**The Budgetary Review and Recommendation Report of the Portfolio Committee on Basic Education on the performance of the Department of Basic Education for the 2012/13 financial year, dated 22 October 2013.**

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

**1. Introduction**

**1.1. The role and mandate of the Portfolio Committee**

The Portfolio Committee on Basic Education 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 statutory bodies. In fulfilling its statutory responsibilities, the Portfolio Committee performs the following functions:

·         Monitoring and overseeing the Department of Basic Education and its three entities in their day-to-day and overall performance.

·         Conferring with relevant governmental and civil society organs on educational matters in order to participate in the development of strategies and policies aimed at ensuring the quality and integrity of the education system.

·         Processing and approving legislation as well as international protocols and conventions relating to education in accordance with the Rules of Parliament and the Constitution.

·         Participating in national and international educational dialogues relating to education.

·         Conferring with the National Council of Provinces on legislation pertaining to education which affects the Provinces.

·         Engaging in various activities and programmes aimed at the development and delivery of quality public education to all South Africans.

·         Dealing with any other matter referred to the Portfolio Committee by the Speaker of the National Assembly.

**1.2 Description of core functions of the Department**

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 NEPA, 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.

**1.3. 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 Budgetary Review and Recommendation reports (BRRR) that assess service delivery and financial performance of departments and may make recommendations on forward use of resources. The BRRR is also a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term.

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

In compiling this BRRR, the Portfolio Committee 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 strategic plan.

·         Expenditure trends drawn from the reports of the National Treasury; the 2010 State of the Nation Address priorities; the reports of the Auditor-General of South Africa and the reports on the 2010 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 and Departmental briefings, 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, 10, and 15 October 2013 in Parliament. The Portfolio Committee also met with the Auditor General on the audit outcomes on 8 October 2013.

**2. Overview of the key relevant policy focus areas**

**2.1 Strategic Priorities of the Department**

The essence of the vision of the Department of Basic Education is captured in the Delivery Agreement on Outcome 1: Improving Basic Education, of which the Minister is the principal signatory. The objective of Outcome 1 is to improve the quality of basic education.

The DBE sector plan, called the *Action Plan to 2014: Towards the Realisation of Schooling 2025*, provides a comprehensive approach to address the Outcome of improving Basic Education.  In this sector plan, the Department has set itself 27 goals in order to give expression to its strategic mandate. Goals 14 to 27 are input goals used in achieving the 13 output goals. The 13 goals are given expression through service delivery targets as deliverables for 2014. The 13 goals and their delivery targets relate specifically to issues that form the foundation of basic education. These include, amongst others, increasing access of children to quality early childhood development (ECD) programmes; improving the access of children to quality early childhood development (ECD) below Grade 1; increasing the number of learners who master the minimum language and mathematics competencies in Grades 3, 6 and 9; increasing the number of Grade 12 learners who become eligible for a Bachelors programme at a university;  increasing the number of Grade 12 learners who pass mathematics and physical science; ensuring that all children remain effectively enrolled in school up to the year in which they turn 15 as articulated in the South African Schools Act 84 of 1996; improving grade promotion of learners through the Grades 1 to 9 phases of school; and, improving the access of youth to Further Education and Training (FET) beyond Grade 9.

The sector plan is acknowledged as a useful point of departure on the sector-specific priorities in the National Development Plan (NDP) 2030. To this end, the DBE intends to use the 2014/15 financial year to extend sector targets from 2025 to the NDP horizon of 2030, with no substantial changes to priorities articulated in the sector.

**2.2 The President’s State of the Nation Address**

The 2013 State of the Nation Address (SONA) did not introduce many new strategic priorities pertinent to the DBE for the 2013/2014 financial year, but highlighted some crucial initiatives with regards to access to basic education as a fundamental constitutional right. On the one hand, it underlined the consolidation of existing strategic priorities which were the subject of the previous four SONAs (i.e. 2009 to 2012), reporting briefly on their progress and implementation challenges, and somewhat consolidating them. On the other hand, it introduced some new priorities for implementation during the 2013/14 financial year. However, the distinguishing feature of the 2013 SONA was in its strong indication that government strategic priorities, including those of basic education, should largely be located within the National Development Plan (NDP). The essence of the NDP is to acknowledge progress made concerning national strategic priorities, to highlight challenges that still blight the ideal of a better life for all, and to provide a focused plan on how South Africa could write its story differently. According to the NDP, this new story is a story of how South Africa works to conquer the triple challenge of unemployment, inequality, and poverty (UIP).

In the SONA 2013, the President reported *progress*on the following strategic priorities with regards to basic education:

·2012 National Senior Certificate examinations;

·Annual National Assessments;

·Early Childhood Development (ECD) programmes; and

·Development of school infrastructure.

The SONA 2013 also highlighted *challenges*regarding the following strategic priorities with regards to basic education

·Low performance levels in key subjects such as Mathematics, Science and Technology; and

·Low levels of learner performance in Mathematics and Languages in Grades 3, 6 and 9.

The President’s SONA reiterated *continuation*on some strategic priorities. These were:

·         Investing in producing more teachers who can teach Mathematics, Science and Technology; and

·         Calling all those involved in education, teachers in particular, to realise that education remains the cornerstone of people’s lives.

The President also introduced new strategic priorities for basic education. These were:

·         The establishment of a national task team to look into ways in which the implementation of the Mathematics, Science and Technology Strategy could be strengthened; and

·         The establishment of the Presidential Remuneration Commission to investigate working conditions of state employees, starting with teachers.

The above priorities as highlighted in the SONA overlap with or give effect to the goal of improving the quality of teaching and learning.

**2.3 Overview of the revised Strategic Plan and Annual Performance Plans - any key changes from 2012/13 and 2013/14)**

The DBE remains focused on the provision of quality basic education with a focus on the following strategic priorities in 2013 and beyond:

·         Improving the quality and equity of learner performance.

·         Accelerating teacher development, deployment and utilisation interventions. The DBE continues to work to improve accountability in terms of Teachers, Time and Text including focussing on improving institutional capacity for performance improvement.

·         Improving curriculum coverage support and implementation.

·         Improving institutional and logistical capacity for high stakes processes including the procurement, delivery and distribution of LTSMs, infrastructure, Information management and financial administration.

·         Monitoring and reporting linked to performance improvements including at provincial, district and school levels.

·         Reducing school infrastructure backlogs.

·         Improving the quality of Early Childhood Development (ECD) and Grade R leveraging on expansion.

·         Continuing to provide relevant support and guidance in enhancing the stable and functional management in the two provinces under Section 100 interventions, as directed by Cabinet (the National Executive).

**2.4 Key Development Indicators and International Conventions**

In order to further advance the transformation agenda in education, South Africa has ratified a number of international conventions that directly and/or indirectly speak to the protection of the right to basic education, for instance, the Convention on the Rights of the Child, the Universal Declaration of Human Rights, the World Declaration on Education for All: Meeting Basic Learning Needs, the Convention against Discrimination in Education and the Millennium Development Goals (MDGs).

The DBE has made great strides in the realisation of the Millennium Development Goals related to basic education. South Africa has reached near universal primary education (UPE) (MDG 2), with findings showing that 98.8 percent of 7 to 15 years old children are attending educational institutions. However, South Africa still faces a massive backlog of skills, and the quality of education provided by some schools still holds back the South African dream towards the full achievement of MDG 2 by 2015.

**2.5 Overview of the service delivery environment and context**

The service delivery environment in the education sector comprises the Department of Basic Education (DBE) and the nine provincial education departments (PEDs), including district offices and schools, working collaboratively to achieve Outcome 1 of government’s Programme of Action. For the period under review the education sector comprised 11 923 674 learners, 392 377 educators and 24 255 schools. The education sector is guided in its work by *Action Plan to 2014: Towards the realisation of Schooling 2025*. Quality education remains the key focus of the education system and institutionalised assessments provide the means to monitor learner performance. The 2012 National Senior Certificate (NSC) examination was the fifth examination written within the National Curriculum Statement framework. There had been a consistent improvement, from 62.6 percent to 73.9 percent in 2012 with an increase in the number of Mathematics and Physical Science results. The diagnostic reports on both the Annual National Assessment (ANA) and National Senior Certificate (NSC) assessments highlighted areas of weakness and provided suggestions for improvement in teaching and learning. Provincial education departments (PEDs), district offices and schools would utilise these reports to support and develop teaching and learning in 2013.

Key systemic improvements during 2012/13 included:

·         Improved learner performance in NSC and ANA;

·         Institutionalisation of CAPS in the schooling system;

·         Delivery of the first Accelerated Schools Infrastructure Development Initiative (ASIDI) schools;

·         Expanded coverage of workbook distribution;

·         Improved LTSM provisioning in the sector;

·         Growth in Early Childhood Development (ECD) services;

·         Collaboration with teacher unions on teacher development;

·         Care and support for learners including the expansion of the National School Nutrition Programme (NSNP); no-fee schools and  health screening; and

·         Access to education with close to universal coverage.

**Sectoral challenges and constraints**

·         District capacity & effectiveness were variable in respect of the full range of critical functions required to*support teaching and learning*, further contributing to inequity across schools;

·         Infrastructure under-spending;

·         Learner performance in Mathematics and Science;

·         Delays in finalising QMS in ELRC;

·         Provincial budget pressures;

·         Seeing unprecedented scope of information being made available in the public domain on the performance of the system - often results in attacks on the performance of Government; and

·         A litigious environment.

**2.6 A Summary of previous key Performance Recommendations of the Portfolio Committee.**

**2.6.1 Budgetary Review and Recommendation Report 2012**

In the 2012 BRRR, the Portfolio Committee recommended that the Department address audit shortcomings highlighted by the Auditor General in order to avoid their recurrence in the future. These shortcomings included:

·       Under expenditure particularly in Programme 4;

·       The lack of measurability of programme performance and reporting that does not link to the predetermined objectives;

·       The lack of accuracy of Departmental data which impacted on the ordering, delivering and their provision of textbooks; and

·       leave management;

Further key service delivery recommendations included that the Department:

·       Updated Parliament regarding details of the systems underway to verify learner numbers during its third quarterly progress report;

·       Strengthened its steering role as well as its support and monitoring of implementation in provinces; and

·       Provided a progress report to address the poor supply and demand of teachers as well as details to deal with challenges of teacher utilisation in the provinces.

Some improvements in respect of these recommendations had been noted as follows:

**Under expenditure in Programme 4**: Although the Department regrettably continued the trend of underspending in this programme in 2012/13 due mainly to service delivery challenges experienced in the ASIDI programme, the Department was on track with its 2013/14 first quarter expenditure.

**The Impact of interventions to improve the management of finances in provinces:**The Auditor-General of South Africa (AG) noted improvement in the 2012/13 audit outcomes for the Eastern Cape, which progressed from a disclaimer to a qualified audit opinion. Although Limpopo regrettably retained a disclaimer, the AG noted that there were some areas of the audit that were beginning to show improvements. The AG also noted that the Department’s commitment was in progress regarding oversight monitoring of provinces on areas affecting the management of predetermined objectives and management of conditional grants.

**Leave management:**During the DBE’s involvement in the management of the HR processes of the Eastern Cape, a service provider was appointed to expedite the processing of all outstanding and backlogged cases of Incapacity Leave and Ill-health Retirement in the province. Notably, the Department reported in its 2012/13 Annual Report that closed cases (1 680) were now being audited so that payment could be made. Cases that were not closed due to the absence of the Health Risk Manager (HRM were identified, checked and made ready for submission to the HRM.

**Supply, demand and utilisation of teachers in provinces:**The Department had noted the following achievements for the 2012/13 period:

o   A National Education Human Resource Framework was developed and approved.  The framework contains interventions to enable the introduction of a three-year post establishment and closed vacancy list that will assist Provincial Education Departments in respect of:

ü  the placement of educators additional to the post establishment;

ü  improvement in the absorption and deployment of Funza Lushaka bursars; and

ü  effecting the translation of temporary educators to permanent staff where appropriate.

o   A database of qualified educators seeking employment was developed in addition to Funza Lushaka graduates seeking employment. The number of qualified teachers 30 years and younger entering the profession for the first time was monitored during the reporting period. As at the end of 2012, a total of 8 227 educators aged 30 years and younger were appointed for the first time in the system, which was 1 427 above the 6 800 target for the period. At the current rate of educator supply, it appears that the system is not meeting the demand. Notably, in a recent response to a Parliamentary question on teacher attrition, the Minister of Basic Education reported that the number of educators who stopped working in 2012/13 was 14 302, which is significantly higher than the supply of qualified teachers 30 years and younger. The employment of unqualified teachers also suggests that the system cannot recruit suitably qualified teachers.

o   The vacancy rate at schools and the trends within PEDs were prepared. The Department reported that at the end of January 2013, 34 percent of schools had no vacant posts as compared to 66 percent in November 2012.

o   The placement of Funza Lushaka bursary beneficiaries was at 54 percent at the end of February 2013, with some provinces having placed at least 90 percent of the beneficiaries available for placement. The placement rate increased to 66 percent at the end of March 2013, as reported in a Portfolio Committee briefing of May 2013 by the Department. This was expected to increase further during the course of the year based on previous years’ trends. The placement rate had improved steadily from 67 percent in 2009 to 91 percent in December 2012. The Department reported that the Eastern Cape had not placed any Funza Lushaka beneficiary. While the Province declared the post basket and distributed the post establishments to schools for 2012, the placement was delayed due to a then pending court case on the appointment of temporary educators.

