of public schools provided with water infrastructure	122 additional ASIDI schools completed and handed over for use (cumulatively 337 by 2024)	4000	3 526
Number of public schools supplied with sanitation facilities	3 898 schools to have reached practical construction completion by 31 March 2022	3800	2 517
Percentage of learners with access to required maths and EFAL textbooks in Grades 6 and 9	2024: 100%	56%	48%
Number of teachers trained in maths /numeracy content and methodology	All teachers qualifying for training trained by 2024	33 920	34 331
Number of teachers trained in literacy and language content and methodology	All teachers qualifying for training trained by 2024	33 557	36 870
Coding and Robotics curriculum implemented	Approved curriculum in place by 2022	Approval of curriculum by 2022 Number of schools piloted: 18	The curriculum was approved by 2022 18 Schools piloted (two per province)
Education facility management system is developed at Provincial level	System will be operational by 2022 in all provinces	operational by 2022 in all provinces	Operating in three PEDs (EC, NC&NW)

## Reflection on sector performance

Our analysis of the MTSF indicators and targets for the past four financial years, we noted that provinces are not achieving on their targets, which directly delay delivery of the intended quality education even though the budget is at times exceeded by a number of auditees. The underachievement of the planned service delivery and reported achievements and lack of correlation with the budget spent will compromise the achievement of government's priorities and erode future budgets meant for service delivery.

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



# Achievement of the MTSF targets not included in APPs

## MTSF not included in APP but tracked through MTSF system

Output indicators - MTSF	Output target - MTSF	Reported achievement
Digitised text book	Digitalise all state-owned textbooks	All textbooks developed by the LTSM have been digitised
Number of schools connected for teaching and learning	90% of public schools connected by 2024	Plans are being developed between the different departments to deliver on an MoU for school connectivity
Distribute an annual circular statement to all 9 provinces to inculcate the culture of recital of the Preamble of the Constitution at all school assemblies and gatherings.	1 circular issued annually	The circular was approved and distributed in schools at the commencement of the academic year 2023.

## Reflection on non-inclusion of indicators

The education sector plays a vital role in achieving the Medium-Term Strategic Framework (MTSF) 2019-24 targets, which are linked to service delivery objectives of the country, but the APPs of most of the auditees within the education sector did not include indicators that measure their contribution to the MTSF, their core functions, or the jobs they were created to perform.

## MTSF indicators and targets not included/tracked

Output indicators - MTSF	Output target - MTSF	Reported
Number of unemployed youths trained in an accredited course in general maintenance of school buildings	At least 710 youth trained within the 71 education districts	Not achieved
Revise History Curriculum and Assessment Policy Statement for Grades 4-12	History Curriculum and Assessment Policy Statement revised for Grades 4 -9 by 2023	Not achieved
Conduct master training for History Curriculum Specialists in each province on the revised History Curriculum	History Curriculum Specialists trained as master trainers by 2024 in each of the 9 provinces	Not achieved
Develop exemplar question papers on the revised History curriculum for Grades 10-12	Exemplar question papers developed on the revised history curriculum for Grades 10-12 by 2024	Not achieved
Conduct training for History examiners on the revised History Curriculum for standardization of Grade 12 examination	1 training of examiners on the revised History curriculum by 2024	Not achieved

### IMPACT

The impact of the exclusion of MTSF indicators is that the MTSF targets might not be met and could potentially have a direct impact on the delivery of quality education to the citizens.

