



**S A C E**

South African Council for Educators

*Towards Excellence in Education*

*Educators at the epicentre of achieving  
learning goals and transforming education*

# ANNUAL REPORT 2022/23





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**SACE**

South African Council for Educators

*Towards Excellence in Education*

## **PART A**

# **GENERAL INFORMATION**





## 1. PUBLIC ENTITY'S GENERAL INFORMATION

<b>REGISTERED NAME:</b>	South African Council for Educators
<b>REGISTRATION NUMBER (if applicable):</b>	SACE Act 31 of 2000 as amended.
<b>PHYSICAL ADDRESS:</b>	Crossway Office Park, Block 1 240 Lenchen Avenue Centurion
<b>POSTAL ADDRESS:</b>	Private Bag X127 Centurion 0046
<b>TELEPHONE NUMBER/S:</b>	+27(12) 6630400
<b>FAX NUMBER:</b>	+27(12) 663 9238
<b>EMAIL ADDRESS:</b>	<a href="mailto:info@sace.org.za">info@sace.org.za</a> / <a href="mailto:pr@sace.org.za">pr@sace.org.za</a>
<b>WEBSITE ADDRESS:</b>	<a href="http://www.sace.org.za">www.sace.org.za</a>
<b>EXTERNAL AUDITORS:</b>	A2A Kopano Incorporated
<b>BANKERS:</b>	Nedbank Limited
<b>CHIEF EXECUTIVE OFFICER</b>	Ms Mapula Ella Mokgalane



## 2. LIST OF ABBREVIATIONS/ACRONYMS

AA	Accounting Authority
CET	Community Education and Training
COID	Compensation for Occupational Injuries and Diseases
CPTD	Continuing Professional Teacher Development
DBE	Department of Basic Education
ECD	Early Childhood Development
GRAP	Generally Recognised Accounting Practice
HEDCOM	Heads of Education Departments Committee
HEI	Higher Education Institutions
IAS	International Accounting Standards
IFTRA	International Forum of Teaching Regulatory Authorities
MEC	Member of the Executive the Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAISA	National Alliance of Independent Schools Association
NAPTOSA	National Professional Teachers Organization of South Africa
NASGB	National School Governing Bodies
NATU	National Teachers Union
NPFTED	National Policy Framework on Teachers Education and Development
NQF	National Qualifications Framework
PEDs	Provincial Education Departments
PEU	Professional Educators Union
PFMA	Public Finance Management Act
PTS	Professional Teaching Standards
SACE	South African Council for Educators
PTS	Professional Teaching Standards
SADTU	South African Democratic Teachers Union
SAOU	Suid-Afrikaanse Onderwys Unie
SAPA	South African Principals Association
SAQA	South African Qualification Authority
SA GAAP	South African Statements of Generally Accepted Accounting Practice
TVET	Technical Vocational Education and Training
VVOB	Flemish Association for Development Cooperation and Teacher Assistance





**Mr Mabutho Cele**  
Council Chairperson

### 3. FOREWORD BY THE CHAIRPERSON

I am pleased to present the 2022/2023 Annual Report on behalf of the entity's Accounting Authority (AA, *commonly referred to as the Council*). The financial year under review marks the third year of implementing the entity's 2020-2025 strategic plan. Therefore, based on the entity's planned outcomes, outputs, and priorities as reflected in the 2020 – 2025 Strategic Plan (SP) and Annual Performance Plan (APP) 2022/23, this provides an account of the financial year performance on the delivery of the entity's mandate – providing for continuing professional development, managing as a system for continuing professional development, monitoring the upholding the ethical and professional teaching standards.

#### Governance and Oversight

In heightening good governance and effective oversight role over the entity's performance, together with the internal accountability systems, processes, and frameworks were strengthened. Part of this included the enhancement of all Council committees' charters (including the Council one), and their ongoing implementation. These committees add value in the work of council in terms playing oversight over to the council's work in terms of overseeing the entity's programmes and financial performance. They consist of the Registration Committee (REGCO), Ethics Committee (ETHCOM), Professional Development Committee (PRODCO), Finance Committee (FINCO), Advocacy and Communication Committee (ADVOCO), Staffing Committee (STAFFCO) and Audit and Risk Committee (A&RCOM). These committees consist of Council members and co-opted members with expertise in certain areas. The Chairpersons of the committee's form part of the council's Executive Committee (EXCO) which is responsible for the Council activities and decisions between Council.

#### Performance Highlights

Based on the oversight and governance role above, allow me to present highlights of the AA's performance. Compared to the previous financial year 2021/2022, the reporting period saw an achievement of **73%** APP indicators as compared to **74%** in 2022/2023. SACE prides itself in providing the fit-to-practice professionally registered teachers to the basic education sector. In doing so, it managed to professionally register **48 110** newly qualified educators (including foreign nationals), and **5 124** special/conditional registrations for people who are



not professionally qualified as teachers. However, these people are needed in terms of the three-stream model (technical and vocational), focus schools' areas, various regions, and other related matters. As part of professionalising the Early Childhood Development (ECD) and initial teacher education sectors, **3 862** (ECD practitioners) and **15 922** (student teachers) were professional and registered respectively. All the registrants go through the screening and vetting process through the South African Police Services (SAPS)'s criminal record database and the Department of Justice and Constitutional Development's (DOJC)' National Register of Sexual Offenders (NRSO).

Also, from an ethical perspective, **794** Investigations were held, and **122** disciplinary hearings were conducted. In terms of the sanctions meted out, **31** were Struck off indefinitely... struck off but the struck off suspended for a specific period with sanctions and **80** fines. Lastly, management of continuing professional development saw **43 823** teachers being supported on various professional matters, **70** providers approved, and **791** professional development programmes and activities endorsed.

It is also noted from this annual report that gaps have been identified in the programme and financial performance. Therefore, the AA's oversight role will continue with internal accountability processes, including effectively monitored remedial action.

### **Strategic Partnerships and Stakeholder Relationships**

Our partnerships have been very significant and central to achieving the strategic organisational goals and outputs in the APP. Therefore, the collaborations between SACE, UMALUSI, DOJC and the Department of Home Affairs (DHA) have been at the heart of registering fit-to-practice educators. The development and empowerment of Developing and empowering any organisation's human resources are significant to its maximum performance. Therefore, the ongoing skills development funding from the Education Training and Development Practices Sector Education and Training Authority (ETDP-SETA) is valued and appreciated. As the country is faced with the challenge of reading literacy, the virtual library supported by the VVOB contribute immensely to ensuring that country has a reading teaching profession that will contribute to a reading nation.

The reporting period saw the commencement of the discussion around collaborative accreditation of teacher education qualifications between SACE and the Council on Higher Education (CHE), including the national audits, qualifications standards, research, and other related matters. This move will go a long way in ensuring that SACE plays its rightful and valuable quality assurance role in the initial teacher education environment. Further developments on this partnership will be shared in the new financial year. Also, SACE had several engagements and collaborative activities with various teacher unions, higher education institutions, the Department of Basic Education and the Department of Higher Education and Training on the SACE programmes and other educational matters.

### **Entity and Legislative Developments**

The AA produced the SACE Review and Repositioning Draft report with various proposals intended to turn the entity around and reposition it accordingly. The draft report will be used for the engagements and consultative sessions with the internal and external stakeholders in the new year. Equally, the review and repositioning process has some implications for the amendment of the SACE Act from 2023/2024 onwards. Therefore, the state law advisors will be engaged timeously in preparation for the legislative amendments process.



### **Acknowledgements and Appreciation**

My sincere gratitude goes to SACE's Executive Authority, Honourable Minister Angelina Motshekga, for meticulously playing an oversight role over SACE, including the ongoing support received from the Department of Basic Education.

To my fellow Council members (the AA), I am because you are. I would not have led this entity successfully without your continued support and ongoing inputs. The governance and oversight role you play is highly treasured.

To the CEO, management, and staff, I am eternally grateful to you all for ensuring service is delivered to our esteemed educators.

My appreciation also goes to all the educators and stakeholders for continued support and for joining SACE in inspiring a credible teaching profession.



**Mr Mabutho Lucky Cele**  
**South African Council for Educators**  
**Date: 18 August 2023**



**Mapula Ella Mokgalane**

Chief Executive Officer

#### 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

##### General Financial Review

As a professional self-regulatory body, SACE is self-funding. Thus, the main source of funding is educator membership fees determined by the Accounting Authority periodically, in consultation with the Minister and stakeholders. During the year under review the entity collected a total revenue of **R128 million**, and **R15,5 million** of that was received from the fiscus in line with section 19 of the SACE Act. This amount is a grant for the management of the Continuing Professional Teacher Development (CPTD) system. From this allocated grant, **R360 000 2%** remained unspent and accounted for as surplus. The registration administration fee collected from registering educators is **R 16.5 million**. Additionally, the Council's financial position for the year under review is sound.

##### Spending Trends of SACE

The Council delivered its responsibilities within its collected means of **R 128 million** as compared to **117 million** in 2021/22. Given that SACE is service-oriented, **77%** of this collected revenue was spent on the administration, salaries, litigations, and other related matters. The remaining **23%** has been allocated to the APP programmes resulting in inadequate delivery of the entity's mandate in the teaching profession. This situation could be corrected incrementally by implementing the results of the SACE Review and Repositioning and job evaluation projects from 2024/2025 onwards.

The Council maintained a constant low net annual surplus of **R3.1 million** in comparison with the previous financial year. The surplus arises from the unfilled vacant positions which were pending the SACE review and repositioning as well as job evaluation processes. From a capital investment perspective, Council has been operating from its own bought five properties - the national office situated at No. 240 Lenchen Avenue in Centurion; No. 25 Rhodesdrift Office Park in Polokwane, Limpopo; and 180 Mahatma Gandhi Road in Durban, KwaZulu-Natal., 33



Bonza Bay Drive in East London, Eastern Cape and No. 2 Genius Loci Park in Bloemfontein, Free State.