**Credibility of Data:**The Department reported that they conducted Data Quality Audits to ensure quality of submitted data in the value chain. The over inflation of learner numbers captured by the data quality is addressed by requesting HODs to take appropriate action against schools that perpetrate this. Such requests were made to HODs during 2013 out of results of the 2012 data quality audit. To date, Gauteng has indicated its intention to charge institutions found to be inflating leaner numbers. Two “all-school” audits were conducted by Statistics South Africa in Limpopo and Eastern Cape during 2013. The Minister and CEM have given the go-ahead for the delay of allocations to schools that are found to be inflating enrolment till such time that verifications produce satisfactory results.

Challenges remain in addressing the 2012 BRRR recommendations related to the following:

The usefulness and reliability of the Department’s predetermined objectives, supply change management and material errors in the Department’s Annual Financial Statement submitted to the AG. The Department has developed an audit action plan to address these challenges.

**3 Overview and Assessment of Financial Performance**

**3.1 Overview of Vote 15: Basic Education for 2012/13**

**Allocation vs. Expenditure per Programme, 2011/12 and 2012/13**

|  |  |  |
| --- | --- | --- |
|  | **2012/13** | **2011/12** |
| Programme | Allocation(Final Appropriation) | Actual Expenditure | Deviation/ Variance | % Spent | Allocation | Actual Expenditure | Deviation/ Variance | %    Spent |
|  | R’ 000 |
| Administration | 322 885 | 317 328 | 5 557 | 98.3 | 294 062 | 287 734 | 6 238 | 97.8 |
| Curriculum Policy, Support and Monitoring | 1 417 748 | 1 398 906 | 18 842 | 98.7 | 1 796 698 | 1 700 304 | 96 394 | 94.6 |
| Teachers, Education Human Resources Development and Institutional Development | 863 619 | 820 577 | 43 042 | 95.0 | 580 713 | 537 568 | 43 145 | 92.6 |
| Planning, Information and Assessment | 8 126 538 | 6 897 873 | 1 228 665 | 84.9 | 6 581 334 | 5 563 859 | 1 017 475 | 84.5 |
| Education Enrichment Services | 5 473 204 | 5 451 200 | 22 004 | 99.6 | 4 827 659 | 4 811 449 | 16 210 | 99.6 |
| Total | 16 203 994 | 14 885 884 | 1 318 110 | 91.9 | 14 080 466 | 12 900 914 | 1 179 462 | 91.6 |

**3.1.1 Allocation**

In the 2012/13 financial year, the main appropriation for the Basic Education Vote was R16.344 billion, which was adjusted downwards by R139.584 million to R16.204 billion during the adjustments budget process. (In 2011/12, the final appropriation to the Vote was R14.081 billion). The R16.204 billion allocation was distributed among the five programmes of the Department as indicated in Table 1. Included in this allocation, are transfer payments to the Public Entities (4.40 percent), conditional grants to provincial education departments (69.40 percent), the remainder of transfers and subsidies (0.07 percent) and the exclusively appropriated School Infrastructure Backlogs Indirect Grant (12.78 percent).  The balance of the Adjustment Estimates consists of earmarked funds, including workbooks, the Kha Ri Gude Mass Literacy Campaign (9.17 percent), compensation of employees, projects and operational expenditure (4.18 percent).

The adjustment budget comprised of R104.715 million in roll-overs and R5.701 million to make provision for higher remuneration increases than what was provided for in the main budget.

**3.1.2 Virements and shifts**

There were supplementary Virements between programmes after the Adjustment’s appropriation:

**3.1.3     Programme One: Administration**

An amount of R864 000 that was originally budgeted for Goods and Services was defrayed from Programme One due to cost cutting and reprioritisation measures being implemented. The virements of R864 000 was allocated to:

·         R820 000 from cost cutting and reprioritisation measures implemented to Programme Two for documents to support the implementation of CAPS.

·         R44 000 from cost cutting and reprioritisation measures implemented to Programme Four for travelling and subsistence required to monitor the Provincial Education Departments (PEDs).

Shifts amounting to R604 000 were made as follows:

·         R27 000 was shifted from the savings realised on support/outsourced services for the Sector Education and Training Authority for increase in the number of posts advertised and filled.

·         R225 000 was shifted from savings realised on travel and subsistence, on operating payments, communication, inventory and stationery, advertising, agency and support/outsourced services due to cost saving measures implemented, for computer, machinery and equipment.

·         R47 000 from late filling of vacant posts for the payment of leave gratuity for severance packages.

·         R274 000 from savings realised on computer and hardware equipment due to the period for their replacement being extended for travel and subsistence due to additional provincial visits required, computer e-services due to price fluctuations and communication services.

·         R31 000 from savings realised on computer and hardware equipment due to the period for their replacement being extended and savings realised on computer services for computer software and other intangible assets.

Overall, 0.2 percent shifts were made within the programme, and 0.3 percent virements were made to other programmes.

**3.1.4     Programme Two: Curriculum Policy, Support and Monitoring**

An amount of R74, 642 million that was originally budgeted for Goods and services, compensation of employees and machinery and equipment was defrayed from Programme Two due to cost cutting and reprioritisation measures being implemented. The virements of R74, 642 million were allocated to:

·         R274 000 from cost cutting and reprioritisation measures being implemented for travel and subsistence due to additional PED visits required.

·         R70 million from savings realised due to the in-house development of workbooks for training of teachers in the use of workbooks and implementation of the CAPS;

·         R905 000 from cost cutting and reprioritisation measures implemented to cover additional costs related to the oversight of the School Infrastructure Backlogs Grant (SIBG), and for communications, stationery and printing.

·         R3, 283 million as funds incorrectly classified in 2012 ENE were reclassified.

·         R95 000 from cost cutting and reprioritisation measures implemented for computer software.

·         R85 000 realised from cost cutting and reprioritisation measures implemented to cover costs for furniture and equipment costs related to the oversight of the SIBG.

Shifts amounting to R75 000 were made as follows:

·         R40 000 from savings realised on computer and hardware equipment due to the period for their replacement being extended and posts being vacant to fund increased travelling to the Limpopo and Eastern Cape provinces to support the Department’s interventions.

·         R1 000 from vacant posts to pay for leave gratuity for a severance package.

·         R34 000 from cost cutting and reprioritisation measures implemented to fund the purchase of machinery and equipment.

Overall, 0.0 percent shifts were made within the programme and 5.2 percent virements were made to other programmes.

**3.1.5     Programme Three: Teachers, Education Human Resources and Institutional Development**

An amount of R3, 161 million that was originally budgeted for Goods and services, compensation of employees and machinery and equipment was defrayed from Programme Two due to cost cutting and reprioritisation measures being implemented. The virements of R3, 161 million were allocated to:

·         R1, 871 million from cost cutting and reprioritisation measures implemented to Programme One to cover the cost of travel and subsistence due to additional provincial visits required;

·         R102 000 from cost cutting and reprioritisation measures implemented to Programme One to cover the cost for computer tablets;

·         R146 000 from cost cutting and reprioritisation measures implemented to Programme Four to cover the cost of travel and subsistence due to additional provincial visits required; and

·         R1, 042 million from reclassification of funds incorrectly classified in 2012 ENE to Programme Four.

Shifts amounting to R1, 719 million were made as follows:

·         R102 000 from savings realised on travel and subsistence, catering, venues and facilities, support and outsourced services as a result of cost containment measures implemented to cover the cost of purchasing computer equipment;

·         R1, 532 million from savings made from the late filling of vacant posts to cover the costs of leave gratuity for severance package; and

·         R85 000 from savings on vacant posts, reprioritisation of funds, savings realised on computer and hardware equipment due to the period for their replacement being extended to cover the cost of travel and subsistence, and advertisements.

Overall, 0.2 percent shifts were made within the programme, and 0.4 percent virements were made to other programmes.

**3.1.6     Programme Four: Planning, Information and Assessment**

An amount of R2, 117 million that was originally budgeted for Goods and services, compensation of employees and machinery and equipment was defrayed from Programme Two due to cost cutting and reprioritisation measures being implemented. The virements of R2, 117 million were allocated to:

·         R2, 117 million from cost cutting and reprioritisation measures implemented to Programme One to cover the costs of travel and subsistence due to additional provincial visits required.

Shifts amounting to R3, 870 million were made as follows:

·         R204 000 from savings realised on travel and subsistence due to fewer provincial visits required, savings realised on computer services not required, and savings on venues and facilities due to cost containment measures implemented to cover the cost for computer and office equipment;

·         R3, 500 million from savings realised on operational payments as well as consultants and professional services due to cost containment measures implemented to cover the cost of paying examiners and moderators for setting and moderating of the ANAs.

·         R93 000 from savings from vacant posts to cover the cost of leave gratuity for severance package.

·         R73 000 from savings realised on computer and hardware equipment due to their period of replacement being extended and posts being vacant to cover the cost of travel and subsistence due to additional provincial visits required.

Overall, 0.0 percent shifts were made within the programme, and 0.0 percent virements were made to other programmes.

**3.1.7     Programme 5: Educational Enrichment Services**

An amount of R4, 083 million that was originally budgeted for Goods and services, compensation of employees and machinery and equipment was defrayed from Programme 2 due to cost cutting and reprioritisation measures being implemented. The virements of R4, 083 million were allocated to:

·         R567 000 from cost cutting and reprioritisation measures being implemented to Programme One to cover the cost of travel and subsistence, venues and facilities for increased provincial visits;

·         R502 000 from cost cutting and reprioritisation measures being implemented to Programme Two to cover the cost for travel and subsistence, stationery and printing;

·         R396 000 from cost cutting and reprioritisation measures being implemented to Programme Four to cover the cost of travel and subsistence, venues and facilities and catering;

·         R929 000 from the reclassification of funds incorrectly classified in the 2012 ENE to Programme One to cover the cost for the compensation of employees for the newly established unit;

·         R839 000 from the reclassification of funds incorrectly classified in the 2012 ENE to Programme Four for the compensation of employees for the newly established unit;

·         R850 000 from the reclassification of funds incorrectly classified in the 2012 ENE to Programme Four for the NEEDU for compensation of evaluators and field workers.

Shifts amounting to R170 000 were made as follows:

·         R75 000 from savings realised on stationery, catering, and travel services due to cost saving measures implemented , savings realised on venues and facilities due to fewer inter-provincial meetings, and vacant posts for the purchase of computers, furniture, machinery and equipment; and

·         R94 000 from savings realised on computer and hardware equipment due to their replacement period being extended and posts being vacant to cover the cost of travel and subsistence.

Overall, 0.0 percent shifts were made within the programme, and 0.1 percent virements were made to other programmes.

The total virements and shifts made amount to the value of R91 304 million (0.6 percent)

**3.2        Spending trends during 2012/13**

Overall, the Department spent 91.9 percent of its allocated budget in 2012/13 compared to 91.6 percent in 2011/12. The unspent balance of R1.318 billion at the end of 2012/13 is greater than in 2011/12, when R1.179 billion went unspent, which is a cause for concern. Table 1 show that the main contributors to the under-spending were programmes 3 and 4 that have consistently under spent in the past two years.

**3.2.1          Programme One: Administration**

Programme One spent 98.3 percent of its available funds. The under-spending of R5.557 million on this programme was due to saving with regard to the Office Accommodation budget and unitary fee payment based on the Consumer Price Index (CPI) that fluctuated. A further reason for the under-spending was as a result of vacancies only being filled in the latter part of the financial year.

**3.2.2          Programme Two: Curriculum Policy, Support and Monitoring**

Programme Two spent R1.4 billion or 98.7 percent of the available budget of R1.4 billion. The under-expenditure of R18.842 million was mainly due to the delays of procurement processes of the LTSM in respect of the Kha Ri Gude Mass Literacy Campaign class of 2013. The classes for Kha Ri Gude project resume in June annually.

**3.2.3 Programme Three: Teacher and Education Human Resources Development and Management**

Programme Three spent 95.0 percent or R863.619 million. The under-spending of R43.042 million was due mainly to the following:

·         Moderators appointed in respect of the Integrated Quality Management System project were appointed on contract, due to resignations of moderators as and when they found permanent employment. This resulted in the allocation on the compensation of the project not fully utilised.

·         The budget approval for teacher training in collaboration with teacher unions was only received during October 2012. The project implementation could only resume in January 2013 due to October/November examinations allowing for a very short period of time for implementation before the end of the financial year. As a result there were delays as unions had to reschedule training workshops to March, April and May 2013 to cover all educators.

**3.2.4 Programme Four: Planning, Information and Assessment**

This Programme spent 84.9 percent of its allocation in 2012/13 or an amount of R6.897 billion rand. The substantial under-spending of R1.229 billion (15.1percent) was due mainly to the following:

·         National Treasury approved an allocation of R10 million per province to appoint environmental specialists to enhance capacity in their Infrastructure Units. KwaZulu-Natal and Northern Cape provinces did not appoint any environmental specialists and the funds in this respect were not transferred.

·         The School Infrastructure Backlogs indirect grant under spent on the allocated budget as a result of capacity challenges among implementing agents and contractors. Some contractor's contracts were cancelled due to non-delivery. However, the effect of adverse weather conditions and poor road conditions also contributed to the slow delivery of the project.

**3.2.5 Programme Five: Educational Enrichment Services**

Expenditure in this programme was R5.473 billion or 99.6 percent of the available budget of R5.47 billion. The under expenditure of R22.004 million was largely due to funds withheld for the HIV and Aids, Dinaledi Schools and Technical Secondary Schools conditional grants to Limpopo Province due to under-spending.