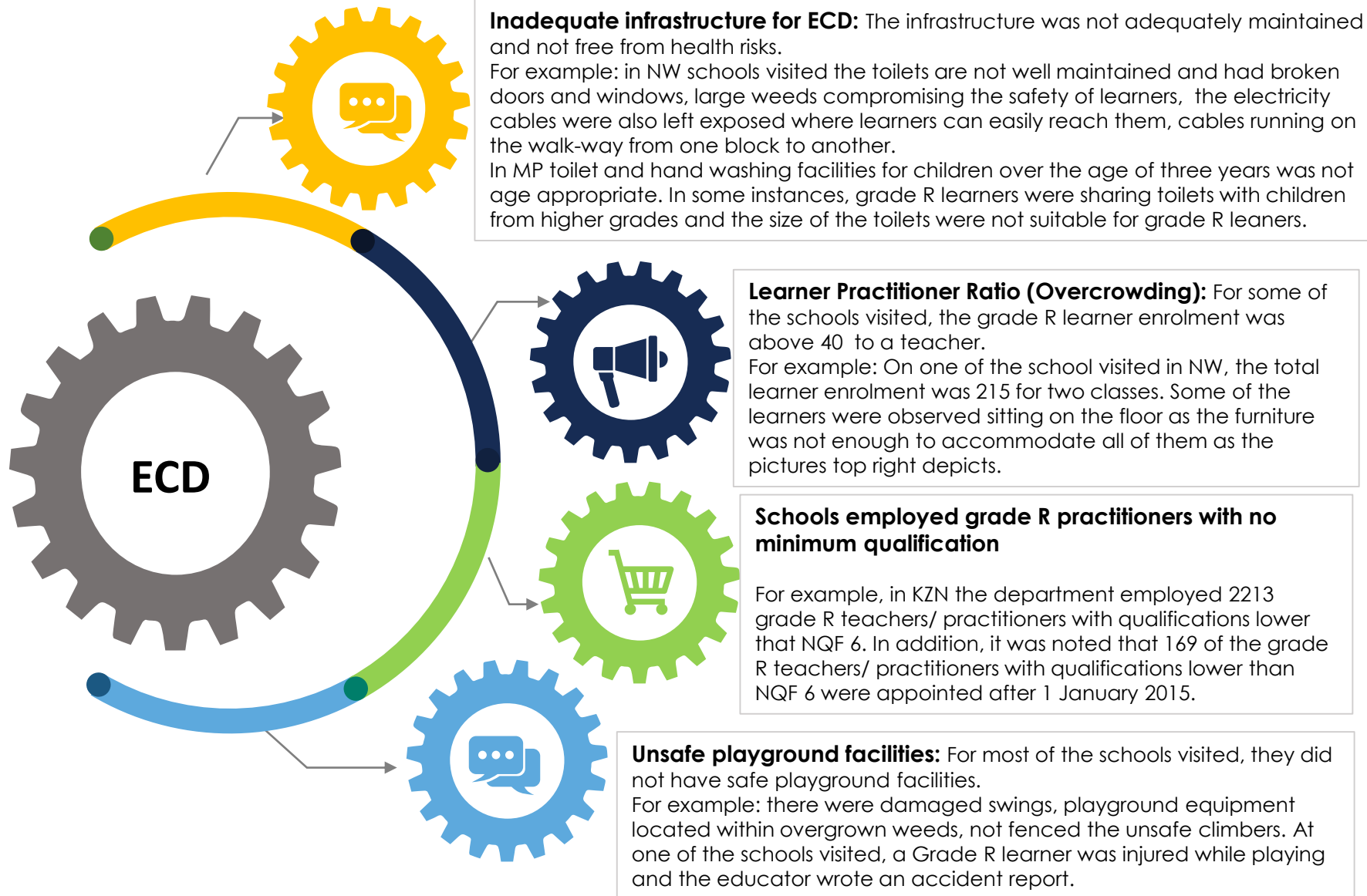


# FOCUS AREAS



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## Insights



## Impact

The identified deficiencies threatens access and provision of quality education of all learners. Foundation phase is also the critical contributor of learner performance in later grades and the deficiencies therefore perpetuate learners' poor performance.

## Recommendations

Provincial education and districts officials should effectively guide, monitor and support schools to ensure that adhere to set policies on ECD provisioning. School Management Teams should strive to improve the learning environment of Grade R learners



## Insights

### Schools did not implement effective stock management and appropriate storage facilities use for learners to be served fresh and healthy meals

For instance, in NW some of the schools visited did not ensure that their storage rooms were adequately ventilated to ensure appropriate temperature for the food stored in such rooms. Consequently, the risk existed that such storage conditions could result in food being damaged or contaminated.

### Appropriate utensils and equipment for serving and preparing meals were not used by schools

For example, in NW it was confirmed that the stainless steel plate and spoons were either lost or damaged by the learners. This resulted in learner's eating their meals without spoons. Furthermore, the audit team observed learners exchanging of dishes, sharing dishes- with meals and some using buckets as depicted in figure 7 and 8. This poses health risks, and it is indignity.