### **Capacity Constraints and Challenges Facing SACE**

First, SACE is self-funding from educators' monthly levy of **R16.50**. This amount appears incommensurate with the mandate and role of SACE in the main. The ripple effect of this is evident in the budget allocations to the APP programmes. Second, the inevitable budget allocation imbalances between the administration/salary bill and delivery of services to the teaching profession remain a cause of course for concern for the entity. This situation seems to be aggravated by an attempt to extend provincial offices in their current brick -and -mortar form, along with the related increase in the administration and human resource costs. It is for this reason, amongst others, that SACE is going through a self-renewal process that includes, amongst others, the rethinking and reconceptualization of provincial offices and exploring varying cost-effective and context sensitive models. As such, the process to continue with provincial offices has been deferred to investigate these issues further.

Third, for various reasons, SACE experienced some level of staff turnover. Also, the SACE review and repositioning project, along with the job evaluation process, resulted in the entity putting various vacant positions on hold, including those in management and senior management levels. While the rationale for this is sensible, the unintended consequences have impacted the internal capacity, especially in the management and internal controls of performance information at finance and APP programmes levels, resulting in some material findings. This necessitates the acceleration and conclusion of the SACE review and repositioning and job evaluation proposals. In addition, due to inadequate capacity the internal audit and risk committee has been unable to assist in effectively minimising the entity's external audit findings. Lastly, while the entity works very closely with the State Information Technology Agency (SITA), there are challenges in terms of the ICT systems that hinder the effective utilization of data. The current data integration process might contribute to solving the problem, to a certain extent.

### **Discontinued Key Activities/Activities to be Discontinued**

There were no key activities which were discontinued during the period under review. However, the SACE review and repositioning project might lead to some discontinuation of certain obsolete activities in the new financial year.

### **New or Proposed Key Activities**

The council commenced a process of engaging the Council on Higher Education (CHE) on the collaborative quality assurance in the higher education band of the National Qualifications Framework. As such, the new financial year will see the signing of a Memorandum of Agreement (MOA) between SACE and CHE on the joint accreditation of teacher education qualifications and programmes, as well as national teacher education audits, qualifications standards, and other related areas. This has implications for SACE in terms of extending its quality assurance and management scope.



Also, the Council will be hosting its first national teachers' conference for the teaching profession under the central theme "The teaching profession in our hands, "our voices and plight matter". The aim of the conference is to bring teachers, teacher unions, and other stakeholders together to pause, reflect and raise their voices as individuals and collectively about matters that affect their profession and plight in this changing world. The conference will also honour and recognize the **21** women school leaders who wrote a short story book titled "Women Unveiling Untold Stories in the Education Sector". Equally, **45** educators who exceeded the required number of professional development points to be earned every three-year cycle as part of the mandatory SACE Continuing Professional Development System will be appreciated. Council is conducting a job evaluation process and repositioning and review.

### **Requests for Roll Over of Funds**

As explained above, the entity remained with a net surplus of **R3.1** million for the financial year. This brings Council's accumulated surplus to **R182** million at the end of 31st March 2023. Thus, Council applied to the National Treasury (NT) to retain the accumulated surplus for purposes of Information Communication Technology (ICT) infrastructure improvement, as well as keeping a contingency reserve fund for operations, such as employee disputes, educator misconduct case management processes, and assets acquisition.

### **Supply Chain Management**

As reflected in the audit report, the Accounting Authority's Supply Chain Management (SCM) systems and processes are in place and operating effectively. At the close of the financial year, there were no unsolicited bid proposals.

### **Challenges Experienced and how they will be Resolved**

Council experienced challenges around the management and recovery of membership fees whereby R6,5 million had to be written as irrecoverable. New members register without paying membership fees (policy gap), which accrue to the end of the financial year and remain irrecoverable. The council is considering membership policy as a remedy for this deficiency. The council will also consider financial sustainability in the 2023/24 financial to ensure council continuity.

### **Audit Report Matters in the Previous Year and how they would be Addressed**

- a. Material loss as a result of the R6,5 million write-off – membership management policy to be reviewed.
- b. Classification of government transfer – to be classified as revenue.
- c. Reported performance information target achievement did not agree with the evidence provided for indicator under the professional development programme – an improvement plan to manage workshop participation will be developed.
- d. IT control deficiency – controls to be reviewed.



### **Outlook/ Plans for the future to address financial challenges**

In line with the Council's decision, funding will be reviewed Annually to ensure sustainability in delivering mandatory functions. The council is considering membership policy as a remedy for revenue loss. The council will also be considering financial sustainability in the 2023/2024 financial year to ensure council sustainability.

### **Events after the Reporting Date**

None

### **Economic Viability**

Council's financial position is reported to be sound with a surplus of R3.1m and the cash reserves which had grown to **R108 million** for the period under review. Notwithstanding this, an enhanced funding model of the entity is being explored as part of the SACE Review and Repositioning process to ensure financial stability.

### **Acknowledgement/s or Appreciation**

I am eternally grateful to the Council Chairperson, Mr Mabutho Cele, for his leadership, strategic guidance and valued support throughout the financial year.

The work of Council would not have been accomplished without all levels of the entity's management and support staff. Thank you very much for your selflessness, expertise, hard work, and dedication. The teaching profession is because you are.

To the Department of Basic Education, thank you for your varied and treasured support towards SACE and its programmes. Your feedback, inputs and constructive criticism continue to build and strengthen us and the teaching profession for the better.



**Ms Ella Mapula Mokgalane Chief  
Executive Officer  
South African Council for Educators  
Date: 18 August 2023**



## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General. The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP. The accounting authority is responsible for the preparation of the annual financial statements and the judgements made in on this information.

The accounting authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the entity for the financial year ended 31 March 2023.

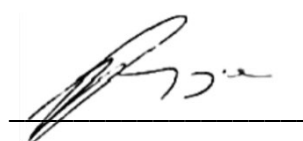
Yours faithfully



**Chief Executive Officer**

**Ms Ella Mapula Mokgalane**

**18 August 2023**



**Chairperson of Council**

**Mabutho Lucky Cele**

**18 August 2023**



## 6. STRATEGIC OVERVIEW

### 6.1. VISION

Inspiring a credible teaching profession.

### 6.2. MISSION

To register fit to practice educators and lecturers, promote their continuing professional development, and maintain the profession's professional teaching and ethical standards.

### 6.3. VALUES

- **ACCOUNTABILITY:** The fact or condition of being required or expected to justify actions or decisions: The Council and profession is willing to account for ethical/unethical conducts of its members.
- **DIGNITY:** The state or quality of being worthy of honour: The Council and profession strives to treat its staff, educators, and members of the public with integrity, humanity, and compassion.
- **INTEGRITY:** The state or quality of being worthy of honour: The Council and profession strive to treat staff, educators, and members of the public with integrity, humanity, and compassion.
- **QUALITY:** Provide quality and excellent service to educators and the profession.
- **RESPECT:** Due regard for the feelings, wishes, or rights of others: The Council and profession are committed to display due respect and consideration regarding the feelings, wishes and rights of the members and public.
- **RESPONSIBILITY:** The state or fact of having a duty to deal with something or the power to influence or direct people's behaviour or the course of events: The Council and profession strive to take ownership of its action and influence the direct behaviour of its members.
- **SERVICE ORIENTED:** Ensure that the teaching profession in general and educators are always serviced satisfactorily. Serving educators is priority number one for all SACE employees.
- **TOLERANCE:** The ability or willingness to tolerate the existence of systems, opinions, or behaviours that one dislikes or disagrees with: The Council and profession are willing to accept, consider and understand different views and opinions regarding its professional and ethical standards.
- **TRANSPARENCY:** Honest and open communication and sharing of information between stakeholders.



## 7. LEGISLATIVE AND OTHER MANDATES

**The Constitution of the Republic of South Africa (1996):** It is fundamental in promoting values that are consistent with basic human rights, as well as ensuring that the child's welfare is paramount when making decisions about their lives.

**National Development Plan: Vision 2030 (2012):** Requires that SACE plays a quality management role in the approval of professional development providers and endorsement of quality professional development programmes/activities, and the setting of professional standards for the teaching profession.

**SACE Act, 2000 (Act no. 31 of 2000 as amended):** It mandates SACE to provide for the professional registration of educators, promote their professional development, and set, protect, and maintain the profession's ethical and professional standards.

**NQF Act, 2008 (Act no. 67 of 2008):** As a professional body, SACE should work collaboratively with all the quality councils, and ensure that it is recognised by the South African Qualifications Authority (SAQA).