**3.3 Financial Needs for 2014/15 and the MTEF**

The Department reports the following critical funding priorities over the medium term:

**Summary of Projects for Additional Funding for 2014 MTEF per Programme**

|  |  |  |  |
| --- | --- | --- | --- |
| **PROGRAMMES** | **2014/15****R’000** | **2015/16****R’000** | **2016/17****R’000** |
| **Curriculum Policy, Support and Monitoring** |  |  |  |
| National Catalogue | 92 000 | 20 000 | 55 000 |
| Introduction of African Languages | 379 149 | 1 024 860 | 70 000 |
| School Libraries | 700 000 | 523 825 | 523 825 |
| Inclusive Education | 179 093 | 417 716 | 1 039 534 |
| ECD Services | 57 000 | 47 000 | 48 000 |
| **Planning, Information and Assessment** |  |  |  |
| Annual National Assessment | 69 267 | 73 453 | 76 559 |
| SACMEQ | 11 602 | 9 847 | 6 143 |
| **Total** | **1 488 111** | **2 116 701** | **1 819 061** |

**3.3.1     Curriculum Policy, Support and Monitoring**

**(i) National Catalogue -**The Ministerial Task Team’s recommendation was that the lists of approved textbooks had to be National (as proposed to the current provincial system), and that the range of options narrowed down. The Department developed the National catalogue for Grade 1 to 12. However, there was still a need to develop the following: Grade R, Further Education and Training (FET) Literature; Master Copies for Braille and Large Print for Grades 1 – 12; and Textbooks not on the National Catalogues. Due to budget shortfalls the Department was unable to continue with the catalogue.

**(ii) Incremental Introduction of African Languages -**Incremental Introduction of African Languages (IIAL) would be rolled out in 2015 starting with Grade 1. The project would be piloted in 2014 for Grade 1 in approximately 500 schools that did not offer an African language. The pilot roll-out required the training of teachers in two levels namely Level 1: Training of core group of African language trainers and Level 2: Training of pilot school teachers in all Provinces.

**(iii)School Libraries -**The Action Plan 2014: Towards the realisation of Schooling 2025, goal number 20 stated that” Increased learner access to a wide range of media, including computers, will enrich their education”. In operationalising this goal, the Department was looking at increasing access to books for more learners through centralised libraries where the infrastructure was in place and classroom library as well as movable/lockable cabinet.

**(iv) Inclusive Education -**The project would be strengthening and consolidating critical systems that would enable the full roll out of Inclusive Education thus making Basic Education inherently inclusive as well as engendering a multi-disciplinary approach in developing an Inclusive Education and Training System by ensuring that each policy area/programme played its meaningful role in this regard.

**(v) Early Childhood Development (ECD) Services -**The project supported areas that would improve the quality of ECD. The activities would include ECD practitioner training, pilot innovative programmes, develop materials to stimulate children, establish project management teams to monitor and support ECD centres.

**3.3.2     Planning, Information and Assessment**

**(i) Southern and Eastern Africa Consortium For Monitoring Educational Quality (SACMEQ) -**South Africa was participating in a regional study involving a consortium of 15 countries in Southern and Eastern Africa in monitoring educational quality. The fourth study (SACMEQ IV) of this consortium was scheduled to take place between 2013 and 2015 which coincided with the need to report on the Millennium Development Goals (MDGs). DBE had already collected the data from 350 schools which involved (350x25 learners). The Department therefore requires additional funding to:

·         Capture the data which would involve the purchase of computers and hire of data capturers;

·         Data cleaning which would require the necessary training and expertise;

·         Data analysis that would require appropriate expertise, e.g. statisticians, IT specialists and specialised software;

·         Writing of a report that provided short-, medium- and long term costed recommendations;

·         Printing of reports; and

·         Dissemination of findings in terms of policy briefs, road shows, conferences and seminars.

**(ii) Annual National Assessment (ANA) -**The Department had identified and prioritised Annual National Assessment (ANA) in the key foundational skills of Literacy and Numeracy as a pivotal mechanism for monitoring and tracking the achievement. The Presidency’s injunction an independent agent to monitor test administration, administer questionnaires, do marking, capture and analyse data, and provide a report to the Minister, who would report to the public learner performance and contextual factors that affected it. Due consideration had been given to, amongst others, the Government's Programme of Action and the objectives and the 18 key targets of the National Development Plan. The current funding was not adequate to carry the intended outcomes with the administration of ANA as part of regular standardised assessment to ultimately improve the quality of basic education in South Africa.

**3.4     Department of Basic Education – Cost Cutting Measures and Reprioritisation**

The Department had reprioritised by cutting 10 percent in some programmes to fund the following among other things:

·         Interventions in Limpopo and Eastern Cape which had never been funded since Section 100 was implemented;

·         Advanced Certificate in Education (ACE) Diploma; and

·         Outstanding Legal Services cases affecting the Departments

Some projects were postponed to make funds available for critical activities of the Department.

**4          Report of the Auditor-General**

The Department received an unqualified audit opinion for 2012/13 as in previous years. Notably, the Department cleared prior year’s audit qualification relating to Human Resource Management and Information Technology controls. Several audit findings of 2012/13 focussed on ASIDI.  Emphasis of matters raised by the Auditor-General (AG) included:

·         Material under-spending of the budget on Programme 4 to the amount of R1.23 billion. Consequently, the Department did not fully achieve its objectives of the Accelerated School Infrastructure Delivery Initiative (ASIDI).

·         Restatement of prior year comparative figures. ASIDI accruals for 2011/12 were incorrect.

The AG also drew attention to additional matters including the following:

· **Usefulness and reliability of information in respect of predetermined objectives:**– The Department continued to receive findings in this key focus area. A total of 64 percent of the indicators were not well-defined in that clear, unambiguous data definitions were not available to allow data to be collected consistently. In respect of reliability, the Auditor-General was unable to obtain the information and explanations considered necessary to gain satisfaction regarding the reliability of the information presented with respect to the curriculum policy, support and monitoring programme, planning, information and assessment programme as well as education enrichment services pr **o**gramme. This was due to the Department not being able to provide sufficient and appropriate evidence to support the achievements reported.

· **Annual financial statements -**The financial statements submitted for auditing were not prepared in all respects in accordance with the requirements of the PFMA. Areas identified by the auditors in the financial statements submitted were subsequently corrected.

· **Expenditure management -**The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 38(1) (c) (ii) of the PFMA.

· **Procurement and contract management**- A competitive bidding process in respect of the appointment of implementing agents where expenditure to the value of R 82 808 million were incurred as the appointments were not as required by regulation 11(3) (a) of the Preferential Procurement Policy Framework Act 5 of 2000 and the regulations and instructions issued in terms of the Act.

· **Risk management –**Although the Department performed risk assessment, they did not cover all the programmes. As a result, the AG noted that the accounting officer did not ensure that the Department had effective, efficient and transparent systems of financial and risk management and internal control, as required by the PFMA and Treasury Regulations.

· **Leadership –**No assessment was done on ASIDI to determine the oversight responsibilities to be assumed during all the phases of the infrastructure delivery process - and to ensure compliance with the financial reporting responsibilities. Consideration was not given to the resources required to manage the ASIDI and existing policies and procedures were not updated and aligned to changes in the mandate of the Department. Furthermore, the monitoring and evaluation unit did not exert adequate oversight over the strategic objectives implemented by the DBE during the quarterly performance evaluation process to determine the accuracy of the reported achievements with reference to the supporting documentation provided financial and performance management **-**Record keeping, daily and monthly processing and the recording of transactions relating to the ASIDI and performance management were not effective. The AG further reported that existing controls had not been enhanced to ensure adequate record keeping that would support accurate and complete financial and appropriately and performance reporting.

· **Governance -**Not all significant risks relevant to the Department were identified. As a result, the efforts of the internal audit division of the Department were not appropriately directed to addressing deficiencies in the control environment.

Encouragingly, the Auditor-General noted that the DBE had action plans in place to address these shortcomings. The DBE had also reported to the Portfolio Committee the following key initiatives to prevent a repeat of under- spending on ASIDI:

* Additional Implementing Agents had been awarded and contracts tightened to include penalties for non-performance by Implementing Agents (IAs);
* The amount of projects awarded to a single service provider had been limited to a maximum of 5 to a contractor and 10 to PSP in order to mitigate the risks associated with termination and/or poor performance;
* DBE had recruited additional internal capacity to ensure efficient management of the programme; and
* DBE was focusing on putting more controls in place to ensure yet another unqualified audit in the coming years.

**5.         Financial Performance for the First Quarter 2013/14, DBE**

**5.1        Analysis of the First Quarter Expenditure Report for 2013/14 Financial Year**

The First Quarter Report needed to be seen in the context of the following key developments in the sector:

* Vote 5: Basic Education revealed the consolidated investment and outlines the strategic priorities of the 2013/14 financial period.
* The National Senior Certificate supplementary (NSC) examinations were successfully completed in March 2013 and the results released during this quarter. The overall pass rate has increased
* The Education Collaboration Framework (ECF) gained momentum in formalising itself during this quarter. The ECF is a civil society initiative aimed at increasing cooperation among the stakeholders involved in education improvement in South Africa
* The Minister initiated a project called “Race to the Top” under the auspices of the ECF, as a holistic and urgent response to the NDP. The project serves as a turnaround strategy for the education sector.

The allocation against the Actual Expenditure per programme for the 2013/14 Financial Year was as follows **:**

|  |  |  |
| --- | --- | --- |
| **PROGRAMMES** | **2013/14** | **Expenditure as % of Adjusted Appropriation** |
| **FINAL APROPRIATION** | **ACTUAL EXPENDITURE** | **VARIANCE** |
| **R’000** | **R’000** | **R’000** |
| Administration | 335 580 | 87 275 | 248 305 | 26.0% |
| Curriculum Policy, Support and Monitoring | 1 523 621 | 40 964 | 1 482 657 | 2.7% |
| Teachers, Education Human Resources Development and Institutional Development | 984 697 | 934 115 | 50 582 | 94.9% |
| Planning, Information and Assessment | 8 988 995 | 2 092 732 | 6 896 263 | 23.3% |
| Educational Enrichment Services | 5 759 012 | 1 837 445 | 3 921 567 | 31.9% |
| **Total** | **17 591 905** | **4 992 531** | **12 599 374** | **28.4%** |

The allocation against the Actual Expenditure per item for the 2013/14 Financial Year was as follows **:**

|  |  |  |
| --- | --- | --- |
| **ECONOMIC CLASSIFICATION** | **2013/14** | **Expenditure as % of Adjusted Appropriation** |
| **FINAL APPROPRIATION** | **ACTUAL EXPENDITURE** | **VARIANCE** |
| **R’000** | **R’000** | **R’000** |
| Compensation of Employees | 389 366 | 88 136 | 301 230 | 22.7% |
| Goods and Services | 1 880 379 | 128 061 | 1 752 318 | 6.8% |
| Transfers and Subsidies | 13 372 051 | 4 625 227 | 8 746 824 | 34.6% |
| Payment for Capital Assets | 1 950 109 | 151 107 | 1 799 002 | 7.8% |
| **Total** | **17 591 905** | **4 992 531** | **12 599 374** | **28.4%** |

**5.2        Expenditure Trends**

The total Final Appropriation budget of the Department for the 2013/14 financial year amounts to R17 591.905 million which represented a nominal increase of R1.4 billion, or 8.6 percent, from 2012/13. The majority of the budget (R13 372.051 million) consisted of transfer payments as follows:

·         Conditional Grants: R12 343.272 million;

·         Transfers to Public Entities: R991.529 million; and

·         Other Transfers: R37.250 million.

The remainder of the budget (R4 219.854 million) consisted of the following:

* Compensation of Employees: R292.253 million;
* Examiners and Moderators: R18.440 million;
* Earmarked Funds: R1 634.671 million;
* Office Accommodation: R149.824 million;
* Specifically and Exclusively Appropriated: R1 955.981 million;
* Departmental Operations: R104.183 million; and
* Departmental Projects: R64.502 million.

The total actual expenditure of the Department for the 2013/14 financial year first quarter amounted to R4 992.531 million or 28.4 percent of the available budget. Except for Programme 2, expenditure was largely on track.

**5.2.1 Programme One: Administration (26.0 percent) -**Expenditure on Programme One was R87.2 million or 28.2 percent compared to spending of 22 percent the same period in 2011/12. The increase was primarily due to additional spending on goods and services.

**5.2.2 Programme Two: Curriculum Policy, Support and Monitoring (2.7 percent) -**The spending on this Programme at the end of the first quarter was R41 million or 2.7 percent, the majority of which was spent on goods and services and compensation of employees. Expenditure under this programme had decreased by R7 million when compared with the same period the previous year - primarily due to lower spending on goods and services. The decrease was attributed to delays in the appointment of a service provider for the Kha Ri Gude Mass Literacy Campaign and in the commencement of literacy classes that was shifted from June 2013 to July 2013. The bulk of the expenditure was expected to increase in the second/third quarter of the financial year when Kha Ri Gude classes resumed for 2013 and the printing and delivery of workbooks for the class of 2014, which was scheduled to take place during September/October 2013.

**5.2.3 Programme Three: Teachers, Education Human Resources and Institutional Development (94.9 percent) -**The bulk of spending under Programme Three was transfers to Funza Lushaka bursaries which were made to NSFAS in April of each year. Furthermore, the high spending was in respect of payments of invoices for the teacher training in collaboration with teacher unions that were processed in April 2013. The Department requested roll-over to cover the shortfall but the roll over was not approved.