### Root cause:

- The reporting framework utilised for monitoring of the NSPS is not reflecting the core areas to ensure progressive implementation of the key areas in the process.
- Non functional committees and coordinators at some schools due to capacity constraints

## Impact

- Unhealthy food products, lack of utensils and unclean environment place the health of learners at risk – e.g. media reported some incidents where learners were hospitalized for food poisoning
- Misuse of NSNP funds results in learners fed inferior food and small portions go against the purpose of the feeding scheme to improve the health and nutritional status of the poorest learners in South Africa.

### NSNP Funds were not used economically and efficiently in terms of procurement of food items, and for the purpose intended

For example:

In EC 10 of the 13 schools visited, used NSNP funds for the matric farewell, purchase of printers, toners and papers.

In NW, the admin assistant made double payments towards the stipend for the food handler and there was an overpayment that was made to the supplier.

### The schools did not follow prescribed procurement process resulting in some schools not able to feed learners

For instance, in KZN learners were not provided food for the month of April, after the department appointed a service provider who in all respects failed to comply with the specifications and conditions as set out in the tender for the school nutrition programme such as:

- to initial on all compulsory pages
- to provide required declarations in the bid that they were submitting to indicate that they are bidding as a member of a joint venture. However, as part of their bid submission they submitted a joint venture agreement between themselves, Spar Group and Encore.
- BEC visit all sites and meet the minimum functionality requirements.

## Recommendation

While the NSNP stands as a testament to the government's dedication to equitable education, there is room for enhancing its efficacy through bolstered monitoring, meticulous documentation, and proactive resolution of identified shortcomings. The PED should ensure that NSNP committees and coordinators are functional with particular emphasis on their roles and responsibilities, financial management, stock management and health and safety.



# Basic education :Learner transport

## Insights

- Only few learners benefiting from the transport. The remaining learners have to make their own arrangements or walk to far out areas
- The transport operators are claiming more KMs than the actual travelled



### Root cause

At a granular level there is not consistent monitoring of mode of transport utilized service providers to ensure that they match those that were agreed upon when awards were made.



- The number of learners approved to be transported exceeds the capacity provided (overloading)

For example, in one of the schools in KZN a Bus with a capacity of 66 seated, 15 standing learners carries 174 learners per trip.

For example in KZN, The school has a current enrolment of 997 with only 246 learners benefiting from the transport. The remaining learners have to make their own arrangements or walk to far out areas and there is overloading. In EC the transport operators was paid for 80KM while they travelled for only 38KM.



- Buses are not well maintained, e.g. there were buses with cracked windscreen and broken bumper area.
- Bus drivers do not come on certain days with no notice given to the school or learners

For example in EC operators did not ferry kids on the day the verification was performed so learners had to walk to home as the driver never informed the school or learners



The service providers were not evaluated on the capability and capacity to render the required services. There were no clear methods used for allocation of work to service providers.

For example in LP, the contracts were awarded without verifying capacity of the vehicle, proof of ownership /lease agreement, and experience of the drivers with professional driving permit (PDP)

PROVINCE	IMPLEMENTING DEPARTMENT
Eastern Cape	Transport
Free State	Education
Gauteng	Education
KwaZulu-Natal	Transport
Limpopo	Education
Mpumalanga	Transport
Northern Cape	Education
North West	Transport
Western Cape	Education

## Impact

These overloads result in potential harm being caused to learners as their lives are at risk as each learner is not safely accommodated in the vehicle. The teaching and learning is affected as the learners miss some important lessons due to drivers not ferrying them and also impact on their academic performance