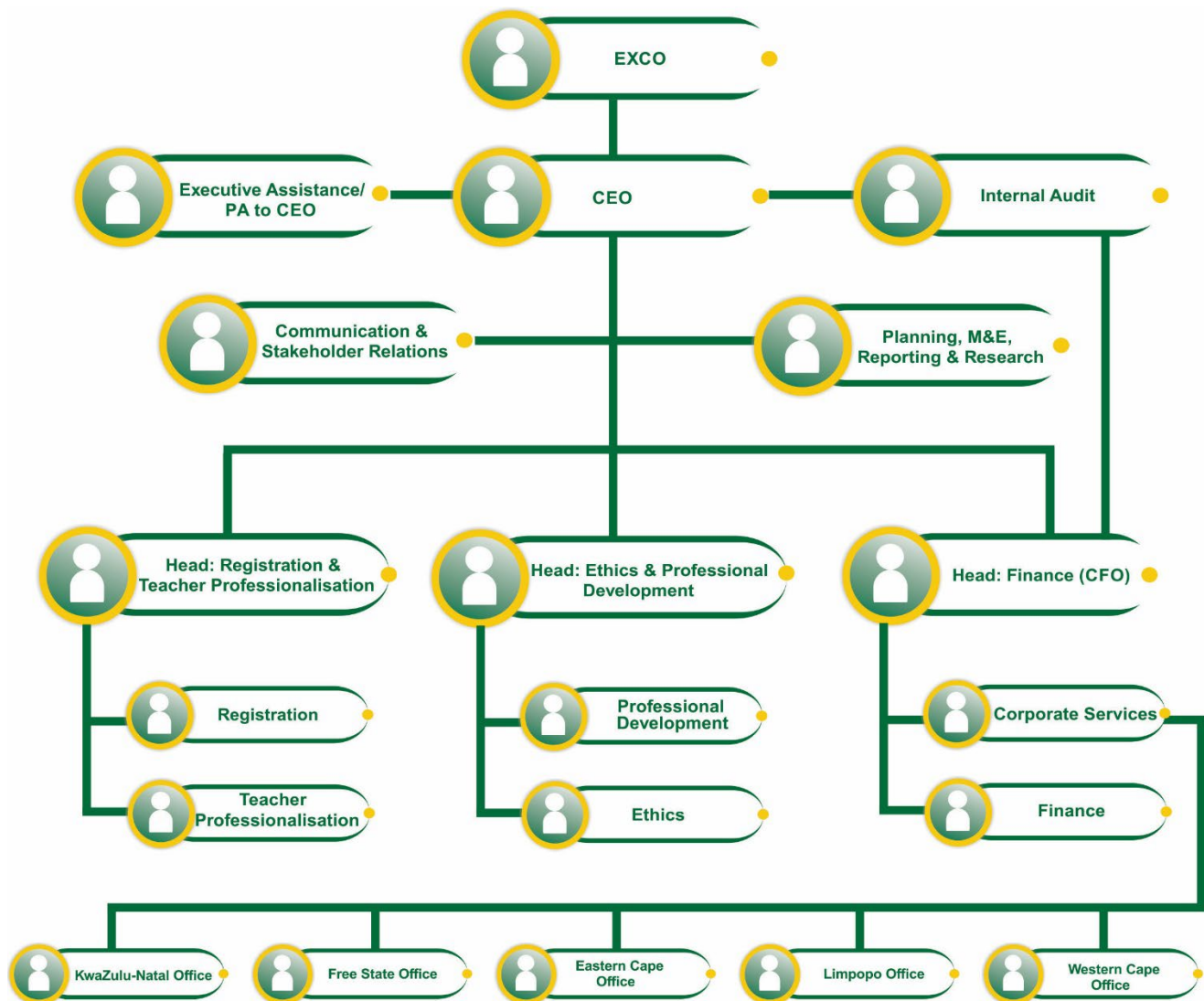
**Employment of Educators Act, 1998 (Act no. 76 of 1998):** It regulates the employment of educators and has implications for SACE in relation to issues of educator misconduct and the reporting thereof by employers of educators.

**The Children's Act, 2005 (Act no. 38 of 2005):** SACE is required to implement the SACE Act and enforce the code of professional ethics in line with the Children's Act, ensuring that the names of the sanctioned educators that are not fit to work with children are recorded there.

**The Criminal Law (Sexual Offences Act) Amended Act of 2007:** It deals with the legal aspects pertaining to sexual offences and the inclusion of convicted sex offenders in the National Register for Sex Offenders.



## 8. ORGANISATIONAL STRUCTURE







**SACE**

South African Council for Educators

*Towards Excellence in Education*

## PART B

# PERFORMANCE INFORMATION





## 1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA through A2A Kopano Incorporated currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in section F of the annual report, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report. Refer to Part F: Financial Information for the Auditors Report.

## 2. OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

This section covers the performance of the public entity in its entirety for each of the headings detailed below. Information is not discussed at a programme level in this section, as this is covered in a separate section under "programme performance".

## 3. SITUATIONAL ANALYSIS

### 3.1. Service Delivery Environment

The 2022/23 financial year marks the third year in implementing the Council's 2020-2025 strategic plan. The Council focused on the priorities set for this five-year term. Based on the strategic plan mid-term review report (2022), SACE registered progress in most of its programmes. However, the entity still needs to improve in implementing the teacher professionalisation path that is central to enhancing the status and standing of the teaching profession.

The basic education sector depends on SACE in terms of employing professionally registered educators who are fit to practice. This is important in ensuring the public and parents of professionally registered educators that their ethical behaviour and integrity are beyond reproach and that their qualifications are genuine. Hence, the registration of student teachers in Higher Education Institutions (HEIs), newly qualified teachers, TVET and CET college lecturers, Early Childhood Development (ECD), as well as those that we register in the special category (these are the people we need in our three-stream model, focus schools, religious education, and others, yet they are not professionally qualified educators). Currently, professional registration is conducted in different modes: walk-ins, online and by post. The



Online registration service poses a challenge regarding turnaround time because walk-in registration is viewed as being more responsive than the online one. Likewise, the Online Portal is accessible 24 hours a day and 7 days a week, while the SACE staff works and 8 hours a day from Monday to Friday. This resulted in delays to applicants who applied during weekends and holidays. Part of the SACE Review and Repositioning includes moving away from the walk-in registration process and move towards 100% online registration.

Furthermore, the country is faced with economic challenges that are impacting on both the public and private entities, too. As a self-funding public entity, SACE is dependent on teachers' levies as its main source of funding. Evidence has shown that teachers are also affected by the same economic challenges too. Therefore, this has a ripple effect on the extent to which SACE can increase its monthly levies from teachers with ease periodically. As a result, SACE has not been able to heighten its service delivery because of the financial constraints and the country's economic situation.

Secondly, Professional Teaching Standards (PTS) underpin the Council's Professionalisation path that runs across the teacher education and development continuum. As part of ensuring that educators are familiar with the PTS, a process of promoting, advocating, and publicizing them has been implemented during the period under review, through different modes.

As per its research programme, Council strives to enhance its advisory role and decision-making processes that are evidence-based and data-driven. Thus, we ensure that research projects commissioned by Council are relevant to the teaching profession, hence the study on paraprofessionals in the South African context. This will ensure that teachers are supported immensely in the classrooms by the individuals with some level of initial preparation and vetting in terms of conduct. This research is being done against the backdrop of the Presidential Youth Employment Initiative (PYEI) and the Basic Education Employment Initiative (BEEI) in response to the crisis of high levels of youth unemployment exacerbated by COVID-19. This project saw 300 000 Education Assistants being employed. As the custodian of the teaching profession, the purpose is to look at the kind and levels of qualifications and skills required for the paraprofessionals (Education Assistants) to support teaching and learning effectively. This will contribute to the process of professionalising the teaching profession, and protecting its status and prestige, including its self-renewal process.



### 3.2. Organisational Environment

At the heart of the country's 2019 – 2024 Medium Term Strategic Planning Framework (MTSF) is government's goal number one in terms of South Africa having a capable, ethical, and developmental state. More importantly, this goal underpins all government and public entities' priorities, mandates, and functions. The MTSF (2019, 29) views a capable state in terms of government and public entities that have "the required human capabilities, institutional capacity, service processes and technological platforms to deliver on the NDP through a social contract with the people" and the teaching profession and the public in terms of SACE as a public entity. In the context of SACE, capability refers to an efficient (carrying out its duties appropriately) and effective entity or organisation that has the capacity to achieve its intended outcomes, as well as being impactful on its intended beneficiaries intended outcomes. The current SACE review and repositioning and job evaluation processes are central to building SACE a capable, ethical, and inclusive organisation that must deliver on its mandate accordingly.

Efficiency and effectiveness are key features of good regulatory governance for SACE. Also, this entity has qualified and skilled human resource that embrace life-long learning as part of ongoing improvement. This is central to building the capacity of the entity and its responsiveness and adaptation to the future teaching profession and imperatives of the fourth industrial revolution and contributing meaningfully to the National Development Plan goals. In the review of SACE, it is evident that some work needs to be done in terms of being strategic and intentional on the 21st century skills and competencies of the changing world.

Equally, a capable SACE means an entity that is results-based in its productivity, with a committed human resource that is passionate about the public good and interest, consistent and timeous high-quality service delivery, Batho Pele and teachers' first principles, and responding to the needs of the teachers, children (learners) and the public efficiently, effectively, and timeously. In this context, SACE has not been doing well in terms of the efficiency and timeous turnaround of the professional registration of educators, especially those registering through online platforms, emails, and post office mail. This is because the focus has been largely on walk-ins' registration.



Similarly, the recurring and inevitable challenge of not being able to conclude cases of teachers' ethical misconduct, along with rolled-over cases and delayed justice, weakens SACE's capabilities, even levels of service delivery and organizational performance, production to efficient and effective services, responsiveness to teachers' needs and learners' justice, along with ensuring that the public has ethical teachers in classrooms. These issues require different thinking, a radical shift, strategic leadership, and processes and measures to contribute to SACE as a capable organisation.

Coupled with the above are challenges in internal institutional capacity and skills deficit, especially at the quality of senior management and management levels. These levels are key to driving the organisation at strategic, cognitive, conceptual and policy levels. If SACE is to reposition itself effectively and meaningfully, its success and impact in the teaching profession, public and education sector will depend largely on the capability, capacity and calibre of its leadership and management. Again, effective and quality internal capabilities and capacities cannot be divorced from the organisational resources such as financial, physical, technological and others. These are important because from a good regulatory governance perspective, these resources can hamper organisational capabilities and capacities. These are discussed later in the section that deals with Resource Management.