**5.2.4 Programme Four: Planning, Information and Assessment (23.3 percent) -**With regard to Programme Four, the bulk of the allocation was in respect of payment of the ASIDI project. Expenditure at the end of the first quarter was at 23.3 percent compared to R18.6 percent in 2011/12. The increase was mainly due to additional spending on goods and services mainly for infrastructure consultancy services including implementing agents.

**5.2.5 Programme Five: Educational Enrichment Services (31.9 percent) -**Expenditure in this Programme was 31.9 percent of the available budget at the end of the first quarter, the majority of which was spent on compensation of employees.

Overall, except for Programme Two which significantly under spent, expenditure of the Department at the end of the first quarter was on track. The Department reported that its administrative and financial systems were in place. Furthermore expenditure was monitored on a monthly basis and responsibility managers were requested to provide reasons if the progress on projects was not satisfactory. The Ministers were informed of the spending trends in terms of the Public Finance Management Act. Senior Management, at least once a month, discussed the spending trends and reprioritisation of activities within the objectives of the Department was considered when necessary. The Department implemented cost containment measures.

**5.3 Overview and Assessment of Service Delivery Performance**

**5.3.1 Service delivery performance for 2012/13**

The Annual Performance Plan summarises the priorities of the DBE as aligned to the *Delivery Agreement*of OUTCOME 1 *: Improving the quality of Basic Education*and the *Action Plan to 2014: Towards the Realisation of Schooling 2025*. The total number of targets for all DBE programmes was 51, consisting of 40 annual targets (78 percent), nine quarterly targets (18 percent), and two bi-annual targets (4 percent).

**5.3.2 Programme One: Administration -**The Administration Programme was responsible for the management of the Department and the provision of strategic and administrative support services.

**(a) Highlights and Achievements**– Two key posts of Deputy-Directors General and seven          Senior   Management Services (SMS) posts were filled. Capacity was also developed through the        Workplace Skills Plan and the Personal Development Plans of officials. Performance assessments        of all officials were finalised. The Department also finalised the Quarterly System Monitoring Tools   and secured approval for them. In the period under review, the Department negotiated a      cooperation agreement with the Ministry of Education of China as well as a second cooperation agreement, between the South African government and the British government regarding English       in education.

**(b) Programme One Targeted Outputs vs. Actual Output for 2012/13**

Within this programme, targets were achieved or exceeded in all six performance indicators, compared to targets met in four of the eight performance indicators in 2011/12:

·         Of a targeted 280 officials participating in staff development activities, a total of 350 officials attended Skills Development and Training courses. A positive variance of 70 had been achieved.

·         Of a targeted 55 internships implemented interns for the financial year, the Department achieved 87 internships for the financial year. A positive variance of 32 had been achieved.

·         The percentage employment outcomes of interns who had completed the internship programme were set at 30 percent. The Department achieved 39 percent (34 out of 87 interns) which translated into a positive variance of nine percent.

·         The Department was also able to compile the following reports:

o        Two reports on highlighting South Africa’s role and participation in multilateral bodies and international affairs in educational activities.

o        Four reports on legal cases instituted against the basic education sector

o        A report on legal cases concluded in the education sector

**5.3.3 Programme Two: Curriculum Policy, Support and Monitoring -**The purpose of Programme Two was to develop curriculum and assessment policies and to monitor and support their implementation.

**(a) Highlights and Achievements –**The implementation of CAPS was on track with the implementation in the Intermediate Phase (Grades 4-6) and Grade 11 commencing in the 2013 academic year.   Preparations for implementation in Grade 12 and the Senior Phase for 2014 were at an advanced stage. The Grade 12 CAPS Orientation was conducted in all provinces. The Senior Phase CAPS orientation programme for all provinces had started in March. Training on the Certificate in Primary Education Language Teaching to support the introduction of English First Additional Language (EFAL) in the Foundation Phase was conducted in August 2012. A total of 125 participants were trained (including 83 district language officials, 23 representatives from HEIs, provincial language specialists and representatives from each of the unions). In addition, a total of 40 language officials from districts were trained in October and November 2012. The Ministerial Task Team Audit of Reading Programmes finalised its report in February 2013. The Ministerial Report highlighted areas for concerted and immediate action particularly with respect to teaching children to read, and the practice of reading in schools across the country. Combined with the NEEDU report, it showed that provincial efforts in implementing reading interventions had to be strengthened, supplemented and supported.

An impact evaluation of the reception grade (Grade R) had been finalised. A Diagnostic Review on Early Childhood Development (ECD) had also been finalised with plans to guide the implementation for the Departments of Social Development and Basic Education. The adaptation of workbooks for Braille for Grades 7-9 was completed and teacher guidelines for Sign Language as well as Augmentative and Alternative Communication (AAC) developed. The HRD strategy for Inclusive Education (IE) was approved in 2012 and made available to provinces and Higher Education Institutions in an effort to improve the supply and development of professionals in the inclusive education subsector.

The three-year plan for the development of the National Catalogue of textbooks coincided with the phased-in implementation of CAPS, with the National Catalogue being developed a year ahead of implementation to enable provinces to procure textbooks timeously and ensure that learners and teachers had the necessary learning and teaching materials at the start of the academic year. The Department developed and released the Basic Education Sector Plan for the procurement and delivery of LTSM in provinces. The Department monitored and supported PEDs in managing the procurement and delivery of textbooks and stationery for the 2013 school year. The National Guidelines for School Library and Information Services were launched on 13 August 2012 to support the consolidation of the culture of reading in public schools.

**(b) Programme Two Targeted Outputs vs. Actual Output for 2012/13**

·         The Department targeted 1 650 schools for access to electronic content and achieved 4 513 schools – a positive variance of 2 863.

·         The Department aimed to orientate 3 000 subject advisors and other teaching professionals in the Curriculum and Assessment Policy Statement (CAPS). A total of 4 003 teaching professionals were oriented in CAPS giving a positive variance of 1 003 achieved.

·         The percentage of Grade 3 learners performing at the required numeracy level was set at 55 percent. In the 2012 ANA, 36 percent of learners achieved above 50 percent.

·         The percentage of Grade 6 learners performing at the required language level was set at 51 percent. In the 2012 ANA, 39 percent of learners achieved above 50 percent in their home language.

·         In 2012 a total of 136 047 Grade 12 learners became eligible for admission in university. This showed an increase of 15 280 more bachelor passes achieved in 2012 than in 2011. The sector was therefore on track to achieving its target for 32 percent of Grade 12 graduates able to be admitted for Bachelor degree studies.

·         The Department aimed for 60 percent of schools having access to library information services. The latest available data for this indicator was 51 percent.

·         The target for learners with a textbook for each subject was 85 percent. The Department reported that 99.4 percent of Grades 4-6 and Grade 11 orders were delivered to schools for utilisation by learners.

·         A target of 630 990 learners to be enrolled in the Kha Ri Gude programme was envisaged and the Department achieved a total of 665 246 learners on the Kha Ri Gude data base.

·         The Department targeted 50 district offices to have trained officials on the Screening, Identification, Assessment and Support (SIAS) strategy. The Department achieved a total of 56 district offices trained.

·         Of a targeted 69 percent of Grade 1 learners having received formal Grade R, the Department achieved 87.8 percent.

**5.3.4 Programme Three: Teacher and Education Human Resources Development and Management -**The purpose of Programme Three was to promote quality teaching and institutional performance through the effective supply, development and utilisation of human resources.

**(a) Highlights and Achievements –**Maintaining stability in schools in support of curriculum delivery and learner performance was a critical focus of HR planning, provisioning and monitoring. A National Education Human Resource Framework was developed and approved. The framework contains interventions to enable the introduction of a three-year post establishment and closed vacancy lists that would assist provincial education departments.

Teacher Centres assisted the achievement of the aim of improving teacher quality by supporting teachers at the local level. A survey of teacher centres completed in the reported period yielded information on how the 112 centres in the country could play a more active role in providing support to teachers in the public school system and thus positively impact on the quality of basic education. A Memorandum of Agreement with teacher unions assisted in the facilitation of the achievement of the teacher professional development targets set out in Action Plan to 2014 and the ISPFTED.

The Funza Lushaka bursary allocation from National Treasury had increased from R109.7 million in 2007 to R671.9 million in 2012. In 2012/13 the number of bursaries awarded increased to 11 715. The DBE developed a proposal for improving the Funza Lushaka bursary programme information management system to facilitate tracking bursars, from the granting of the bursary to the point of being placed in a school as qualified teachers. The Department introduced a district-based recruitment programme that targeted learners from rural and poor communities (quintiles 1-3 schools) to assist them to access Funza Lushaka bursaries. District-based recruitment was rolled out to provincial education departments, with a total of 2 000 bursaries set aside to benefit learners from quintile 1-3 schools, of which 1 173 were recruited and registered to study in the 2013 academic year at Higher Education Institutions nationally.

The policy on the Organisation, Roles and Responsibilities of Education Districts had been gazetted. The policy determined national policy for the planning, provision, financing, staffing, coordination, management, governance, programmes, monitoring and evaluation of education districts. This helped education districts to be provided with the necessary roles, delegated authority, functions, resources and skills to enable them to perform their core function, which is the support of schools.

**(b) Programme Three Targeted Outputs vs. Actual Output for 2012/13**

·         The Department developed a catalogue of 150 short courses offered by Higher Education Institutions (HEIs) in priority subject areas and placed on their website.

·         The Department developed a short course for Foundation Phase (FP) and Intermediate Phase (IP) in English 1st Additional Language in collaboration with the British Council. Catalogues of HEIs short courses were drawn up and placed on the DBE, PED and stakeholder websites.

·         The Department had a target of 6 800 qualified teachers aged 30 and below entering the public service as teachers. The Department achieved 8 227 teachers entering the profession.

·         The Department achieved a total of 11 715 bursaries awarded for the Funza Lushaka Bursary Programme, against a target of 11 500. A positive variance of 215 had been achieved.

·         The target for the Department in respect of the percentage ordinary public schools where the School Governing Body meets the minimum criteria i.r.o effectiveness was 60 percent. The Department was able to reach 10 528 schools from a total of 14 836 schools. This was a cumulative 71 percent of schools supported.

**5.3.5 Programme Four: Planning, Information and Assessment -**The purpose of Programme Four was to promote quality and effective service delivery in the basic education system through planning, implementation and assessment.

**(a) Highlights and Achievements –**The National Senior Certificate (NSC) Examinations were written between 22 October and 30 November 2012. The administration of the examinations was successful with no serious irregularities that could compromise the integrity of the examinations. A total of 20 564 schools and 8 940 799 learners were successfully uploaded to LURITS as at 31 March 2013 with 2012 data. The Annual National Assessments (ANA) tests were administered to all Grade 1–6 and Grade 9 learners in public and state-funded independent schools nationally. A Diagnostic Report on the ANA results was developed to enable various tiers of education to utilise the findings to devise ways to improve education. There was progress being made on all fronts in respect of replacing inappropriate school structures with the support of interdepartmental and stakeholder collaboration.

The Department facilitated meetings with all 86 District Directors and Senior Provincial Managers responsible for district coordination to address challenges and improve best practice in a collegial manner. The school calendar for 2014 was gazetted (Government Gazette No 35929) in December 2012 and published in national newspapers. The Department implemented a special quality improvement project in honour of former President Mandela (The 94+Projects for Madiba Campaign) and targeted 104 schools serving approximately 63 000 learners. The schools received support valued at approximately R40 million from a total of 22 partners and seven national departments.

During the 2012/13 period, the National Education Evaluation and Development Unit (NEEDU) evaluated 134 schools and 15 district offices across the nine provinces. In the National Report, NEEDU identified the critical factors that inhibited or advanced the attainment of sector goals as well as those factors that inhibited or advanced school improvement, and made focused recommendations for redressing problem areas that undermined school improvement and the attainment of sector goals.

**(b) Programme Four Targeted Outputs vs. Actual Output for 2012/13**

·         The Department was able to produce the ANA 2012 learner performance report

·         The Department had a target of 40 percent of schools for the provision of exemplars and other tools to support ANA preparation. A total of 22 141 schools received the ANA support materials, which translated to 86 percent of the total number of schools.

·         The Department was able to meet its target of releasing a National Technical Report on learner performance in Grade 12.

·         The Department had a target of 92 percent of schools complying with a very basic level of school infrastructure. The latest available data for this indicator stood at 55 percent.

·         The Department had a target of 85 percent of learners in schools that were funded at the minimum level. The latest available data for this indicator was 47 percent.

·         The target set for the percentage of 7 – 15 year-olds attending education institutions stood at 98.4 percent. The current available data sourced for this indicator was 98.8 percent.

·         The target percentage of children who turned nine years of age in the previous year who were currently enrolled in Grade 4 stood at 63 percent. The Department achieved 79.9 percent to date.

·         The target percentage of children who turned 12 years of age in the previous year who were currently enrolled in Grade 7 stood at 50 percent. The Department achieved 71.7 percent to date.

**5.3.6 Programme Five: Educational Enrichment Services -**The purpose of Programme Five was to develop policies and programmes to improve the quality of learning in schools.

**(a) Highlights and Achievements –**In promoting the well being of learners, the Integrated School            Health Programme (ISHP) was launched in October 2012. Geographic Information Systems (GIS)           maps on health, education and poverty indicators for all nine provinces were developed to support health interventions. At least 284 workshops were conducted by provinces on improving NSNP      implementation, food production and financial management. The Department conducted phased-in     implementation of the social      cohesion toolkit in selected schools and districts.