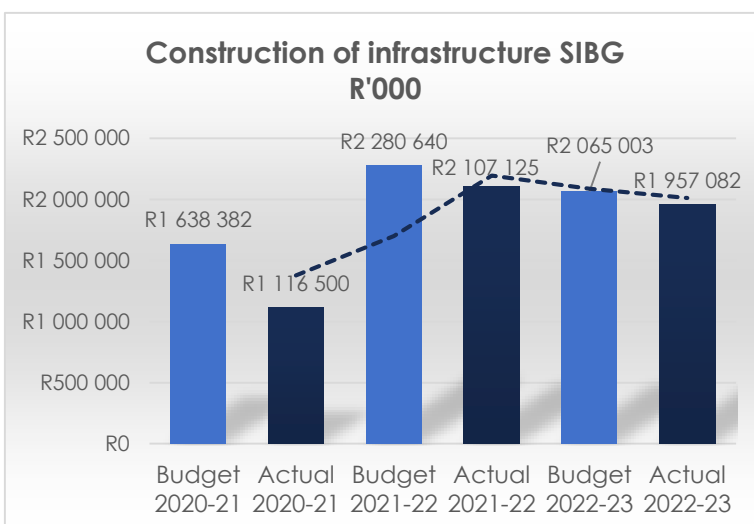
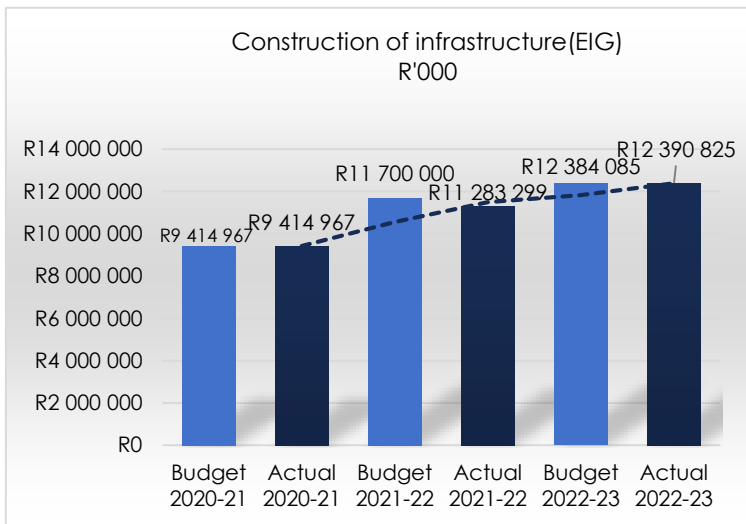
The issues results in non-compliance with the SCM prescripts and the learner transport policy which attracts irregular expenditure and loss of funds meant to services the learners.

## Recommendation

- The sector leadership should ensure that there is stringent and frequent monitoring of the scholar transport services to ensure that all the learners are benefitting, no overloading and the vehicles are documented and roadworthy
- Furthermore, they should ensure that the learner transport programme is adequately planned such that the transport capacity procured is sufficient to transport the planned and approved number of learners and that the programme is adequately funded. And procurement adequately followed.



## Utilisation of the infrastructure construction budget



- The graphic depict that there is relatively alignment between the budget versus actual spending, however this graphic do not correlate to the lived experiences in relation to the state of infrastructure in the sector.
- This spending thus have an inverse relationship with the actual achievements of key targets aimed to enable positive impact on the lived experiences

**Root cause**

- Inadequate coordination and collaboration to ensure deliverables are synchronized in the eco-system.
- Lack of accountability to implement action on non-performance of contractors and professional service providers.
- Quality inspections not done regularly to identify quality issues timeously.

### Insights

- There were about 242 projects delayed and 271 that were cancelled during the year for Basic Education Sector. Of the cancelled projects, DBE had cancelled 210 projects which resulted to fruitless and wasteful expenditure of R15 million.
- The cancelled and delayed projects are mainly caused by the poor project management and monitoring which resulted to increased costs
- Poor workmanship was identified in some instances.
- Completed infrastructure not utilised to the full capacity
- Schools found to be in dilapidated state due to lack of maintenance.

### Impact

- Inadequate need assessment and ineffective use of feasibility studies.
- Project milestones ineffectively monitored resulting in delayed, cancelled and vandalized projects
- Under-utilisation of facilities due to poor condition of state buildings
- Contractors that were involved in delayed and cancelled projects operated in more than one province and other sectors resulting in overstretched capacity of the contractors
- Poor quality of infrastructure delivery requires remedial work resulting in increased cost

### Recommendation

The planning processes of projects should be improved to ensure that correct needs are identified and addressed. Projects should be adequately planned to reduce delivery delays, unnecessary extensions, and cost increase and poor-quality built.

Role players in the infrastructure accountability ecosystem should establish a culture of responsiveness, consequence management, good governance and accountability. Coordination between different levels of government and other role-players in the same institution should be improved to ensure that schools built are fully utilised.



## **EC: Dinizulu Senior Secondary School (follow-up)**

Planned completion date: 11 April 2018

Site visit date: 13 February 2023

Observation on site: The contractor was not on site due to variation orders not approved.