As an entity, SACE complies with the Employment Equity Act in by submitting the required reports to the Department of Labour. However, the organisation needs to do more to transform its diversity makeup. The 2021/2022 SACE Annual Report reveals that the organisation has 141 (94.6%) Black African employees out of 149, including its senior management, with 3 Coloureds, 3 Whites and 2 Indians. While its employment equity targets setting strategy is recognised, more should be done to meet them. Based on the presented annual report data, SACE appears to be a homogenous organisation with insignificant elements of heterogeneity in terms of the minority groups because diversity in organisations promotes creativity and innovation and enhances performance and varying problem-solving solutions.



### **3.3. Key Policy Developments and legislative Changes**

The organisation did not have any legislative changes during the year under review. The Council governance structures developed charters for the Council as well as all committees in to enhance the functionality of the Council.

### **3.4. Progress Towards Achievement of Institutional Impacts and Outcomes**

The Department of Planning, Monitoring and Evaluation (DPME) revised the framework for Strategic Plans and Annual Performance Plans. Chapter 8, Section 8.3.1 provides for the process for the midterm assessment of strategic plans. It further indicates that a Mid-term Assessment Report provide information about progress on implementing the institution's Strategic Plan after the first two and a half financial years of implementation, with reference to the livery of outcomes to the priorities of government.

The current SACE Strategic Plan 2020-2025 is expected to run until 2025. In compliance with the DPME framework, the Mid-term and End-term assessment of the current Strategic Plan will assist Council in implementing changes for the remaining years of the Strategic Plan 2020-2025, and informing plans for the next strategic planning cycle. This report must include recommendations about performance, budgeting, and planning improvement for the Strategic Plan's remaining financial years, with its findings contributing to sector performance assessments. The Council will report on progress against the outcomes of the Strategic Plan. The Mid-term assessment project was completed in November 2022, and the Minister approved the report on 09 December 2022.



Outcome	Outcome Indicator	2019/2020 Baseline	2020 – 2025 Five-Year Target	Actual achievement  as at 30 September  2022	Data Sources	Improvements required for the remainder of the planning period
Efficient and effective governance	Percentage of internal and external audit recommendations implemented	-	100%	78%	Audit findings	<p>Set firm timelines for the implementation of audit recommendations.</p> <p>Assign the A-Z responsibility for the implementation of audit recommendations.</p> <p>Strengthen monitoring and feedback mechanisms for the implementation of audit recommendations.</p>
Fit-to-practice registered educators and lecturers	Percentage of educators and lecturers screened for fitness-to-practice	-	100%	87.3%	Register of walk-ins and print out of all applications	<p>Increased awareness and education on the requirements to be considered fit-to-practice.</p> <p>Strengthening of working relationships with key role players such as SAQA, SAPS and Home Affairs to accelerate the screening process.</p>



Outcome	Outcome Indicator	2019/2020 Baseline	2020 – 2025 Five-Year Target	Actual achievement as at 30 September 2022	Data Sources	Improvements required for the remainder of the planning period
						Improved collaboration with HEIs to enable provisional registration of student teachers  Promotion of the use of the online platform for registration
Maintained ethical standards	Number of educators who adhered to the code of professional ethics	-	400 000	596 896	Register of fit-to-practice educators and lecturers	Employ and optimise the use of virtual disciplinary hearing sessions.  Increase the use of external investigators and panellists to deal with cases of alleged misconduct.  Promote improved ethical conduct among educators.



Outcome	Outcome Indicator	2019/2020 Baseline	2020 – 2025 Five-Year Target	Actual achievement  as at 30 September  2022	Data Sources	Improvements required for the remainder of the planning period
Improved teacher competence	Percentage of educators participating in professional development activities	-	80%  (100 187.5)	91.2%  (91 413)	Database of signed up educators	Target is overachieved. However, we will continue to promote the value of CPTD points for educators, particularly in rural areas and among School Management Teams.
Improved teacher professionalisation	Strengthened teacher education and development continuum	-	Implemented teacher professionalization path	Eight focus areas were planned for the 2020-2025 financial years. Various methods and processes have been used to implement some focus areas. The	Professional teaching standards  SACE annual report	Development of policies and frameworks to implement the path.  A monthly monitoring tool will be developed to monitor the process.



Outcome	Outcome Indicator	2019/2020 Baseline	2020 – 2025 Five-Year Target	Actual achievement  as at 30 September  2022	Data Sources	Improvements required for the remainder of the planning period
				Council has not yet developed the policies and frameworks that guide the implementation of this programme.		



#### 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

##### **Programme 1: Administration**

To implement and manage policy directives and priorities of the Council and ensure the functional proficiency of SACE through appropriate supportive services.

##### **Sub-Programme 1.1: Executive and Governance**

Purpose: To determine policy and priorities for the organisation

##### **Sub-Programme 1.2: Planning, Monitoring & Evaluation Reporting**

Purpose: To translate policies and priorities into strategies for effective service delivery and, to manage, monitor and control performance and research

##### **Sub-Programme 1.3: Corporate Services**

Purpose: To ensure appropriate support service based on the principles of corporate governance

##### **Sub-Programme 1.4: Financial Management**

Purpose: Provide sound financial and risk management support services as well as budgeting, provisioning, and procurement to the organisation

##### **Sub-Programme 1.5: Communication and Stakeholder Relations**

Purpose: Provide and improve internal and external communications of the organisation through various platforms to all stakeholders and ensure a proactive communication and Advocacy strategy reaching all educators and stakeholders groupings

##### **Sub-Programme 1.6: Information and Communication Technology**

Purpose: Improved corporate governance of ICT leads to: effective public service delivery through ICT enabled access to organisational information and services, ICT enablement of business, improved quality of ICT service, stakeholder communication, trust between ICT, the business and citizens, lowering of costs, increased alignment of investment towards strategic goals, protection and management of the organisational and employee information.



### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Programme 1: Administration								
Outcome	Outputs	Output Indicators	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Efficient and effective governance	Minutes and attendance registers of the meetings	1.1.1. Number of Council and EXCO meetings convened	14	17	10	11	+1	EXCO had one additional special meeting
	Approval letters and feedback reports from the Executive Authority	1.1.2. Number of approved quarterly performance reports submitted to oversight authorities	4	4	4	4	0	N/A
	Improved employee performance	1.1.3. Percentage of employees assessed for performance through performance development system	52%	100%	100%	100% 115/115 x100	0	N/A
	Improved skills and knowledge capacity	1.1.4. Percentage of trained employees	-	31%	40%	48,7 % 59/ 121	+8.7%	Further capacity development was held based on the additional unavoidable skills development needs
	Report on advocacy and communication activities on the SACE core mandates	1.1.5. Number of SACE promotion and advocacy activities on the selected core mandates	-	4	4	4	0	N/A



Stakeholder management and engagement report for the financial year	1.1.6. Number of engagements with stakeholders	-	-	16	16	0	N/A
Eligible creditors paid within 30 days	1.1.7. Percentage of invoices within 30 days	90,9%	91%	100%	97.39%	-2,61%	Disputes with the suppliers led to the target being partially achieved.
Digitised systems completed	1.1.8. Percentage of completed Digitised systems	1	40%	60%	78% 7/9	+22%	Council successfully managed to run multiple projects simultaneously, some of which were completed ahead of schedule.



### Narrative-Highlights for the 2022/23 Financial Year

The year under review, several advocacy and promotional activities were initiated as part of advocating the SACE Professional Code of Ethics and the endorsed Professional Development Activities. Council was able to reach out to millions of viewers through these activities. This was achieved through Print and Digital Media, whereby SACE was afforded an opportunity to interact with the teaching profession at large, encouraging educators to report and record their professional development activities. As part of engagements with stakeholders and constituencies, Council engaged in several exhibitions, stakeholder activations, and stakeholder outreach and Socio-Economic initiatives. Additionally, SACE shared information on the various its programmes such as Registration Ethics, Professional Development, and other Digital Services offered by Council. The engagements created an opportunity for robust interactions. The needs of Stakeholders were better realised as part of ensuring that campaigns are driven from an informed perspective.

Council improved the existing online registration system, including updates to educator information, status updates for all types of educators (i.e., student teachers, South African educators, and foreign educators), registration extensions, and the ability to reprint lost or renewal letters or certificates. The requested changes have been successfully implemented, and the educators are now applying for updates, extensions, and reprints online. ICT had a requirement gathering session with end-users to gather information about what they need to see on the system and the challenges they are currently facing. Changes were developed and successfully deployed on production. SACE End-users are now able to attach documents linked with the incident logged. SACE has launched a WhatsApp chatbot as a communication platform to provide automated information services and support to educators, applicants, education institutions, employers, and SACE stakeholders. The SACE WhatsApp line has been implemented made available to the public and promoted by the Communications Division, resulting in a high volume of daily interactions with educators.

### Linking performance with budgets

Programme/activi ty/objective	2021/2022			2022/2023		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	84 800	90 122	(5 322)	95 240	98 892	(3 652)
Total	84 800	90 122	(5 322)	95 240	98 892	(3 652)

### Strategy to Overcome Areas of Underperformance.

In the performance indicator 1.1.7., the percentage of invoices within 30 days, has been amended in the 2023/24 APP to ensure that underperformance issues are dealt with.



## Programme 2: Professional Registration

The purpose of this programme is to ensure that Council registers educators who are fit to practice.



**Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Fit-to-practise registered educators and lecturers	Register of fit-to-practise educators in a year	2.1.1. Percentage of fit-to-practise registered educators	60 285	43 326	100%	100% 48 110/48 110	N/A	N/A



## Narrative-Highlights for the 2022/23 Financial Year

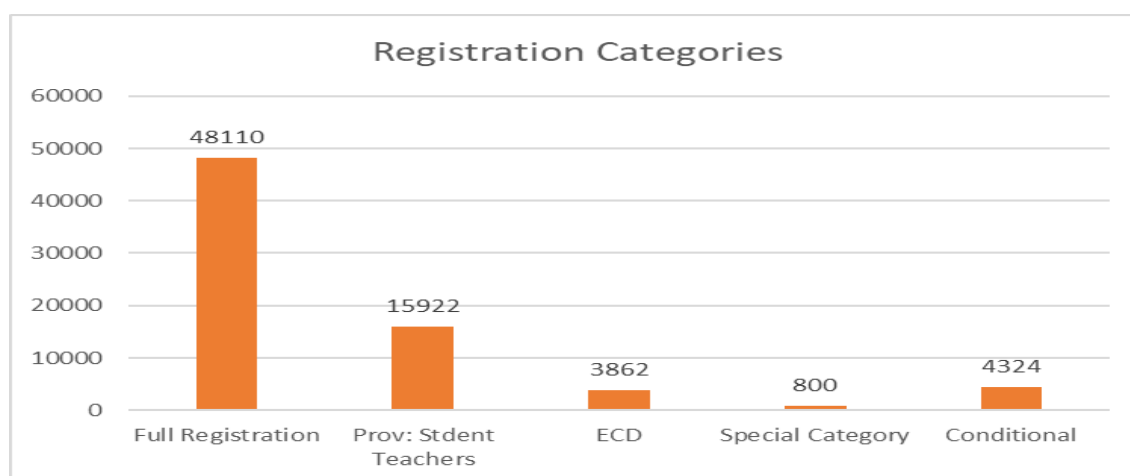
SACE is the first port of entry into the teaching profession. As a result, section 21 of the SACE Act bars anyone from teaching learners without being professionally registered with Council.

For the reporting period of April 2022 to March 2023, Council registered a total of **73 018** educators under different registration categories. Council received **48 110** applicants who were seeking professional registration. All applicants were screened for fitness to teach through Council processes using Police clearance.

### Number of registered applicants: all registration categories- April 2022 to March 2023

Professionally Qualified Educators	48 110
Provisional Registration: Student Teachers	15 922
<b>Special Category</b>	
Special Category	800
ECD L4	1874
ECD L5	1988
<b>Academically Qualified</b>	
Conditional	4324
<b>Grand Total</b>	<b>73 018</b>

**Table 1: Number of registrants- April 2022 to March 2023**





**Chart 1: Number of registrants for the Period April 2022 to March 2023**

Table 1 and Chart 1 above show that **48 110** registrants registered by Council during this reporting period were professionally qualified. The data shows that we had **800** registrants under a special category. Council also registered **15 922** Student educators who are in the process of completing their professional teaching qualifications.

**Type of offences on police clearance certificates:**

NO.	OFFENCE DESCRIPTION	NO.
1	Theft/ Shoplifting	21
2	Traffic offences	16
3	Assault	6
4	Fraud	1
5	Culpable Homicide	1
6	Public violence	2
7	Domestic Violence	2
8	Illegal Gambling	1
9	Possession of Dagga	3
10	Sexual Offence (Public indecency)	1
11	Receiving social grants while employed	2
12	Not adhering to Covid regulations	2
13	Pending Cases	3
<b>Total</b>		<b>61</b>

**Table 2: Types of offences received for April 2022 to March 2023**

Out of 73 018 registrants, 61 presented with criminal offences when seeking registration with Council. Applicants who present criminal records when applying were given an opportunity to register with Council after their documents were submitted to the Legal Affairs division for approval.



## Engagements with Stakeholders

### (a) Higher Education Institutions (HEI)

The Council saw a need to prepare student teachers for when they get employed in advance to ensure that they become familiar with the Council that regulates the sector. Council supported the student teachers in preparing for the submission of their application documents using the online registration portal and manual submissions. The Council further used these sessions to create awareness about the role of SACE in the teaching profession. Council met with several Higher Education Institutions to assist with the registration and onboarding process of Student teachers. The list below confirms the different Institutions and Campuses that Council worked with during the reporting period (April 2022 – March 2023)

#### List of Higher Education Institutions/Campuses that SACE worked with April 2022 – March 2023

No.	Name of Institution
1	University of Cape Town
2	University of the Western Cape
3	Northwest University – Potchefstroom Campus
4	Northwest University – Mafikeng Campus
5	University of Cape Town
6	University of the Western Cape
7	Wits University
8	University of Fort Hare – Alice Campus
9	University of Cape Town
10	St Andrew's College – Grahamstown
11	Rhodes University
12	University of Venda
13	University of South Africa – Pretoria Campus
14	Varsity College
15	Rosebank College
16	Cape Peninsula University of Technology
17	University of Pretoria
18	Vaal University of Technology – Sebokeng Campus
19	Tshwane University of Technology
20	University of Johannesburg
21	Durban University of Technology
22	STADIO
22	University of Mpumalanga
23	University of Limpopo
24	SANTS
25	St Andrew's College – Grahamstown
26	Rhodes University
27	University of Venda
28	University of South Africa – Pretoria Campus
29	Varsity College
30	Rosebank College

In addition, the Council worked with Jakes Grewell Fellowship to assist student teachers in submitting applications for registration using the online registration portal. These students are funded by JGF and registered in different HEIs across the country.



### (b) Teachers (Teacher Unions)

The Council worked with the following Teacher Unions to assist teachers with registration in provinces where Council does not have offices.

- SADTU
- SAOU
- NAPTOSA
- NATU

In conclusion, teacher registration played a critical role in ensuring that only qualified fit-to-teach applicants are allowed to teach in schools. Through registration, Council ensured that public confidence was enhanced. Council made it clear that the criminal background check was a critical component of the teacher registration process, and the process helped Council identify individuals with a criminal record that may have posed a risk to the safety and well-being of students.

### Linking performance with budgets

Programme/activity /objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional Registration	1 000	796	204	1 500	1 348	151
Total	1 000	796	204	1 500	1 348	151

### Strategy to overcome areas of underperformance.

N/A



### **Programme 3: Ethical Standards**

The purpose of this programme is to promote and maintain ethical standards in the profession

#### **Sub-programme 3.1: Investigations**

Purpose: To effectively conduct investigations into allegations of misconduct.

#### **Sub-programme 3.2: Disciplinary Hearings**

Purpose: To manage the resolution of misconduct cases effectively

#### **Sub-programme 3.3: Sanctioning**

Purpose: To monitor and evaluate the implementation and enforcement of sanctions



**Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table**

Programme 3: Ethical Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
Maintained ethical standards	Register of finalised investigations into new cases	3.1.1. Percentage of finalised investigations into new cases	0.9%	44.4% (339/764x100)	70%	35% 254/734	-35%	The target was underperformed because the Council always starts by processing cases carried over from the previous financial year and places more emphasis on them to avoid losing witnesses who are fluid by their very nature. Although the target could not be achieved, there is an improved performance, attributed to SACE having trained a few panellists to assist it with the investigations.
	Register of finalised investigations into rolled-over cases	3.1.2. Percentage of finalised investigations into rolled-over cases	13.1%	49% (275/563x100)	80%	30% 540/1830	-50%	The underperformance is attributed to the split in investigations between old and new cases. A balance had to be sought to ensure that while new cases were being investigated as they came, older cases also received attention.
	Register of finalised disciplinary hearings	3.2.1. Percentage of finalised	0.6%	24% (40/162x100)	40%	13% 13/103	-27%	Council focused much of the time on pushing to finalise rolled-over cases to ensure that witnesses do not get lost in the process. More hearings will be



	into new cases	disciplinary hearings into new cases						conducted in the next financial year, except that they will be referred to as rolled-over cases.
	Register of finalised disciplinary hearings into rolled-over cases	3.2.2. Percentage of finalised disciplinary hearings into rolled-over cases	11%	78% (68/87x100)	50%	<b>63%</b> <b>109/174</b>	+13%	This indicator was over-achieved as SACE focused on conducting cases, regarding older ones first. This is to ensure that witnesses and victims are not lost. This trend will continue until such time that SACE has sufficient personnel to conduct hearings on both old and new cases at the same time.
	Monitoring reports on sanctions	3.3.1. Number of monitoring reports produced on sanctioned educators	1	5	4	5	+1	The success in respect of this indicator can be attributed to the SACE analysing the sanctioning trends as soon as the Ethics Committee meted out sanctions. This trend will continue in the future.



## **Narrative-Highlights for the 2022/23 Financial Year**

### **Processing of cases**

Council processes all its cases on a First-In-First-Out basis. This means that cases that are lodged first are processed first. There is, however, an exception at times. Complaints of serious breaches of the code of professional ethics, such as sexual offences and severe assault cases, among others, do receive preference and will be processed sooner than they would have been had the normal process been followed. This means that the Council processes rolled-over or older cases from the previous calendar year to ensure they are finalised while also processing newly reported cases. More emphasis gets placed on older cases as learners and witnesses usually move if the case is not promptly dealt with. The process leading to the finalisation of a case starts with conducting preliminary screening of a case as soon as it is reported. The screened case may lead to an investigation. Flowing from the investigation, a disciplinary hearing may ensue, or a case may be closed, depending on the evidence.