In response to the National Development Plan for inter-sectoral cooperation to improve   educational outcomes, the Department put in place an Education Collaboration Framework (ECF).    It followed a multi-stakeholder Education Dialogue convened in December 2012. The ECF would     implement targeted programmes, including district and systemic change interventions and           innovation projects.

**(b) Programme Five Targeted Outputs vs. Actual Output for 2012/13**

·         The Department had a target of 500 000 learners to undergo health screening. The Department was able to ensure 652 258 learners having undergone screening.

·         The target for the number of learners provided with meals in the NSNP was set at 8 892 088 and the Department reached 9 159 773.

·         At least 16 838 schools were linked to police stations in the country, from a target set at 18 000 by the Department.

·         The Department set a target of 5 000 public ordinary schools participating in school sport leagues and managed to register 7 612. A positive variance of 2 612 achieved.

·         The Department targeted 357 schools to benefit from the Adopt-A-School programme and was able to ensure that 415 schools benefitted.

**6. Consideration of other service delivery performance findings**

**6.1. A Summary of key service delivery issues in oversight visit reports**

The Portfolio Committee conducted oversight visits to underperforming districts in three provinces in 2012 and four provinces in 2013. The purpose of the oversight was to assess the state of school readiness for 2012 and 2013 in these districts and provinces. The framework for the visits was guided by key interventions and priorities set out in major government plans to ensure that enabling conditions for quality teaching and learning are established. In this regard, the Portfolio Committee focused on critical areas such as the state of the school environment; the supply and training of teachers; readiness to implement the Curriculum and Assessment Policy Statement (CAPS) with emphasis on the Intermediate Phase; the state of admission and registration of learners; the delivery of textbooks, workbooks and stationery; the functionality of school governance and management bodies; and, the availability of learner transport and school nutrition to qualifying learners. The following section summarises two critical findings that emerged:

**6.1.1. Improvement in the delivery of LTSM -**In 2012 a key area of concern for the Portfolio Committee was the persistent delay in the delivery of textbooks and workbooks to schools, which had also been observed in the previous year. This issue was of major concern to the Portfolio Committee as it impeded the enhancement of teaching and learning, particularly in the economically disadvantaged schools. In 2013, the Portfolio Committee found that although there were still shortages of textbooks and incorrect delivery in several schools visited in the Waterberg District of Limpopo, there was an improvement in the delivery of LTSM in the province compared to 2012. The Portfolio Committee proposed that textbooks be delivered at the end of the year for use the following year to avoid late deliveries (or non-delivery).

**6.1.2. Post provisioning -**Post provisioning was a major challenge in the Eastern Cape. A number of schools visited lacked qualified teachers in core subjects. The main challenge observed was that affected schools had       not identified teachers in excess amidst resistance from SADTU to the redeployment process, as proposed by the Department.

**6.2. Findings from external sources**

**6.2.1. Recent Development Indicators (Department of    Performance Monitoring and Evaluation)**

The 6th Edition Development Indicators of 2012 which tracks progress made in implementing        policies based on data sourced from research institutions, government databases and official        statistics, notes progress made in several key development indicators related to basic education,   which corroborates some of the achievements noted by the Department of Basic Education. Key      achievements noted include:

·   Increased participation rate in Early Childhood Development (Grade R);

·   Progress towards gender parity in education participation;

·   A steady increase in adult literacy rate over the past 10 years in line with the Education for All and MDG target; and

·   An increased pass rate in the National Senior Certificate examinations.

The Development Indicators also highlight critical issues in respect of the quality of the National Senior Certificate Examinations (NSC) pass rates, which require attention. These include the           following:

·   While the Matric Pass rate is at its highest since 1994, the quality of Matric as indicated by the number of bachelor passes is not increasing as rapidly as the overall Matric pass rate.

·   Since 2008 the number of Mathematics passes has been declining, until 2012 where there was a marginal increase of about 17 937 passes from 2011. It is noted that since Mathematics Literacy was introduced as a Matric examination subject in 2008, there are more learners passing this subject than those passing Mathematics. However, this does not give them access to Science, Engineering and Technology (SET). It was observed that South Africa continues to perform at low levels in Science and Mathematics compared to other countries. Encouragingly, the Trends in International Mathematics and Science Study (TIMMS) of 2011 shows un upward trajectory, largely driven by schools catering for the poor, though the scores are not competitive.

**6.2.2. Findings of the Management Performance Assessment Tool (MPAT) conducted by the   Department of Performance Monitoring and Evaluation (DPME)**

The Management Performance Assessment Tool (MPAT) of 2013 assessed performance of departments in respect of Strategic Management, Governance and Accountability, Human Resource Management and Financial Management. Findings of the MPAT revealed both strengths and weaknesses in the performance of the Department of Basic Education.

**6.3. Concluding comments on service delivery**

There were notable achievements during the 2012/13 period towards improving the quality of basic education. Important gains made included the improvement of NSC and ANA results, particularly in the Foundation Phase. The Department’s oversight role became more prominent in improving learner performance, through a number of interventions. Challenges remain with regard to the quality of learner performance. Further notable challenges include infrastructure backlogs and imbalances in the supply and demand of educators. For the most part of the period under review, challenges were identified in implementing the crucial ASIDI programme that affected the achievement of targets.

Whereas, good progress has been made by the DBE in alignment with targets articulated in the NDP, there is a need for a review of targets, refinement of strategies and institutionalisation of interventions introduced to improve district support and performance, teacher development and performance, learner performance and quality in ECD to ensure increasing meaningful compliance with the NDP implications for the sector.

**7. Statutory Bodies**

**7.1. Council for Quality Assurance in General and Further Education and Training (Umalusi)**

The Council was mandated to quality assure qualifications and standards, monitor and moderate learners’ achievement and issue certificates. The Council also evaluated whether providers of education and training in the sector had the capacity to deliver and assess qualifications and were doing so to expected standards of quality. Umalusi’s mandate was determined by two Acts i.e. the National Qualifications Framework Act of 2008 and the General and Further Education and Training Quality Assurance Act of 2001 amended in 2008. Umalusi therefore reports as a Quality Council - although there were matters which were still in transition and would require clarification. The mandate of Umalusi covered the following areas:

·         Qualifications and Standardisation;

·         Quality Assurance;

·         Information;

·         Research; and

·         Advice and Collaboration.

Aspects in the macro environment that have affected Umalusi are as follows:

·         The passing of the NQF Act in 2009 resulted in changes in the roles and responsibilities of the various bodies in the quality assurance landscape;

·         The amendment of the various acts that govern the work of the QCs which had required more capacity and a review of Umalusi’s positions and approaches;

·         Varying views on the nature of standard setting and quality assurance;

·         The National Development Plan provided useful diagnosis and identifies critical educational challenges to be addressed;

·         The process of collaboration with SAQA (and other QCs) in the transition to the NQF Act had meant that staff had been extensively involved in both Ministerial and SAQA task teams;

·         In December 2012, the NQF was regulated and QCs advised to finalise their sub-frameworks accordingly;

·         The white paper on the post school system had been completed, but had not been publicly released;

·         The Department of Higher Education and Training  had created significant changes in terms of the Acts  relating to colleges, but appeared to be vacillating about the qualifications it wished to offer: NC(V) task team report had not been released; uncertainty regarding the location of the N-programme continued;

·         The Department of Basic Education was implementing the CAPS - Umalusi was currently analysing the changes made to the curricula; and

·         The fate of adult learners remained in the balance as energy was dissipated into conflicting qualification processes: planning for the funding and rollout for the NASCA seemed limited.

In respect of the Quality Assurance Regime for 2011/12, Umalusi argued that educational standards and quality were set and maintained through a combination of processes and interventions. The 2012/2013 quality assurance regime was designed to include the following:

·         Evaluation and benchmarking of existing qualifications and curricula (Intended curriculum) and issuing authentic certificates; development of new qualifications and curricula;

·         Ensuring through external moderation processes and benchmarking that assessments at exit points were of an acceptable standard and that the examinations were conducted in a credible manner through verifying the national and provincial monitoring systems (Examined curriculum);

·         Ensuring that standardisation processes were reliable, consistent and that standardisation decisions were upheld; and

·         Accrediting private institutions (schools, FET colleges and Adult Centres), and private assessment bodies to offer/assess the qualifications it certified (Enacted curriculum).

**7.1.1. Qualifications, Curriculum and Certification Unit (QCC) -**The role of QCC was to ensure and enhance the status and quality of the qualifications Umalusi certifies. Quality assuring the qualifications and their related curricula was QCC’s contribution to the overall quality of the certificate which Umalusi issued. This function also oversaw the issuing and verification of certificates. (Qualifications: Senior Certificate, National Senior Certificate; N3; National Certificate Vocational 2, 3, 4; General Education and Training Certificate (GETC): adults). All of this was completed as planned.

**7.1.2. Quality Assurance of Assessment Unit (QAA) -**This function entailed establishing, maintaining and improving standards and quality in assessment at exit points in General and Further Education and Training. In order to fulfil this function, Umalusi used five key processes:

* external moderation of question papers;
* verification of monitoring the conduct of examinations;
* external moderation of marking;
* external moderation of continuous assessment; and
* standardisation of assessment results.

Once again Umalusi was able to complete all of the above processes as per plan. Umaulsi also submitted the necessary reports to the Ministers of Basic Education and Higher Education and Training on all 2012 exams. All internal assessments were moderated and all monitoring conducted as planned.

**7.1.3. 6.1.3 Evaluation and Accreditation Unit (E&A) –**The unit was responsible for accrediting private institutions through quality assurance of their provision for the qualifications Umalusi certified. The unit evaluated the capacity of education and training providers to implement registered qualifications and approved curriculum they sought accreditation for. The Unit also evaluated the capacity of assessment bodies to conduct practical, internal, and external assessment of learner achievement - leading to the issuing of registered qualifications by Umalusi, as well as the standards of assessment products and processes.

Umalusi completed accreditation of private providers (Independent Schools, Private FET Colleges and AET Centres) as per plan. The policy and criteria for the accreditation of independent schools and private assessment bodies was approved by the Minister of Basic Education in October 2012. Draft guidelines for the accreditation and registration of independent schools (as institutions of learning and as exam centres) were developed in conjunction with the DBE and were being finalised.

**7.1.4. Evaluation and Accreditation of Assessment Bodies -**SACAI was provisionally being accredited to assess the NSC and was piloting the exams – this was being closely monitored by Umalusi. Umalusi completed the accreditation of the Independent Examinations Board (IEB) to assess the NSC. The Systemic evaluation of four provincial education departments had also been completed.

**7.1.5. Statistical Information and Research Unit (SIR) - The mandate of the SIR unit was**to conduct research as identified by the needs of the organisation and report on the key indicators of quality and standards in general and further education and training. The Unit further established and maintained databases and lead statistical research and analysis. The SIR Unit also informed and provided statistical support for the work in other units. The SIR Unit also played a role in organisational and professional development at Umalusi. Work in this regard covered the following:

* Developing a framework for assessing and comparing cognitive challenge of home languages examinations;
* The standards of National Senior Certificate Home Languages examinations: a comparison of South African official languages;
* NSC pass requirements: a discussion document on the NSC pass mark;
* Towards a construct for assessing high level language ability in Grade 12; and
* Academic literacy at Foundation Phase level: an exploratory investigation.

All of the above reports were published as per plan with Item Response Theory (related to research conducted) being ongoing.

**7.1.6. Governance and Office of the Chief Executive Officer**– This Unit ensured that Strategic and Annual Performance Plans were in place and that the organisation carried out its remit. The Unit also covered the areas of Corporate Governance, Advocacy of Umalusi’s work and Stakeholders relationship management. In this regard Umalusi could report the following:

* The new planning cycle was developed and organisational reports published as required;
* Policies were developed and implemented after Council approval;
* Performance was evaluated and monitored quarterly;
* Council meetings were conducted (committees supported and services rendered);
* Communication strategy was implemented as per plan; and
* Relationships were forged and maintained with political structures, DBE, DHET and other statutory and quality assurance bodies.

**7.1.7. Information Technology Systems –**Umalusi installed equipment with Service Level Agreements (SLAs) implemented and network support meeting expectations. All Umalusi software licensing was up to date. Umalusi also had a Disaster Recovery plan implemented and LAN upgraded together with revamping of the building.

**7.1.8. Finance, Human Resource Development and Administration –**Umalusi received an unqualified audit. The Council was able to pay its Creditors within 30 days with surpluses invested at the Corporation for Public Deposits (CPD). All Umalusi assets were registered and labeled. Umalusi was able to offer bursaries to at least 13 staff members with in-house training for seven staff members. At least 30 staff members completed various short courses. The vacancy rate at Umalusi stood at 17 percent with a staff turnover rate of 10 percent.