## **GAUTENG: Birch Acres Secondary School**

Planned completion date: 30 September 2018

Site visit date: 4 May 2023

Observations on site: Construction works on the second phase of the project was stopped due to a dispute over contract price adjustments and availing funds to repair the collapsed retaining wall.

## **MP: Yinhle Lemtfo (follow-up)**

Planned completion date: 17 November 2020

Site visit date: 6 June 2023

Observation on site: The contractor was not on site due to:

- Delayed removal of temporary structures to allow for construction to commence.
- Access to the site was not provided in February 2022 as planned which led to increased costs.

## **DBE: ASIDI: Kidston Junior Primary School, (R128 397 029) (Follow-up)**

Reported in 21/22

Practical completion was achieved in October 2021, however in May 2022 the school is occupied by less than half of its capacity.

Reported in 22/23. Enrolment at the school was at 492 versus capacity of 974.

## **EC: Toleni Junior Secondary School, (R41 937 367)**

Reported in 22/23

Practical completion achieved on 20 August 2020. Site visits conducted in the current year highlighted that there was no operational equipment and resources (furniture, computers, printers, library books, etc.) provided by the ECDoE for the school. These were not procured prior to the commissioning and practical completion. These affected utilisation of computer room, library and administrative offices.



Figure 1: Tlotlang Thuto - Cracks in the walkway



Figure 3: Loretlweng PS Collapsed roof trusses and walls



Figure 2: Tlotlang Thuto Cracks on the edges of the structure.



Figure 4: Loretlweng PS Gap between Green Crete wall and the concrete wall



Figure 5: FS Tshehetso Primary Poor workmanship on brickwork and plastering.

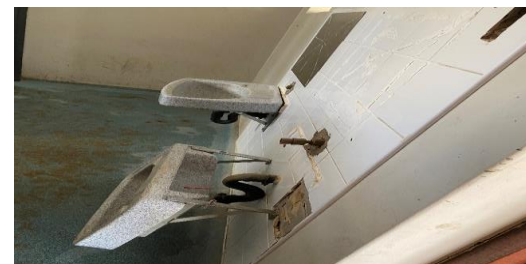


Figure 6: Eyabantu SSS new ablutions were vandalised as there is no security/guard



Figure 7: Eyabantu SSS Missing taps due to vandalism



## What we Found

### Ineffective implementation of Annual Management Process

- Schools do not conduct self-evaluation to identify challenges affecting their performance
- School improvement plans do not focus on actual challenges experienced
- The quarterly monitoring reports do not reflect challenges affecting school performance
- There is no alignment between the AAPR, SSE, SIP and monitoring reports

### Mismanagement of School Funds

- Some schools did not have audited annual financial statement for the preceding financial year.
- Principals did not compile monthly income and expenditure report and bank reconciliations. instances of bank balances not agreeing to reported finances were identified in schools.
- Some PED and schools did not follow Supply Chain Management (SCM) guidelines when procuring goods and services

### Ineffective Educator Leave Management

Schools did not manage educator leave effectively such as:

- Some educators in all nine provinces took leave more than 30 days allowed. For example, in Free State an educator took 96 days of sick leave.
- Some schools are battling to fill the positions of educators that are on unapproved incapacity leave due to delays from medical specialists.

### Unattended challenges pertaining to Learner grade promotion and achievement

- Schools are not analyzing grade promotion data to identify reasons for persistent underperformance.
- School academic performance improvement plans do not provide actual and true reflections of the actual stats considering the number enrolled versus the results for specific grades
- Learner performance in mathematics is dropping as well as enrolment.

### Compromised Learners and Educators Safety by Dilapidated Infrastructure

- Learners and educators' health and safety were compromised by:
  - Exposed live wires in classrooms
  - Cracked walls and floors
  - Damaged ceilings and roof
  - Toilets not conducive to be used
  - Broken windows and doors



## Impact

- The educator absence, insufficient funds and unconducive learning environment affect the provision of quality education and thereby contribute to the persistent underperformance of schools and learners.
- Barriers affecting learners' performance are not identified and addressed timely to improve learners' development opportunities and better livelihood

## Root causes

- Annual management process expectations for schools not clearly articulated by DBE and PEDs by guiding schools to complete compliance templates.
- Principals report challenges verbally to circuits and districts not using annual management process.
- PED and districts did not designate officials to champion the annual management processes.