### **Initial Consideration of complaint (or Recommendations for closure of complaints and or directive by the Ethics Committee)**

Initial Consideration aims to establish whether a case exists in terms of the evidence furnished at the lodgement of such a case. Upon receipt of a complaint, such a complaint is first screened to establish if it falls within the jurisdiction of the Council. This process must be conducted because Council receives many complaints, including ones against labour-related complaints, complaints against Higher education institutions, complaints against schools for refusing to admit or enrol learners in a school of choice, refusal by schools to release progress reports owing to failure by parents to pay school fees, refusals by schools to release progress reports due to lost textbooks, complaints against schools for practising and sticking to certain types of religions etcetera. Such complaints are not within the ambit or jurisdiction of SACE, as there are other forums and avenues to deal with those. Such complaints get referred to the relevant structures or forums by SACE. Complainants get advised timeously and promptly by SACE on the next course of action and the correct platform to go to. Labour-related complaints are within the employer's jurisdiction, and they are not for SACE to handle. Misconduct committed by learners does



not fall within the SACE jurisdiction it gets referred to the school to be dealt with by the School Governing Body (SGB), the school and its management for handling. SACE only processes cases that pertain to breaches of the Code of Professional Ethics by educators and TVET lecturers. However, Council continues to receiving many complaints and cases that are outside its jurisdiction. If a file had already been opened and allocated a case number, such a file can only be closed by the Council upon receipt of a written recommendation and reasons as to why the file should be closed.

In the year under review, the Council received a total of **734** cases and investigated **254** misconduct against educators. Comparatively speaking, In the 2021/22 financial year, SACE received a total of **764** cases of breach of the SACE code of professional ethics by educators. This means that in the current financial year, SACE received cases less than in the past financial year. From April to June 2022, SACE received an influx of new complaints. Council observed with concern the nature of the cases received. The majority of them were for the assault of learners followed by sexual misconduct and very few for the assault of colleagues. These trends are worrying and, the question to be asked is why there is still so much physical abuse, be it that of learners and or colleagues. The remaining number of cases not mentioned herein are for forms of unprofessional conduct and others. It is worrying that corporal punishment of learners still takes centre stage and seems to lead the pack still.

### Types of Cases Received

Nature of Misconduct	Total
Absenteeism	91
Abuse of learners (Bullying and Humiliation, Defamation of character and disrespect, Bribery, Assault of Learner and Incitement )	58
Assault of a colleague and Learner	212
Corruption with posts and Victimisation of colleagues	4
Discrimination & Victimisation of Colleague	12
Fraud (Insubordination & Examination Fraud)	36
Financial Mismanagement and Maladministration	48
Gross Negligence and Employment of unqualified/unregistered educators	19



Nature of Misconduct	Total
Incitement of learners and parents against the principal and bribery, Assault of learners & Incitement and educator	11
Racism and Use of improper language to learners & parents	9
Sexual Harassment of a Learner (Failure to report rape, Rape of a Learner, sexual case, impregnating of a learner)	163
Unprofessional Conduct	15
Other	56
<b>Total</b>	<b>734</b>

Towards the end of the school calendar year, the Council received the highest form of misconduct registered against educators, which was assault of learners with cases reported, followed by sexual abuse with cases reported, and assault of colleagues with cases reported. The balance of the cases was for other forms of unprofessional conduct, etcetera. Again, assault of learners still stood out among all other forms of misconduct. In the new school calendar year, between January and March 2023, Council had more assault of colleagues by colleagues, victimisation and humiliation of colleagues by colleagues, which is a worrying trend. In the future Council will conduct advocacy with a view to restore professionalism within the teaching profession and try to curb such unprofessional behaviour.

### Investigations

During the year under review, Council conducted and finalised **254** investigations on new cases and **540** investigations on old or rolled-over cases, wherein some files were closed for lack of substantive evidence to proceed therewith. At the same time, many resulted in charges being preferred against accused educators. Though the total number of cases investigated may have been newly reported cases and some on old or rolled-over cases, there is more than one teacher in some files. This means that more than one teacher may be jointly investigated or even charged for the same misconduct.



### Type of Investigations Finalised

Nature of Misconduct	Total
Absenteeism	2
Abuse of learners(Bullying and Humiliation, Defamation of character and disrespect, Bribery, Assault of Learner & Incitement )	2
Assault of a colleague and Learner	75
Corruption with posts & Victimisation of colleagues	4
Discrimination & Victimisation of Colleague	1
Fraud (Insubordination & Examination Fraud)	35
Financial Mismanagement and Maladministration	6
Gross Negligence and Employment of unqualified/unregistered educators	30
Impregnation of a learner	7
Racism & Use of improper language to learners & parent	5
Sexual Harassment of a Learner (Failure to report rape, sexual case )	80
Unprofessional Conduct	7
<b>Total</b>	<b>254</b>

### Mediations

Council did not conduct any mediations regarding new cases that were reported in the current financial year. Only two (2) mediations were conducted in respect of cases that arose or were reported in the past financial years (rolled-over cases). These mediations were successful.

### Disciplinary Hearings

SACE finalised a total of **13** new hearings, as well as the **109** hearings from the previous financial years. The Council's disciplinary hearing processes, like with other bodies, occur under the cloud of adversarial resistance by accused educators. The resistance is caused by these accused educators who anticipate that they may lose their livelihood and would therefore do whatever it takes to frustrate Council's disciplinary processes. Similar to all other hearing processes in the country, Council makes use of or follows the adversarial system. This system is competitive and involves the use of tactics to win cases at all costs, and litigants seek to outwit one other. Council operates under an adversarial system where accused educators attempt to evade responsibility for their actions. In that light, educators do all that is in their power to avoid attending hearings for fear of losing their teaching licence.

In that light, they use every available trick and delaying tactic to avoid attendance or being present at the hearings. Council, however continues to conduct hearings to determine the



verdict in each case. Also, Council attempted to use virtual systems for hearings in other instances, except in sexual abuse cases. During these virtual hearings, accused educators would present several excuses, such as load shedding and lack of resources, such as gadgets and data, to appear before SACE.

## Sanctions

The Council produced five **(5)** sanction reports according to the APP target. According to Section 5 of the SACE Act, three types of sanctions exist that may be imposed on teachers. These sanctions were amplified with the development of the SACE Mandatory Sanctions Policy. During the previous financial year 2021/22, the Council removed a total of 19 educators from the roll, which, in comparison to the 2022/23, the Council removed a total of 36 educators from the roll.

The first type, an indefinite removal from the register of practicing educators, is the harshest sanction meted on teachers. A total of **31** educators have been removed from the roll indefinitely. This implies such a teacher has no reasonable prospect of practising the teaching of the children as they shall have lost their licence to teach indefinitely. Some educators whose names are removed from the register end up with their names being entered into the register of persons declared unfit to work with children. This register is held by the Department of Social Development (DSD). These are educators who would have committed serious offences, including sexual misconduct – rape, impregnating a learner and sexual relations with learners broadly, fraud, and severe assault of learners. The following table depicts different provinces, gender, and nature of misconduct:

No	Case number	Gender	Misconduct	Sanction
1.	Limpopo	Male	Sexual assault of a colleague	Removal from the register indefinitely.
2.	Western Cape	Male	Sexual harassment of a learner	Removal from the register indefinitely.
3.	Gauteng	Male	Sexual harassment of learner/s	Removal from the register indefinitely.
4.	Western Cape	Male	Rape of a learner	Removal from the register indefinitely.
5.	Western Cape	Male	Sexual relationship with learner/s	Removal from the register indefinitely



6.	Mpumalanga	Male	Sexual assault, assault of a learner and providing alcohol to a learner	Removal from the register indefinitely
7.	Free State	Male	Sexual relationship with learner/s	Removal from the register indefinitely.
8.	Free State	Male	Sexual relationship with learner/s	Removal from the register indefinitely.
9.	Mpumalanga	Male	Sexual harassment of a learner	Removal from the register indefinitely.
10.	Gauteng	Male	Sexual harassment of a learner	Removal from the register indefinitely.
11.	North West	Male	Sexual relationship of a learner	Removal from the register indefinitely.
12.	Western Cape	Male	Fraud on examinations and misrepresentation to authorities	Removal from the register indefinitely.
13.	Gauteng	Male	Sexual assault of a learner	Removal from the register indefinitely.
14.	Mpumalanga	Male	Sexual assault of learner/s, colleague or parent	Removal from the register indefinitely.
15.	Limpopo	Male	Fraud and dishonesty	Removal from the register indefinitely.
16.	Western Cape	Female	Fraud relating to learners' marks, falsifying of marks	Removal from the register indefinitely.
17.	Gauteng	Male	Insubordination and falsifying assessment marks	Removal from the register indefinitely.
18.	Mpumalanga	Male	Sexual assault of colleagues	Removal from the register indefinitely.
19.	KwaZulu Natal	Male	Sexual assault of colleagues	Removal from the register indefinitely without an option of reapplying for readmission.
20.	Western Cape	Male	Sexual harassment of a learner	Removal from the register indefinitely.
21.	KwaZulu Natal	Male	Sexual harassment of a colleague/s	Removal from the register indefinitely without the option of reapplying for readmission.
22.	Gauteng	Male	Sexual relationship with learners	Removal from the register indefinitely.
23.	Limpopo	Male	Sexual relationship with learners	Removal from the register indefinitely without the option of reapplying for readmission, and further that his name be submitted to the Department of Social Development.
24.	KwaZulu Natal	Male	Examination fraud	Removal from the register indefinitely.
25.	KwaZulu Natal	Male	Sexual harassment & uttering derogatory words	Removal from the register indefinitely and submit his name to the DSD.
26.	Gauteng	Male	Sexual harassment of a learner	Removal from the register indefinitely and submit his name to the DSD.