**7.1.9. Financial Performance for 2012/13**

|  |  |
| --- | --- |
| **Revenue** | **Amount** |
|  |
| Certification, verification and accreditation | 36 292 469 |
|  |  |
| Department of Basic Education Grant | 42 330 000 |
|  |  |
| Interest and other income | 2 904 547 |
|  |  |
| **Total Income** | **R 81 527 016** |
|  |  |
| **Expenditure** | **89 057 859** |
|  |  |
| **Deficit** | **R 7 530 843** |
| The deficit was due to certificates requested in March 2012 instead of June resulting in the increased revenue reflected last year 2011/12 (R 17,9m) and consequently a deficit for this year |

**7.1.10. Financial Position for 2012/13**

|  |  |
| --- | --- |
| **Assets** | **27 002 083** |
| •       Property & equipment | 26 939 624 |
| •       Intangible assets | 62 459 |
| **Current Assets** | **37 725 039** |
| •       Trade & other receivables | 2 422 236 |
| •       Cash & cash equivalents | 35 302 803 |
| **TOTAL ASSETS** | **R 64 727 122** |
| **Equity** | **54 086 362** |
| •       Accumulated surplus | 45 889 740 |
| •       Revaluation reserve | 8 196 622 |
| **Liabilities** |  |
| •       Trade & other payables | 10 640 760 |
| **TOTAL  EQUITY & LIABILITIES** | **R 64 727 122** |

**7.1.11. Umalusi 3 Year Forecast**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** |
| R 92 952 000 | R 110 704 500 | R 127 327 758 | R 141 663 237 | R 159 718 730 |
| From 2013/14 the Department of Basic Education had funded the Umalusi mandate so that certification fees were not collected from Provincial Departments and public FET colleges any longer. This was immensely appreciated with thanks and was the culmination of support from all stakeholders and the Parliamentary Portfolio Committee. |
| **Y/Y Percentage Increase** |
| 18% | 19% | 15% | 11% | 13% |
|  |  |  |  |  |  |  |  |

**7.1.12. Financial needs for 2014/15 and the MTEF**

Umalusi reported a shortfall in the Department of Basic Education grant allocation for 2014 and the MTEF as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014/15** | **2015/16** | **2016/17** |
| Budget | R 127,327,758 | R141,663,238 | R159,718,730 |
| DBE Grant | R 107,354,000 | R112,705,000 | R118,678,000 |
| Other Revenue | R15,800,000 | R 18,170,001 | R20.895,500 |
| **Additional Funding required from DBE** | **R4,173,758** | **R10,788,237** | **R20,145,230** |

**7.1.13. Report by Auditor-General - Umalusi**

On the portfolio audit outcomes and key control status, the Council received an unqualified opinion with no findings for 2012/13. For the year under review there was no compliance finding. In respect of key controls, Umalusi remained stable for leadership and governance – and improved in respect of financial performance management. In respect of key focus areas the Audit Report indicated that there were no matters for all the key focus areas. Umalusi also registered no irregular expenditure or fruitless and wasteful expenditure for the period under review.

Intervention was required for Umalusi commitments to sustain its current performance and continue to achieve clean audit outcomes – this was not achieved due to adverse conclusions on performance information in the 2011/12 financial year. Recommended commitments for clean audit included the implementation of commitments made during the prior year that were still under implementation. These included:

* Monitoring compliance with policies and procedures and to take decisive action on non-compliance;
* Monitoring of bad planning by entities resulting in an increase in non-compliance with PFMA, Treasury Regulations etc;
* Developing checks and balances to ensure credibility of all information;
* Effective utilisation of Internal Audit: Review internal audit scope to include adequate coverage of  AOPO and compliance  in their plans;
* Training programs to incorporate:

o understanding of why AFS are prepared (for operational management purposes, e.g. analysis of financial performance )

o understanding of why key controls are essential

o understanding of why service delivery reporting is critical

o Continuous professional and skills  development for all staff and monitoring thereof; and

* Quarterly reinforcement of clean administration processes by Accounting Officer/Executive Authority

**7.2. Education Labour Relations Council (ELRC)**

The primary business of the Council was to promote the maintenance of labour peace in the public education sector through the provision of dispute resolution (and prevention) services. The secondary business of the Council involved the promotion and maintenance of labour peace in the public education sector through the provision of consultation and negotiations between trade unions and the Department of Basic Education. Key legislation directing the work of the ELRC in its core business included:

* The Labour Relations Act (Act 66 of 1995);
* The Public Finance Management Act (Act 1 of 1999);
* The Employment of Educators Act (Act 76 of 1998); and
* The Further Education and Training Colleges Act 1(Act 3 of 2012).

In respect of the strategic outcomes orientated goals of the ELRC, the following progress could be noted:

Goal 1: Research, monitoring and evaluation activities that provided and evidence base for                                 improved policies and policy implementation in basic education. This was not achieved.

Goal 2: Proactive dispute prevention and dispute resolution. This was achieved.

Goal 3: Collective bargaining processes that maximised the scope of the parties’ shared interest.                        This was in progress with a management plan with set timeframes to address the Council’s                 underperformance. Recommendations of the Lekgotla would be implemented in the                          2013/14 financial year.

Goal 4: Provide appropriate support and training for all involved in dispute resolution and collective                    bargaining. This was achieved.

Goal 5: Sound communication strategies, special initiatives and campaigns to support and                                 complement the core activities of the Council. This was achieved.

**7.2.1. Programme One: Dispute Management Services**

**(a) Provision of Dispute Resolution Services –**The planned target for 2012/13 for         conciliation being finalised within 30 days from registration of disputes was 100 percent. The           ELRC could only schedule 88 percent of its cases in the first quarter. In respect of the target for         resolution of ordinary arbitrations within 180 days from when conciliation failed (70 percent); the   ELRC could only manage 51 percent due to the large number of adjournments and             postponements.

**(b) Resolution of Special Disputes involving Children –**Targets set for 2012/13 included the     resolution of promotion arbitration within 120 days from when conciliation fails (70 percent) and           resolution of arbitration where a child was a victim within 120 days from when conciliation failed           (70 percent). Unfortunately, both target only managed 51 percent due to matters remaining part     heard and not finalised as well as complexity of cases.

**(c) Prevention of Disputes – The planned target was 60 percent of grievances finalised per**province to prevent possible disputes. The ELRC only managed 20 percent.

**(d) Training and Development –**The target was for 240 dispute resolution practitioners and        panellists to be provided with training and development. The ELRC achieved 239 due to non-      availability of a panellist.

**(e) Professional Development and Training –**The strategic objective was to improve     qualifications of Dispute Resolution Practitioners (DRPs). The target set by the ELRC for 2012/13             was 312. The     ELRC was able to achieve a total of 311

The ELRC received 673 disputes which were predominantly related to Unfair Labour Practice (ULP) – promotion and appointments referred to it. The disputes could be broken down as follows:

* 395 (59 percent) in jurisdiction;
* 192 (29 percent) out of jurisdiction; and
* 86 (12 percent) determination through condonation.

Out of the 415 disputes finalised, the following outcomes were derived:

* 161 arbitration awards;
* 69 settled at arbitration;
* 32 settled at conciliation;
* 81 withdrawn:
	+ 32 withdrawn at conciliation;
	+ 49 withdrawn at arbitration;
* 45 dismissed:
* 22 at arbitration;
* 23 at conciliation; and
* 27 rulings.

The ELRC had a strategy to overcome areas of underperformance through providing practical training to DRS practitioners. There was a move to minimise postponements and encourage panellists to enforce Clause 64.7 of the ELRC constitution. There was a need for appropriate venues for hearings where a child was a victim and intermediaries appointed to protect the rights of a child. The Council would also work to increase the panel of conciliators, arbitrators and interpreters. The Council would also monitor panellists guilty of non-compliance.

**7.2.2. Programme Two: Collective Bargaining Services**

**(a) Collective Bargaining –**The Council had a target of 20 percent in respect of concluding         bargaining on identified matters of mutual interest in public education. Only 10 percent was       achieved.

**(b) Facilitation Services –**The strategic objective was to ensure adequate post provisioning in all           nine provinces. Here the ELRC target for 2012/13 was 90 percent. This was unfortunately not   achieved.

**(c) Research Services –**The planned target for 2012/13 was to attend an Education Conference.             This was not achieved as no Education Conference was held during the financial year as the   Council had not identified any issues.

The following Collective Agreements were concluded by the ELRC:

* Collective Agreement 1 of 2012: Occupation Specific Dispensation (OSD) For Education Therapists, Counsellors and Psychologists Employed In Public Education; and
* Collective Agreement 1 of 2013: Vote Weights of Trade Unions that are parties to Council.

Five Collective Agreements had been ratified that is Further Education and Training Colleges Bargaining Unit (FETCBU) (4) and Free State Chamber (1). Some of the strategies of the ELRC to overcome areas of underperformance included a pre-bargaining workshop to be convened to finalise the management plan on bargaining issues for approval by the Council. More emphasis needed to be placed on adherence to agreed timeframes as per the management plan.

**7.2.3. Programme Three: Executive Services**

**(a) Facilitation Services –**The ELRC target was increased capacity to prevent disputes to be      enhanced in collaboration with PEDs and unions - mediators being identified. The ELRC was able             to do training on dispute prevention and resolution in all nine 9 provinces with facilitation in the            Eastern Cape. Another further strategic objective was to respond to requests by MECs, HODs and   provincial trade union    leadership for intervention and facilitation. This was achieved by the ELRC.

**(b) Financial Management, Accounting and Compliance Services –**Here the ELRC had a         strategic objective of ensuring an unqualified audit opinion and no repeat audit findings.

**(c) Communication Services –**The planned targets for 2012/13 included the following:

·         Compile regular newsletters on current developments in labour law and collective bargaining;

·         Conduct market research on the level of awareness among teachers regarding the services offered by the Council and the quality of service offered by the Media and Communications Department to clients;

·         Provide relevant information services; and

·         Promote the image of the teaching profession. Generally promote fraternal relationships with all stakeholders.

New marketing strategies for 2013/14 to overcome areas of underperformance included community news papers, radio stations, social media platforms and improved websites.

**7.2.4. Programme Four: Corporate Services**

The strategic objectives for Programme Four *(with actual achievement)*included:

* Maintaining and improving the finance and administrative systems *(No adverse impact on operations)*;
* Procuring goods and services within policies and guideline *(No major disruption to operations)*;
* Maintaining good labour relations *(Zero grievances);*
* Training and developing staff *(60 percent trained and developed)*;
* Ensuring a healthy and safe work environment *(Zero injuries at work)*; and
* Maintaining and improving the premises and security systems respectively *(No major incident)*.

The ELRC had identified a lack of a Supply Chain Management (SCM) unit which hindered the procurement functions. There was also underperformance which was caused by the slow process of filling vacancies – which would be filled in the 2013/14 financial year.

**7.2.5. Programme Five: Capital Expenditure**

The Financial Figures for the ELRC were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2013** | **2012** | **2011** |
| **Levies Received** | 49.319 | 49.693 | 49.422 |
| **Contributors** | 410.991 | 414.104 | 411.850 |

**Financial Performance:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2013****R’000** | **2012****R’000** | **2011****R’000** |
| **Total Income** | 49.321 | 49.692 | 49.422 |
| **Total Expenditure** | 43.904 | 47.938 | 50.266 |
|  |  |  |  |
| **Operating Surplus/(deficit)** | 5.417 | 1.755 | (844) |
|  |  |  |  |
| **Interest Income** | 4.946 | 4.492 | 4.365 |
| **Surplus/(deficit)** | 10.363 | 6.247 | 3.521 |

The financial position of the ELRC was such that it was able to pay its short term debt, be able to survive in the long term and avoid insolvency by remaining solvent. The ELRC envisaged future challenges in respect of revenue management and budgetary constraints as well as procurement and contract management and expenditure management. Further the Council hoped for a slight decrease in the area of fruitless and wasteful expenditure.

**7.2.6. Report by Auditor-General – ELRC**

On the portfolio audit outcomes and key control status, the ELRC received an unqualified opinion with findings for 2012/13 (with findings on Predetermined Objectives). For the year under review there were compliance issues with expenditure management, procurement and contract management, revenue management, strategic planning and performance management and Audit Committee. In respect of key controls, the ELRC remained stable for leadership, financial performance management as well as governance.

In respect of key focus areas there was no improvement on supply chain management as well as material errors in annual financial statements submitted. There was some improvement in respect of the Audit of Performance Objectives (pre-determined objective) and no matters arising for Human resources and IT controls. For 2012/13 the ELRC reported Irregular Expenditure of R 1.5 million and Fruitless and Wasteful Expenditure of R 71 000.00. These were both down from the previous year. Recommended commitments for clean administration included the implementation of commitments made during the prior year that were still under implementation. These included:

* Monitoring compliance with policies and procedures and to take decisive action on non-compliance;
* Monitoring of bad planning by entities resulting in an increase in non-compliance with PFMA, Treasury Regulations etc;
* Developing checks and balances to ensure credibility of all information;
* Monthly financial and performance reports that include disclosure items;
* In line with best practice, updating Supply Chain Management (SCM) policies to ensure that approval of requests to deviate from normal SCM process by the accounting officer/authority is based on recommendations by the bid adjudication committee based on their evaluation of the submission for such a request;
* Effective utilisation of Internal Audit: Review internal audit scope to include adequate coverage of  AOPO and compliance in their plans;
* Training programs to incorporate:

o    understanding of why AFS are prepared (for operational management purposes, e.g. analysis of financial performance);

o    understanding of why key controls are essential;

o    understanding of why service delivery reporting is critical;

o    Continuous professional and skills  development for all staff and monitoring thereof; and

* Quarterly reinforcement  of  clean administration processes by Accounting Officer / Executive Authority

**7.3. South African Council for Educators (SACE)**

The South African Council for Educators was established under the SACE Act (Act No. 31 of 2000). The core mandate of the South African Council for Educators was the following:

* Compulsory registration of all educators;
* Management of the Continuing Professional Teacher Development (CPTD) system and promoting and development of the teaching profession; and
* Review and maintenance of ethical standards.