## Recommendation

- It would be beneficial for DBE, PED and districts to provide clear guidance, perform targeted monitoring and align the reporting process with school self-evaluation result, school improvement plan and quarterly monitoring.
- Schools should not only report for compliance base but use the process to elevate challenges, best practices and urgent needs to the districts, PED and DBE.

## Bankhara Bodulung High School

- Situated in the Northern Cape, Kuruman, within the John Taolo Gaetsewe District.
- Enrolment at the school in 2022 was 873 and 124 learners wrote matric in 2022.
- Matric Performance was 56.5% in 2022, 62% in 2021 and 66% in 2020.

### Issues identified

- Discontent between learners and principal following a police raid where certain items (drugs and weapons) were seized by the police from the learners. The principal was physically threatened by learners and fearing for his life decided not to report for work for more than two weeks.
- No good relations between the school principal, SGB and SMT resulting to challenges experienced not being addressed, the principal did not have full access to the school bank accounts and experienced lack of support from the circuit and district

These issues were verbally reported to the circuit and district, however, at the time of the audit, there was no evidence of corrective measures.

Furthermore, these issues were not captured in the SSE, SIP and AAPR templates.

## OR Tambo Comprehensive School

- Situated in the Sekhukhune Education District in Limpopo Province.
- Enrolment at the school in 2022 was 668 and 153 learners wrote matric in 2022
- Matric performance was at 29, 9% in 2022, 44% in 2021, 26% in 2020, 90% in 2019.

### Issues identified

- Requested documents not obtained due to lack of formal handover from outgoing principal
- Mismanagement of funds identified such as the PED transferred R374 169,60 on 30 November 2022, however, in January 2023 the school only had R25 235,67.
- The school paid R450 615 for the year under review to various individuals without keeping record of who was paid and for what reason using a centralised FNB account with ref: Dr salary.
- As of April 2023, the school had vacancies not filled since 2021 financial year resulting to overcrowding (86 learners in a class) due to combined classes
- A former SGB Chairperson running a private school in the school premise utilising vacant classrooms and photocopy machines without the acting principal approval

These issues were not captured in the SSE, SIP and AAPR and the principal did not have access to the bank accounts. Some of the issues were reported verbally to the circuit and district office but there was no evidence of corrective measures.

To address the issues raised at these schools and others in the same situation, the circuit and district officials should spend time with the school staff – assist in conducting self-evaluation, school improvement, quarterly monitoring and annual reporting (For example - some schools to be placed under administration)



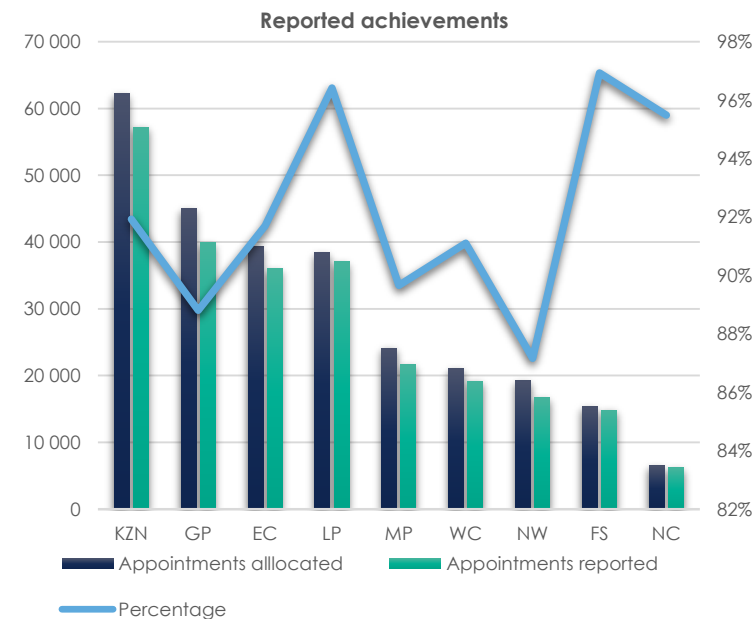
# Presidential Youth Employment Initiative - Education



## PYEI Phase III



## Overall Targeted achievement of 92%



Phase III of PYEI commenced on **1 April 2022** targeting 271 009 assistants with a budget of R 6 194 billion implemented across the 9 provinces.