27.	Limpopo	Male	Fraud & dishonesty	Removal from the register indefinitely.
28.	Limpopo	Male	Rape of a learner	Removal from the register indefinitely and submit his name to the DSD
29.	Western Cape	Male	Assault of learners	Removal from the register indefinitely and submit his name to the DSD.
30.	Gauteng	Female	Examination fraud	Removal from the register indefinitely.
31.	Limpopo	Male	Fraud	Removal from the register indefinitely.

The second type is the definite removal from the register of educators. A total of two (2) educators were removed from the register for a certain period. This means that the name of an educator gets removed from the register for a certain specified period, e.g., removal of a name from the register for a period of five (5) years or more, with or without conditions. The following table depicts different provinces, gender, and nature of misconduct:

No	Province	Gender	Misconduct	Outcome	Sanction
1.	Western Cape	Male	Absenteeism	Guilty	Removal of the educator's name for a period of 10 years
2.	Gauteng	Male	Verbal abuse and humiliation of a colleague	Guilty	Removal of the educator's name for a period of 5 years

The third type is sanctions, where certain conditions are attached to the sanction imposed upon an educator, such as conditional removals in which educators may be removed from the register of practising educators for a given period. The 2022/23 financial year saw **77** educators found guilty and whose names were removed from the register, but the removal was suspended for a certain period with different fines and or reprimands.

In other instances, removals from the register may be suspended and replaced with a fine as shall have been determined by the Council or a fine which equals one month's salary and which fine is payable to the Council within 12 months in line with Section 5 of the SACE Act.



**Challenges encountered by the SACE when processing cases:**

While SACE's Ethics division is responsible for receiving and processing all ethical cases reported to it, it is inundated with a rise in the number of misconduct cases coming from the entire country in respect of teachers that continue to breach the code of professional ethics. The Council continues with its mandate to investigate complaints brought to its attention or in some instances, mediate over disputes at the behest of the parties and, in some instances, conduct disciplinary hearings at the behest of Council though with several challenges.

Not many complaints could be successfully mediated as the educators could not find one another. This meant that such cases ended up being referred to a disciplinary hearing at a massive cost to the Council. In some instances, the cases get closed as such mediations usually occur where there is a breakdown in human relations but no actual breach of the code. The Council endeavours to restore peace within the schooling space or warring educators.

Some of the challenges that SACE is confronted with in the execution of its duties are set out in the action list, which gets attached as evidence, and sets out the reasons why so many cases end up being closed by SACE. The challenges are, among others, are the following:

- a. Lack of cooperation by witnesses. These include learners (victims, parents, and other participants alike). This practice leads to delayed resolution and finalisation of cases. In some instances, SACE ends up having to perform multiple trips to schools to meet up with witnesses instead of only one trip. The same goes for disciplinary hearings, which take more than one day to complete owing to the reason mentioned herein.
- b. the delayed resolution of cases because of postponements at the behest of representatives of accused educators, especially legal representatives. It must be borne in mind that in terms of the SACE Act, legal representatives enjoy the right of direct access to the SACE proceedings to represent their clients (educators).
- c. Bullying of witnesses, witness tampering, and intimidation of complainants by accused educators, colleagues of the accused educators and fellow learners, be it directly or indirectly, this results in the victims refusing to testify or avail themselves for fear of reprisal by their tormenters.



- d. Resistance by some educators to adhere to the code of professional ethics, and so forth. Despite having been workshopped or trained on the code of professional ethics, some educators continue to breach the code, with the belief that they will not be discovered and in the process, continue to abuse children.
- e. Resistance by educators to refrain from administering corporal punishment. Corporal punishment remains on the rise, and educators still resist calls by the SACE to refrain from administering such. It is our submission that there should be more interventions and advocacy aimed at concertising educators on the dangers that are associated with the application of corporal punishment.

SACE has workshopped many educators on the code of professional ethics and the dangers associated with corporal punishment. However, cases of corporal punishment seem to be on the rise instead of a decline. Educators have made a huge demand to be workshopped on the alternatives to corporal punishment. Educators have highlighted issues of ill-discipline in schools and that they have no other ways to deal with ill-discipline learners.

#### Linking performance with budgets

		2021/2022			2022/2023	
Programme/activity objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Code of Ethics	4 000	4 284	-284	5 470	5 170	300
Total	4 000	4 284	-284	5 470	5 170	300

#### Strategy to overcome areas of underperformance.

The Council continues to ensure that it achieves the pre-determined objectives through the assistance of part-time panellists. We will increase the number of panellists in order to clear older cases. In the 2023/24 financial year, the Council's annual budget is insufficient to ensure that all cases are completed. Therefore, the Council will focus more on sexual harassment and corporal punishment cases. The Council will also engage the Department of Basic Education, ELRC, and the Department of Social Development to try and find common ground on processes undertaken by all these institutions.



**Programme 4: Professional Development**

To ensure that educators engage in life-long learning to improve their professional competence.

**Sub-programme 4.1: Continuing Professional Teacher Development Management System**

Purpose: To ensure that educators' lifelong learning contributes to their professional practice and competence

**Sub-programme 4.2: Member Support**

Purpose: To facilitate educators' participation in professional matters.

**Sub-programme 4.3: Quality Management**

Purpose: To ensure that all professional development programmes offered to educators are fit for purpose.



### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Programme 4: Professional Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved teacher competence	Improved participation in professional development by educators	4.1.1. Number of educators confirmed to have earned a minimum of 50 professional development points in a year	7.36%	11% (2,288/20 908x100)	25000	758 <sup>1</sup>	-24 242	The reason for underperformance is due to several factors, but essentially the accessibility of the system due to connectivity in most areas of the country, lack of ownership from the educators in taking charge of their professional development, and they largely believe that it should be employer-driven.
	Educators supported on professional matters	4.2.1. Number of educators supported on professional matters	5029	26 804	40 000	43 823	+3 823	The indicator was over-achieved due to the role of coordinators, and the collaborations with stakeholders contributed largely to the overachievement.

<sup>1</sup> Total number of reporting educators with 50 points and above from 01 April 2022 31 March 2023 is 13 655.

Total number of all educators who have provided evidence attached to their points in the system is 758.

SACE took an initiative by calling and sending emails to most of the educators who failed to provide evidence on their PD points as of 31 March 2023.

Educators were personally called and emailed - requesting them to upload PD points evidence.

This number was amended when we consolidated the annual report to match with the updated data.



	Approved professional development providers	4.3.1. Percentage of approved professional development providers	100%	100% (64/64x100)	75%	85.4% (70/82)	+10.4%	The deviation of overachievement is +10.4% due to the mobilisation of providers using Council social media, provider forums and stakeholder collaboration platforms.
	Endorsed professional development activities	4.3.2. Percentage of endorsed professional development activities	100%	100% (1062/1062x100)	85%	99% (791/800)	+14%	The deviation of +14% is due to the mobilisation of providers using Council social media platforms, provider forums and stakeholder collaboration.
	Improved compliance with endorsement criteria in the delivery of professional development activities	4.3.3. Percentage of observed professional development sessions on endorsed activities	100%	100% (50/50x100)	10%	26% (10/38)	+16%	The overachievement of 26% was due to the accessibility of face-to-face training sessions, which allowed the Council to deploy observers. However, cancellations of training programmes affected the maximum achievement of this indicator output.



## Narrative-Highlights for the 2022/23 Financial Year

The South African Council for Educators Act, NO 31 of 2000 directs the Council,- that it:

- **must** promote, develop, and maintain a professional image.
- **must** advise the Minister on matters relating to the education and training of educators... including but not limited to:
  - the minimum requirements for entry to all the levels of the profession.
  - the standards of programmes of pre-service and in-service educator education:
  - the requirements for promotion within the education system.
  - educator professionalism.
- **must** research and develop a professional development policy.
- **must manage** a system for the promotion of continuing professional development for all educators in **schools**.

In line with the above mandate, the Council is committed in ensuring that teachers comply with ethical and professional teaching standards and participate in meaningful and fit-for-purpose professional development activities aimed at improving learning outcomes. Because of this commitment given by legislative frameworks, the Council is investing in Educator Support and Quality Management of providers and professional development activities.

The annual report aims to present the performance of the council in implementing the Professional Development Indicators as found in the South African Council for Educators (SACE) Annual Performance Plan (APP) 2022/2023, which covers the two critical areas mentioned above, as such the focus is on the analysis of progress made in the:

- Number of educators confirmed to have earned a minimum of 50 professional development points.
- Number of educators supported with their SACE-based professional development activities in improving teacher professionalism.
- Quality Management looks at the number of providers approved, the number of activities endorsed, and the number of training sessions observed.

The structure of the report provides details in terms of achievement made against the key performance indicator outputs and challenges experienced that affected the pace of delivery.