**7.3.1. Performance on Core Mandate**

**(a) Registration –**A total of 50 748 educators were assisted for the year. Of the 16 958   provisionally registered educators, 5 589 were foreign nationals. SACE now strived to complete registration requests within seven days. The task of validation and classification of the register was currently underway with plans for on-line registration in the near future. There had been a decline        in the number of applicants bringing fraudulent qualifications as a result of more verification             procedures and close corporation with the police. In respect of advocacy, SACE outreach           programmes ensured that the services of reached as many areas as possible.

**(b) Code of Professional Ethics –**A total of 7 795 educators and stakeholders were       conscientised    on the code of professional ethics. SACE plans for an intensive advocacy campaign             to promote professionalism of teachers and the well-being of learners was underway. The number      of cases received by provinces could be summarised as follows:

|  |  |
| --- | --- |
| **PROVINCE** | **NO. of CASES RECEIVED** |
| Kwazulu –Natal | 107 |
| Northern Cape | 3 |
| Eastern Cape | 35 |
| Limpopo | 25 |
| Mpumalanga | 54 |
| Northwest | 31 |
| Gauteng | 64 |
| Free State | 24 |
| Western Cape | 213 |
| **TOTAL** | **556** |

The type of offences and breaches could be summarised as follows:

|  |  |
| --- | --- |
| **TYPE OF OFFENCE / BREACH** | **NUMBERS** |
| Verbal Abuse, Victimisation, Harassment, Defamation | 83 |
| Sexual Misconduct, including Rape | 104 |
| Fraud, Theft, Financial Mismanagement | 65 |
| Racism | 2 |
| Corporal Punishment, Assault | 182 |
| Unprofessional Conduct, Alcohol Abuse, Absenteeism, Insubordination | 115 |
| Negligence | 0 |
| Murder | 2 |
| No Jurisdiction | 3 |
| **TOTAL** | **556** |

Of the above cases, a total number of 376 cases were finalised as follows:

·         Educators found guilty: 53

·         Educators found not guilty: 1

·         Charges withdrawn against educators : 3

·         Cases referred to other institutions (including ELRC, Department of Basic Education, SAPS): 96

·         Finalised in other forms other than disciplinary hearing: 223

At least 180 cases would be carried over into the new financial year. To date SACE had received 3           044 complaints against educators and held 339 hearing which resulted in 150 indefinite strike-offs.           SACE now adheres to a three month case finalisation to ensure that cases did not drag on.

**(c) Professional Development –**SACE was targeting 25 851 schools and 40 747 principals and   deputy principals for CPTD orientation and sign-up. The CPTD implementation plan could only      start at the beginning     of 2013. As a result the first three quarters of the 2012/13 financial year was        spent on planning and preparations for the phased-in implementation process. A Sign-Up Team    had been established and capacitated to assist SACE and the nine PEDs in implementing the     CPTD system. At least 28 CPTD engagement sessions were held with all the national and       provincial stakeholders to share the CPTD implementation plan, clarify roles and responsibilities,             and identify areas of collaboration. Phased-in implementation was done according to cohorts.

All cohorts signed-up for the CPTD System manually or electronically through the CPTD self-      service web portal available on the SACE website or mobisite. There were two sign-ups -           Individual Profile (principals and deputies) and School Profile. Between January and March 2013           at least 545 principals and deputy principals and 29 Schools signed-up for the CPTD Management           system.

At least 80 professional development activities were endorsed which came mainly from private    providers – with a few from Higher Education Institutions (HEIs). A catalogue of 260 SACE       endorsed professional development and 60 approved providers had been developed and was    available on the SACE website. In addition, an advert has been placed at the end of January 2013    to invite more providers to apply for provider approval.

**(d) Policy and Research –**This involved determining the specific professional development        needs of principals and deputy principals for purposes of informing the professional development         activities / programmes developed and offered by the provider. A questionnaire was developed             with 400 questionnaires already being administered in the CPTD Orientation and sign-up sessions.             Some of the identified needs include Financial Management, Computer Literacy, Leadership and Changes in Legislation/Policies. SACE also received an analysis of providers and professional            development activities for approval and endorsement.

**7.3.2. Highlights and Achievements:**

·         SACE received an unqualified audit opinion for the year under review;

·         The highlight of the year for SACE was the Minister of Education officially opening the SACE building on World Teachers’ Day, 5 October 2012; and

·         All systems are now in place for the roll-out of the CPTD system.

**7.3.3. Challenges:**

·         Registration of foreign nationals. Most foreign nationals meet the registration requirements as provided for in the Act - but can not be granted full registration due work permit challenges;

·         The target of 150 endorsed CPTD professional development activities cannot be met. As not enough applications were received;

·         Due to budget constraints, the target of 25 000 educators and stakeholders to be workshoped on the code of professional ethics was not achieved;

·         There are challenges with regard to the general lack of cooperation by the parents of abused learners;

·         The reporting of targets and objectives in the quarterly reports and annual report are not always in line with the targets and objectives set out and approved in the annual plan;

·         The setting up of regional/provincial SACE offices are long overdue;

·         The Teacher Assistant Facility needs to be staffed by experienced and knowledgeable personnel;

·         An acceptable funding model that is acceptable to all stakeholders that would address challenges identified is a priority. SACE is constrained by its revenue base and will have to review its funding model if it is to deliver as per demand; and

·         Plans for the IT system for online registration and updates needs to be finalised.

**7.3.4. Statement of Financial Position**

|  |  |  |
| --- | --- | --- |
| **Assets** | **2013** | **2012** |
|  |  |  |
| **Non-Current Assets** |  |  |
|  |  |  |
| Property, plant and equipment | 2,498,978 | 1,062,826 |
| Intangible assets | 1,648,878 | 2,265,335 |
|  |  |  |
|  | **4,147,856** | **3,328,161** |
|  |  |  |
| **Current Assets** |  |  |
| Trade and other receivables | 6,563,438 | 6,512,810 |
| Cash and cash equivalents | 49,561705 | 29,859.262 |
|  |  |  |
|  | **56,125,343** | **36,372,072** |
|  |  |  |
| Non-current assets held for sale | 10,500,000 | 13,100,000 |
|  |  |  |
| **Total Assets** | **70,773,199** | **52,800,223** |
|  |  |  |
| **Equity and Liabilities** |  |  |
|  |  |  |
| **Equity** |  |  |
| Accumulated surplus | 18,173,870 | 24,408,711 |
| Building reserve fund | 41,084,806 | 22,362,956 |
|  |  |  |
|  | **59,258,676** | **46,771,667** |
|  |  |  |
| **Liabilities** |  |  |
|  |  |  |
| **Current Liabilities** |  |  |
| Trade and other payables | 11,514,523 | 6,028,566 |
|  |  |  |
| **Total Equity and Liabilities** | **70,773,199** | **52,800,233** |
|  |  |  |

**7.3.4.1. Analysis of Financial Position –**SACE total assets increased by 34 percent while the cash equivalent increased by 65 percent (building reserve fund). SACE received an offer of R 10.5 million which is in force for the sale of the property in Visagie Street, Pretoria. Included in the current liabilities is a R 7.7 million deferred unspent government subsidy. SACE enjoys a positive financial position.

**Statement of Changes in Net Assets**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Building reserve fund** | **Accumulated surplus** | **Total Equity** |
|  |  |  |  |
| **Balance at 1 April 2011** | **9,516,579** | **20,062,148** | **29,578,727** |
| Total comprehensive surplus for the year | - | 17,192,940 | 17,192,940 |
| Transfer to building reserve fund | 12,846,377 | (12,846,377) | - |
|  |  |  |  |
| **Balance at 1 April 2012** | **22,362,956** | **24,408,711** | **46,771,667** |
| Total comprehensive surplus for the year | - | 12,487,009 | 12,487,009 |
| Transfer to building reserve fund | 18,721,850 | (18,721,850) | - |
|  |  |  |  |
| **Balance at 31 March 2012** | **41,084,806** | **18,173,870** | **59,258,676** |

**7.3.4.2. Analysis of Statement of Changes in Net Assets**

* Total equity increased by 26 percent to R 59.2 million; and
* The building reserve fund growth is 83 percent (approved surplus from previous year and planned current year transfers).

**Statement of Cash Flow**

|  |  |  |
| --- | --- | --- |
|  | **2013** | **2012** |
|  |  |  |
| **Cash flows from operating activities** |  |  |
|  |  |  |
| Cash receipts from customers | 52,501,561 | 53,299,323 |
| Cash paid to suppliers and employees | (32,543,013) | (37,643,549) |
|  |  |  |
| Cash generated from operations | 19,958,548 | 15,655,683 |
| Interest income | 2,055,328 | 993,630 |
| Finance costs | - | (19,625) |
|  |  |  |
| **Net cash from operating activities** | **22,013,876** | **16,629,688** |
|  |  |  |
| **Cash flows from investing activities** |  |  |
|  |  |  |
| Purchase of property, plant and equipment | (2,044,566) | (546,664) |
| Proceeds on sale of property, plant and equipment | 20,085 | 13,040 |
| Additions to intangible assets | (286,751) | (77,675) |
|  |  |  |
| **Net cash from investment activities** | **(2,311,232)** | **(611,299)** |
|  |  |  |
| **Cash flows from financing activities** |  |  |
| Decrease in finance lease obligation | - | (93,835) |
|  |  |  |
| **Total cash movement for the year** | **19,702,644** | **15,924,554** |
| Cash at the beginning of the year | 29,859,262 | 13,934,708 |
|  |  |  |
| **Total cash at the end of the year** | **49,561,905** | **29,859,262** |
|  |  |  |

**7.3.4.3. Analysis of Statement of Cash Flow**

  Net cash from operations increased by 32 percent;

  There is a decrease in cash paid to suppliers;

  Additions to plant and equipment is R 2.3 million which represents a 278 percent increase (office relocation and work stations for the additional personnel); and

  Total cash at year end is R 49.5 million (65 percent increase)

**7.4. Report by Auditor General – SACE**

On the portfolio audit outcomes and key control status, SACE received an unqualified opinion with findings for 2012/13 (with findings on Predetermined Objectives). Compliance remains stable, with no findings. In respect of key controls, SACE remain unchanged in the areas of leadership, financial performance management as well as governance. In respect of the key focus areas, except for no improvement in Audit of Performance Objectives, the Audit Report indicated that there were no matters for all the key focus areas (Supply Chain Management, Human Resources, IT Controls and Material errors in annual financial statements submitted). Once again, SACE recorded no Irregular Expenditure or Fruitless and Wasteful Expenditure for the period under review.

Recommended commitments for clean audit include the implementation of commitments made during the prior year that are still under implementation. This includes:

·         Monitor compliance with policies and procedures and to take decisive action on non-compliance;

·         Monitor bad planning by entities that result in an increase in non-compliance with PFMA, Treasury Regulations etc;

·         Develope checks and balances to ensure credibility of all information;

·         Effective utilisation of Internal Audit: Review internal audit scope to include adequate coverage of Audit of Predetermined Objectives (AOPO) and compliance  in their plans;

·         Training programs to incorporate:

o    understanding of why AFS are prepared (for operational management purposes, e.g. analysis of financial performance );

o    understanding of why key controls are essential;

o    understanding of why service delivery reporting is critical;

o    Continuous professional and skills  development for all staff and monitoring thereof; and

·         Quarterly reinforcement of clean administration processes by Accounting Officer/ Executive Authority.

**8. Portfolio Committee Observations**

**8.1. Department of Basic Education**

**8.1.1. Technical issues**

* The Portfolio Committee welcomes the quality and accessibility of information reported in the Annual Report. However, important sectoral data relating to teacher supply, utilisation and demand that captures factors such as subject’s taught, school phases and geographical areas is not reported. The Annual Report is also silent on teacher absenteeism. The Portfolio Committee requests that such information crucial to the performance of the Department is reported on in future Annual Reports;
* As in previous reporting periods, the Portfolio Committee commends the Department for continuing to receive an unqualified audit opinion in relation to the management of their finances. The Portfolio Committee is, however, concerned with a number of shortcomings as alluded to by the Auditor-General. Specific concerns include the material under-spending on the ASIDI programme, persistent findings on predetermined objectives, Supply Chain Management as well as compliance issues around expenditure management, and financial and performance management. The Portfolio Committee is encouraged that the Department has action plans in place to address shortcomings and would expect implementation of these plans and commitments made during the prior year that are still under implementation. The Portfolio Committee is further encouraged by the observation that the Department’s expenditure for the 2013/14 first quarter seemed to be on track; and
* There is a concern over the continued perception that the Department is providing poor quality education. This needs to be addressed as soon as possible.

**8.1.2. Governance and operational issues**

The Portfolio Committee welcomes strides made in alleviating capacity constraints through the    appointments of key top management, including two positions of Deputy-Directors General and    seven SMS posts. However, high vacancy rates remained at 17.87 percent and 18.95 percent at            highly skilled and senior management levels respectively, as reported in the Annual Report.          Members are concerned that there are crucial/vital posts vacant in the Department that, if filled,           would minimise many of the challenges currently being faced. In particular the vacancy of a       Director: Risk Management is cause for concern since the Auditor-General raised shortcomings   regarding risk management in the Department. The Portfolio Committee urges the Department to     prioritise the filling of these critical posts.

**8.1.3. Funding proposals**

The Portfolio Committee acknowledges and supports the Department’s bid for additional            funding             over the medium term for the following priorities:

**(a) Programme 2: Curriculum Policy, Support and Monitoring**

·         Continue the development of the National Catalogue of CAPS-aligned textbooks;

·         The roll out of the incremental introduction of African Languages (IIAL);

·         Increase access to books for more learners through centralised libraries to enrich their learning;

·         Strengthen critical systems that would enable the full rollout of inclusive education; and

·         Support areas that will improve the quality of ECD practitioner training and developing materials to stimulate children.