## What we found

The PYEI Implementation framework for Phase III was improved on appointed assistants receiving SASSA grants who now have the option to request a deduction of the grant from their monthly stipends instead of their contracts being terminated.

Overall Target achievement is **92%** (248 722 instead of 271 009) a drop by 1% from the 2022 achievements of **93%**.

Repeat deficiencies such as appointment of youth **older than 35 years**, recipients of **Social Relief of Distress (SRD)** grants from SASSA and youth already appointed **within other state institutions**. Some of the assistants appointed were **recipients** of the National Student Financial Aid Scheme (**NSFAS**) bursaries.

## Root causes

Schools, districts and PEDs not implementing a process to verify credentials of successful candidates using their IDs. Record keeping and non-implementation of corrective measures ensured that deficiencies identified in phase I and II persisted.

## Impact

The initiative could have benefited more youth who are not in Employment, Education or Training (**NEET**) considering that some of the R448 599 million was used for youth already appointed in other state organs

## Cost of deficiencies identified

Province	Reported spend R 000	Cost of deficiencies R 000	Percentage
KZN	1 326 380	108 095	8%
GP	1 056 063	89 661	8%
EC	946 307	25 002	3%
LP	926 451	68 044	7%
MP	545 050	50 571	9%
WC	482 803	26 428	5%
NW	398 114	29 806	7%
FS	392 266	45 491	12%
NC	168 638	5 501	3%
<b>Total</b>	<b>6 242 072</b>	<b>448 599</b>	<b>7%</b>

## Recommendations

Increase oversight

Track prior year commitments and take corrective action

Improve on record keeping.



# KwaZulu-Natal floods real-time audit



AUDITOR-GENERAL  
SOUTH AFRICA

## Mobile Classroom Follow up:

A follow up audit was conducted on the audit findings reported in the special report (SR1) for the disaster relief response by the department on the April 2022 flood relief initiatives in KwaZulu-Natal, being the provision of mobile classrooms to schools affected by the floods.

A sample of seven of the 16 mobile units initially sampled were selected for on-site inspection at the Brettonwood High School and St Nivard's Primary School for the follow-up audit.

## Key observations

### 1. Confirmation of lack of progress on site

None of the 76 mobile units were signed off for use as work was still in progress to rectify the findings raised during the audit as well as the department's snag list.

### 2. Brettonwood High School

Brettonwood High School's flood relief needs differed in view of concerns of a structural nature, meant that their current needs at the school was one that required an assessment of the safety concerns at the school instead of the provision of mobile classrooms to an area prone to frequent flooding. Given this risk, two additional mobile classroom has since been installed at the school and utilised without sign off by the department for use.

### 3. St Nivard's Primary School

Four months after the department issued the snag list to the contractor in May 2022, it was observed that mobile classrooms were still not available for use and the contractor was still on site compacting the ground under the mobile classrooms. The delay in the provision of the mobile classrooms at the school has resulted in the existing classrooms becoming overcrowded with 110 learners in one classroom.

### 4. Requisition for furniture / equipment and stationery/ books

Furniture / equipment / stationery / books which rain damaged has not been provided to the schools affected by the floods.

## Status of implementation of actions/recommendations

Management commented, on the action plan emailed on 6 June 2023, that the mobile classrooms have not been completed to date, only the mobile kitchens have been 100% completed. The accounting officer committed (8 June 2023) that the existing contract will be terminated as service provider failed to complete the project on time. The department have committed that the mobile classrooms would be given their immediate attention for completion but no timeline was set.



## Department of Education

### Impact

Slow rate of response for the disaster relief initiative resulting in the mobile classrooms not being completed at the end of the 2022 academic year rendering the relief initiative for the disaster not being successful. The lack of mobile classrooms resulted in existing classrooms becoming overcrowded impacting negatively on learning and teaching at the school

### Cause

Project management process was not effective to enforce timely corrective action (i.e. improving project management, fast tracking the installation of the mobile classrooms and rectifying defects identified by the audit team in a timely manner) to ensure all audit findings were addressed and proper evidence and responses were submitted to audit to support measures taken by management as per the audit action plan

### Actions/Recommendations

Finalise a time bound action plan for audit findings raised for approval by the accounting officer, stringently execute the action plan, monitor the progress and report thereon at regular intervals, take corrective actions until all matters are finalised.

Institute consequence management against responsible officials for the failure to ensure all audit findings were addressed, implemented and achieved within the agreed upon timelines with regular reporting and monitoring measures in place.



## Category A, B and C: schools (Infrastructure)

Arising from the storms and the ensuing floods, a total of 356 schools were recorded to have been damaged. The department responded by undertaking assessments to determine the extent of the damaged school and estimate the required budget for rehabilitation of the damages. Schools were categorised as Category A – to be rehabilitated using Norms & Standards; Category B – to be rehabilitated using District Office Maintenance Budget and Category C – to be rehabilitated using Implementing Agents. Six schools (two per category) were sampled for audit work.

## Key observations

### 1. Disaster management plan not updated

The DMP created in 2013, is limited to infrastructure management (including procurement process and delegations and related issues) and has not been reviewed/ updated subsequently in line with the prescripts of Section 38(1)(a) of the Disaster Management Act 57 of 2002..

### 2. Funding for disaster relief not adequate

No threshold funding/ reserves or equivalent were provided for disaster management therefore existing budgets had to be reprioritised when an emergency occurs such as a disaster with the consequence that planned and approved projects were required to be postponed/cancelled as a result of insufficient funding.

### 3. Needs assessment

The needs assessment for flood relief projects was inadequate as it was not sufficiently detailed to inform the planning of the project and thus enable processes necessary to implement the project.

### 4. Slow Progress in the completion of repairs

A high level analysis of the progress in repairing the identified schools, raises concern of the slow progress of repairs relating to Category A, B and C schools, as of 13 September 2022 only 35 of 356 school repairs had commenced where some schools repairs have been completed.

**5. Other issues:** Maintenance at the schools were not adequately prioritised which exacerbated the damage caused by floods and one school was vandalised after the floods due to inadequate security.

## Status of implementation of actions/recommendations

Management commented, on the action emailed on 6 June 2023, that 160 school repairs have been completed, 11 schools are in the construction stage and 172 schools are in the design documentation & procurement stage while 13 schools are in the concept and viability stage. This is indicative of slow response by the department in realising the target date for completion of 31 March 2023 for the flood relief repairs on the category A, B and C schools.



## Department of Education

### Impact

Slow progress in rectifying the damage to the schools affected by the floods resulting in classrooms not being available for the 2022 academic year thereby affecting teaching and learning. The objective of the flood relief initiative to fast track repairs to flood damaged school has not been successful.

### Cause

Lack of oversight and monitoring by management to ensure that there is an approved updated DMP in place. The damage incurred at the schools was not accurately assessed and as a result, the scope of works was not aligned to all the repairs that were needed. The regular school maintenance prior to the floods was also not in place, with the already poor condition of the school exacerbated by the flood damage making it not conducive for effective teaching and learning.. Ineffective project management processes (planning to completion) and oversight by department officials to expedite the completion of the flood damaged schools in line with the prescribed timeframes for emergency repair.

### Actions/Recommendations

Management must prioritize the updating, approval and implementation of the DMP as this forms the basis for the department's readiness in dealing with emergencies.

Project management processes over needs assessment should be exercised to ensure completeness and accuracy of the assessment, as this informs the planning of the project execution.

The Head of Infrastructure should unpack impediments that are stalling the progress and implement corrective measures to ensure timely completion of the projects with minimising risk of impact on the 2023 academic year. Stringent monitoring, oversight and reporting should be implemented on a regular basis.



# Overall recommendations







The portfolio committee should continue to monitor and follow up on DBE's responsibilities of monitoring and coordination on implementation of sector priorities. Furthermore, to encourage the leadership in the sector 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.

The committee should monitor the inclusion of the MTSF indicators in the APP of the departments and monitor the progress made on implementation of the APPs and assess the impact of the non-achievement has on service delivery.

Oversee implementation of remedial action to address deficiencies identified through an audit of School Performance Improvement, Early Childhood Development, National School Nutrition Programme, School Infrastructure, Learner Transport and Presidential Youth Employment Initiatives.

Monitor the progress of modernising the education information management systems such as SA-SAMS capabilities to capture, review and consolidate reporting of basic annual management processes, school finance management and education facilities management and the implementation of e-education across all provinces.



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