**(b) Programme 4: Planning, Information and Assessment**

·         Ensure South Africa’s participation in SAQMEQ fourth study which monitors educational quality in the region; and

·         Ensure the effective administration of ANA which was a critical national mechanism for monitoring and tracking learner achievement.

The Portfolio Committee believes that these projects are vital for the efforts to improve basic education. The Department also informed the Portfolio Committee of its measures to contain costs.

**8.1.4. Service Delivery Issues**

* Based on the Portfolio Committee’s observation regarding the supply and utilisation of teachers during oversight visits and the figures provided by the DBE, it is clear that some provinces needs to improve efficiency in the redeployment of educators additional to the post establishments in schools, the conversion of temporary appointments and the placement of Funza Lushaka graduates.
* Members welcome improvement in the management of finances in provinces, most notably the Eastern Cape which progressed from a disclaimer to a qualified audit opinion.

·         Whilst the Portfolio Committee appreciated improvements/progress made in relation to the Matric results and ANA, specifically in the Foundation Phase, the Portfolio Committee expected to see significant improvements in the number of bachelor passes at matric and in literacy and Mathematics in the Intermediate Phase and Senior Phase, particularly Grade 9.

·         The Portfolio Committee believes that much of the good work by the Department is not properly showcased and communicated to the general public. The Portfolio Committee is of the view that the communication strategy needs to be improved.

* The Portfolio Committee is concerned over the Department’s abilities to handle the ASIDI programme. They are particularly disappointed that the 49 schools earmarked for 2011/12 was only handed over in 2013.
* The Portfolio Committee raised concern over the current level of qualifications and subject knowledge of our teachers.
* The Portfolio Committee notes inconsistencies in the DBE and SACE statistical data for registered teachers, which makes it difficult for the Portfolio Committee to assess performance. It is important that this data be reconciled.
* The Portfolio Committee notes that there is a persistent perception in the public domain that basic education is of poor quality. The Portfolio Committee appeals to the Minister to create a forum for role players to thoroughly discuss this matter.
* The importance of Districts in pursuit of quality education is vital. It is important that the ratings by principals of districts be made available.
* The Portfolio Committee is concerned over whether monitoring of allocations made to unions for teacher training is being conducted.
* The Portfolio Committee is concerned with the progress in respect of the CPTD Programme. The programme seems to be in a pilot phase for too long and needs to be implemented in full to all provinces as soon as possible.
* The Portfolio Committee is concerned with the timing of transfers of the Funza Lushaka bursaries to various institutions.
* The Portfolio Committee is concerned with the costs involved in DBE litigation. The Department needs to reduce litigation.
* The Portfolio Committee notes that the Department has not reached its employment equity target of two percent in respect of people with disabilities. At a sectoral level, while the Portfolio Committee notes strides in ensuring adequate supply of teachers, evidence suggest that at the current rate of educator supply, the system is not meeting the demand. Notably, in a recent response to a Parliamentary question on teacher attrition, the Minister of Basic Education reported that the number of educators who left teaching in 2012/13 is 14 302, which is significantly higher than the supply of qualified teachers 30 years and younger. There is a need for more coordination with the Department of Higher Education and Training to ensure an adequate supply of suitably qualified teachers.

**8.2. The Council for Quality Assurance in General and Further Education and Training (Umalusi)**

·         The Portfolio Committee congratulated Umalusi on its unqualified audit opinion with no findings.

·         The Portfolio Committee notes the concerns raised by Umalusi in respect of capacity constraints in fulfilling its new mandate.

·         There is concern that Umalusi has difficulties in filling its vacant positions due to the specialised nature of the work.

·         The Portfolio Committee is encouraged by the work being done by Umalusi around NASCA.

·         The Portfolio Committee is concerned over the projected shortfall in respect of funding from the National Department going forward. The Council has calculated that it needs R4.2 million; R10.8 million and R20.1 million for 2014/15, 2015/16 and 2016/17 respectively. The Portfolio Committee is supportive of the Council’s bid for additional funds in order to carry out its mandate effectively.

**8.3. The Education Labour Relations Council (ELRC)**

·         The Portfolio Committee congratulated the ELRC on its unqualified audit opinion – with improvements.

·         The Portfolio Committee is concerned over the slow pace in filling of critical vacancies as well as the limited staff at the provincial offices.

·         Members also queried whether the Council is able to collect costs from cases won where there is a dismissal with costs.

·         It is important that the matter of irregular expenditure and fruitless and wasteful expenditure be investigated and addressed. Action needs to be taken against those individuals responsible.

·         It is worrying that the Council is not able to collect all its levies from FET Colleges.

·         The Portfolio Committee is concerned with the ELRC not having established a separate Supply Chain Management unit.

·         The Portfolio Committee is concerned that the bargaining councils are not adequately functional in provinces.

·         An issue was raised in respect of the base-line statistics on absenteeism – some provinces do not meet the target.

·         The Portfolio Committee is concerned with the ongoing matter of performance agreements for principals and deputy principals.

**8.4. The South African Council for Educators (SACE)**

·         The Portfolio Committee congratulated SACE on its unqualified report.

·         The Portfolio Committee is concerned over the increased phenomenon of violence at schools on all levels.

·         It is important that all did their bit to improve discipline; particularly at schools – as the type of breaches of the code committed by teachers is eroding the dignity of the profession.

·         The Portfolio Committee raised concerns over the increasing trend of foreign nationals being registered.

·         There seems to be a discrepancy in the amount of teachers registered on the SACE and the DBE systems. This needs to be reconciled. There is also concern over the fact that there are also unregistered teachers in the system.

·         There is concern over the CPTD programme – not enough is being done to fully implement the system in all provinces.

·         The Portfolio Committee is concerned over the use of volunteers in finalising cases. The Portfolio Committee is querying how these volunteers are sourced.

·         There is concern that SACE is setting targets too high; and therefore have difficulty meeting them.

·         The Portfolio Committee also queried the types of rehabilitation programmes in place for teachers found guilty of any offences.

**9. Conclusion**

Despite some concerns raised, the Portfolio Committee is satisfied that the Department of Basic Education, together with its three entities, remain focused on ensuring that they deliver on the commitments made in their respective Strategic Plans during the period under review. The Portfolio Committee is further satisfied that the Department and its entities are largely compliant with Treasury regulations and the PFMA. A strong foundation has been laid towards improving the quality of basic education.

**10. Committee Recommendations**

Based on the observations made above, the Committee recommends that the Minister ensures that the Department and its Entities consider the following:

**10.1. Department of Basic Education**

·               Provide Parliament with a turnaround strategy, with action plans, to address the A-G’s audit findings, within three weeks of the adoption of this report by the National Assembly. The Department is also requested to report quarterly on progress made. The action plans should include a focus on how the Department will address challenges around:

o Predetermined objectives;

o Supply Chain Management; and

o Compliance in respect of expenditure management, financial and performance management.

·               Provide Parliament with a remedial programme to effect improvement on the gaps identified by the Management Performance Assessment Tool (MPAT) conducted by the Department of Performance Monitoring and Evaluation, within two months of the adoption of this report. The Department is also requested to report quarterly on progress made.

·               Find solutions to the disbursement of the Funza Lushaka bursaries on time to institutions and students and give a report to Parliament by the end of January 2013.

·               Report in future Annual Plans on important sectoral data relating to teacher supply, utilisation and demand that capture factors such as subjects they teach, school phases and geographical areas, to enable Parliament to monitor performance more effectively.

·               Together with Provincial Education Departments, improve efficiency in conducting processes linked to the appointment of educators, including the redeployment of educators additional to the post establishments in schools, the conversion of temporary appointments and the placement of Funza Lushaka graduates.

·               Improve service delivery and spending in respect of ASIDI.

·               Together with provincial education departments, continue to invest, focus on and refine programmes on Inclusive Education, to facilitate progress in this critical area that continues to pose a challenge.

·               Together with the Department of Higher Education and Training ensure that there is an adequate supply of teachers.

·               Ensure that needy learners have access to Special Schools. Teachers in these schools should be adequately trained and developed.

·               Accelerate the implementation of e-Education, including ICT Infrastructure at schools to improve learner success.

·               Continue to strengthen the communication strategy of the Department in order to project a positive image of the Department.

**Funding Proposals**- Prioritise allocating Umalusi additional funding over the medium term as requested, in order for the Council to effectively carry out its mandate.

**10.2. Umalusi**

·               Submits, in writing, recommendations and requests in respect of adjustments to their 2014/15 and the MTEF (refer to 6.1.12 of this report).

**10.3. ELRC**

·               Fills the critical vacancies at the ELRC; and

·               Resolves issues of irregular spending and fruitless and wasteful expenditure.

**10.4. SACE**

·               Ensures the registration system is reconciled with that of the Department of Basic Education;

·               Ensures accuracy in respect of numbers and qualification of teachers on its database;

·               Fast-tracks the full roll-out and implementation of Continuing Professional Teacher Development (CPTD);

·               Reviews targets set in the Annual Performance Plan to ensure that they are realistic; and

·               Together with the Department of Basic Education, collaborates on the issue of specialisation.

**10.5. Minister of Finance**

The Portfolio Committee recommends that the Minister of Finance consider allocating additional funding to the Department of Basic Education (refer to 3.3 of this report) over the medium term in respect of the following priority projects:

o    The National Catalogue;

o    The incremental introduction of African Languages (IIAL);

o    Increased access to libraries;

o    Inclusive Education;

o    ECD practitioner training and material development;

o    Participation in SAQMEQ; and

o    Effective administration of ANA.

These projects are central to the improvement of quality basic education.

**11. Summary of Reporting Requests**

|  |  |  |
| --- | --- | --- |
| **Reporting Matter** | **Action Required** | **Timeframe** |
| Turnaround strategy with actions plans to address audit findings | Written reportBriefing | Within three weeks of this report being tabledThird quarterly meeting (February 2014) |
| Remedial programme to effect improvement in response to MPAT | Written reportBriefing | Within two months of this report being tabledThird quarterly meeting (February 2014) |
|  |  |  |
| Progress in ensuring the timeous disbursement of the Funza Lushaka bursaries | Written report | January 2014 |
|  |  |  |
| Report on detailed data regarding teacher supply, utilisation and demand | Future Annual Reports | Annually |
|  |  |  |
| Progress regarding improving efficiency in processes of filling posts at schools | Briefing | Third quarterly meeting (February 2014) |
|  |  |  |
| Progress regarding improving service delivery and spending of ASIDI | Briefing | Quarterly |
|  |  |  |
| Progress with regard to strengthening the Departments communication strategy | Briefing | Third quarterly meeting (February 2014) |
|  |  |  |
| Progress regarding refining programmes on Inclusive Education | Briefing | Quarterly |
|  |  |  |
| Progress in ensuring adequate supply of teachers (together with DHE&T) | Briefing | Quarterly |
|  |  |  |
| Progress with ensuring needy learners has access to Special Schools. Adequate training for teachers in Special Schools. | Briefing | Third quarterly meeting (February 2014) |
|  |  |  |
| Progress in accelerating access of e-Education (including ICT infrastructure) | Briefing | Quarterly |
|  |  |  |
| Progress regarding the funding request by Umalusi | Written report | January 2014 |
| Progress regarding the funding request by the Department of Basic Education | Written report | January 2014 |
|  |  |  |
| Progress in respect of filling of vacancies at the ELRC | Written report | February 2014 |
|  |  |  |
| Progress in resolving issues of irregular spending and fruitless and wasteful expenditure | Written report | February 2014 |
|  |  |  |
| Update on reconciling the registration system  of SACE with the Department | Written report | February 2014 |
|  |  |  |
| Report on accuracy of SACE database | Briefing | Bi-annually |
|  |  |  |
| Progress on fast  tracking the roll-out and implementation of CPTD by SACE | Briefing | Bi-annually |
|  |  |  |
| Update on setting realistic targets in  the SACE APP | Briefing | March 2014 |

**12. A summary of requests for additional funding for the MTEF**

**12.1. Umalusi**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014/15** | **2015/16** | **2016/17** |
| **Funding request for Umalusi** | **R4,173,758** | **R10,788,237** | **R20,145,230** |

**12.2. Department of Basic Education**

|  |  |  |  |
| --- | --- | --- | --- |
| **PROGRAMMES** | **2014/15****R’000** | **2015/16****R’000** | **2016/17****R’000** |
| **Curriculum Policy, Support and Monitoring** |  |  |  |
| National Catalogue | 92 000 | 20 000 | 55 000 |
| Introduction of African Languages | 379 149 | 1 024 860 | 70 000 |
| School Libraries | 700 000 | 523 825 | 523 825 |
| Inclusive Education | 179 093 | 417 716 | 1 039 534 |
| ECD Services | 57 000 | 47 000 | 48 000 |
| **Planning, Information and Assessment** |  |  |  |
| Annual National Assessment | 69 267 | 73 453 | 76 559 |
| SACMEQ | 11 602 | 9 847 | 6 143 |
| **Total** | **1 488 111** | **2 116 701** | **1 819 061** |

**13. Appreciation**

The Portfolio Committee would like to thank the Department of Basic Education and statutory      bodies for participation and co-operation in these reviews. The Portfolio Committee also wishes       to         thank all parties concerned for the progress made thus far and conveys its appreciation to all           Members and    staff of the Portfolio Committee.

Report to be considered.