## Educator Support

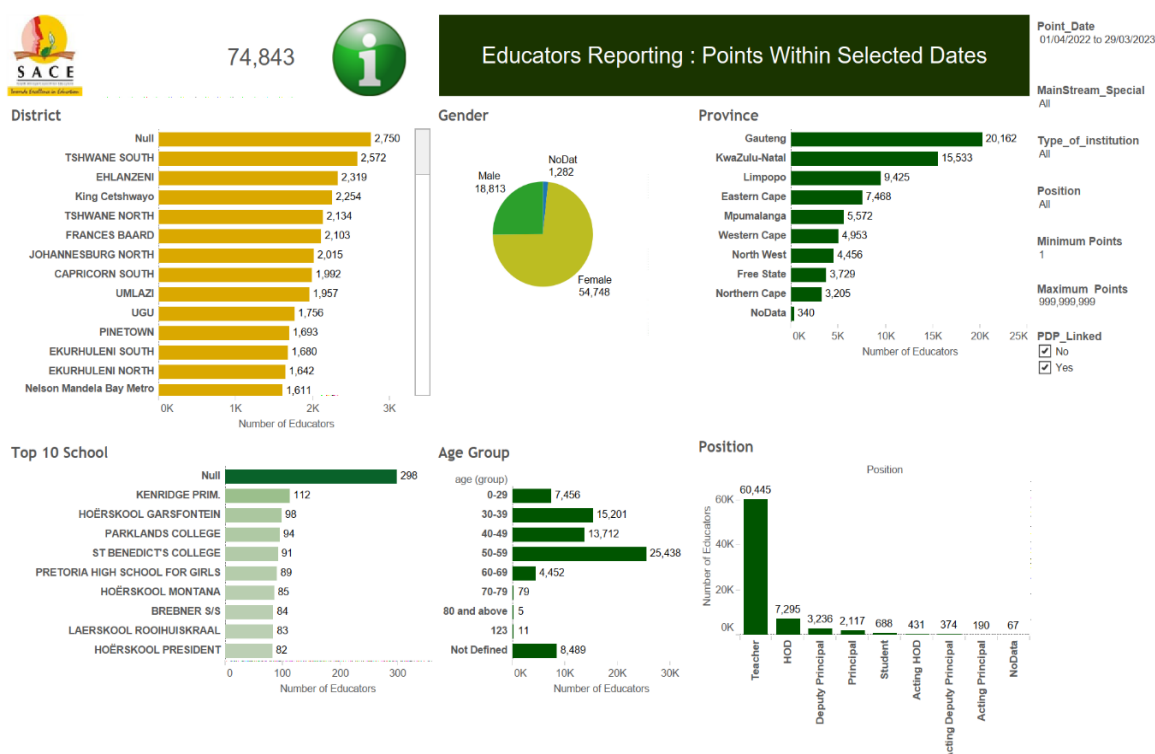
The Council had adopted an approach of supporting rural and semi-rural schools and educators, especially since they were the hardest hit by the COVID-19 pandemic. The country



was not ready to assist most rural schools with connectivity and data, and consequently, they were left behind. The planned Council interventions for the financial year under review in these schools have been biased towards newly appointed educators and School Management Teams (SMTs).

The indicator 4.1.1. which aimed to measure the uptake and reporting of educators in the self-service portal, who earned a minimum of 50 professional development points. The indicator has underperformed, and the Council's overall performance for indicator 4.1.1 is 758.

It needs to be noted that the Council had been tracking the uptake of educators and reporting after realizing that there is slow progress in reporting. The total number of educators reporting in the financial year under review is 74 843.



**Fig: Total Number of educators who have earned professional development points between the 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023**

The overall performance of the Council for the financial year under review confirms the overachievement in indicator 4.2.1 to be 3 823 more educators supported in their professional matters, against the annual target of 40 000, and the actual achievement is 43 823.

This indicator aims to respond to the SACE Act prescript, that the Council **must** promote, develop, and maintain a professional image. This is done by:



- Supporting teachers in the accessibility and utilisation of the CPTD management system: Signing up, recording to the PDP, and reporting to Council through the management system.
- Advocating and educating teachers on compliance with Council Code of Professional Ethics.
- Promoting awareness on matters of school safety and security in schools.

This support was provided across provinces, biased towards rural schools, newly appointed teachers and School Management Teams.

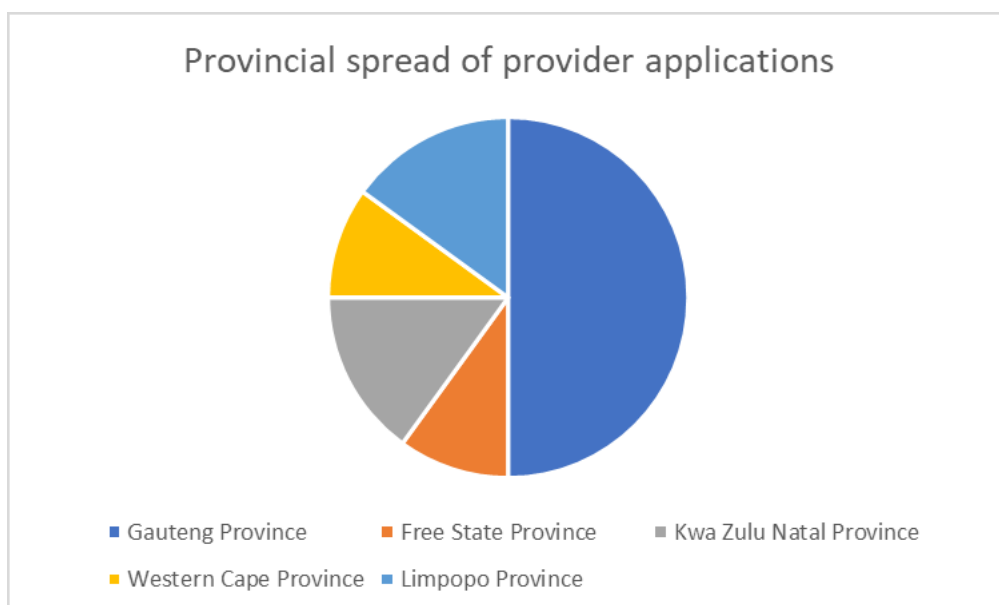
### Quality Management of the CPTD system

The Council has performed very well on the output indicators under quality management, as presented below. This is due to the following interventions:

- Advocacy for submission of application forms in Council social media platforms.
- Engagement with providers through provider forums and stakeholder collaborations.
- Partnership with ETDPSETA management, who committed to funding SACE-approved providers and SACE-endorsed activities in most provinces.

### Percentage of professional development providers approved.

There were 82 eligible professional development providers' applications received, and Council approved 70 to increase the pool of quality providers who will participate in developing SACE-registered educators. This translates to 85% performance for this indicator.



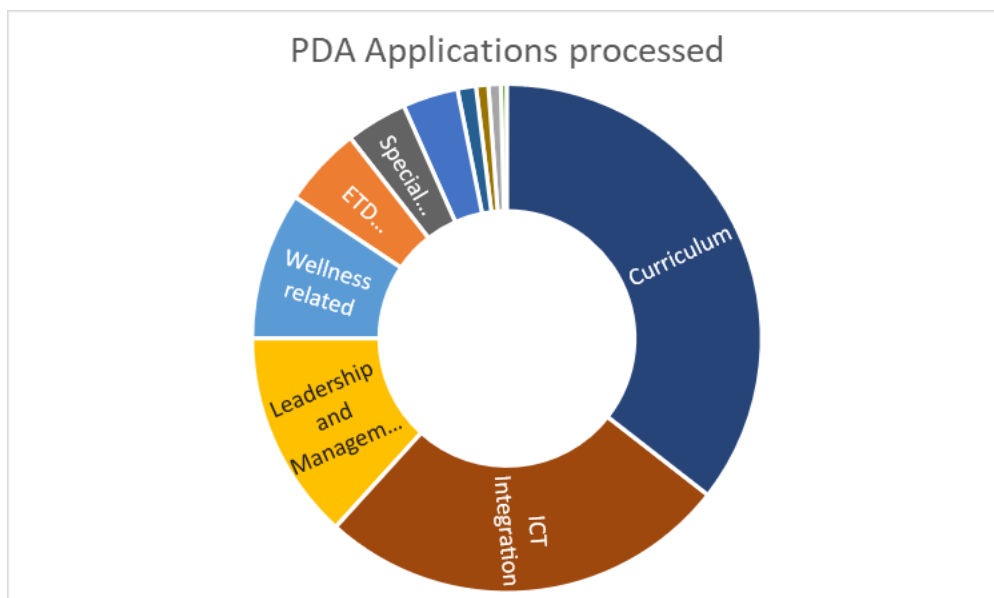
***Breakdown of the applications for providers received per province in the first quarter.***



Most of the 70 credible professional development providers approved by Council to increase the pool of quality providers were from Gauteng, followed by KwaZulu Natal, Limpopo, Western Cape, Eastern Cape, and Northern Cape provinces.

### Percentage of professional development activities endorsed.

**800** professional development activities were received, and only **791** were processed and endorsed, resulting in 99—% performance against the 85% annual target.



***Breakdown of professional development activities focus areas.***

### SACE approved activities observed:

Due to cancellations, especially the Eastern Cape Department of Education, the Council received 38 invitations and honoured 10, This translates to 26%, which is overachievement. If all sessions were carried out, the Council could have performed maximally.

It should be noted that the Council has performed well, with only one indicator underachieving against the five that were targeted in the financial year under review.

The SACE Act prescript on the development of the policy is underway. The research section considers the terms of reference for the development of the policy, especially noting that the policy will have to drive professional development for teaching profession in RSA. There is task ahead requires intensive literature review and consultation with the strategic stakeholders before the Council can emerge with a draft policy for internal processes.



### Linking performance with budgets

Programme/activity/objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional Development	21 749	19 076	2 673	18 368	15 528	2 840
Total	21 749	19 076	2 673	18 368	15 528	2840

### Strategy to overcome areas of underperformance.

The Council has amended the performance indicator in the 2023/24 APP. The reason is that there is a need to focus more on type 3, which are providers. The indicator of individual reporting and recording of professional development points (type 1) has been moved to the Annual Operational Plan, which will be tracked monthly and quarterly. In the 2023/24 financial year, we will continue to track and support education through webinars and provincial sessions to ensure that they are reporting and recording on the CPTD-IS.



### Programme 5: Professional Teaching Standards

To enhance the status and standing of the teaching profession across the teacher education continuum.



### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Programme 5: Professional Teaching Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved teacher professionalism	Reports on the promoted professional teaching standards in the teacher education continuum	5.1.1. Number of professional teaching standards promoted within the teacher education continuum in a year	-	-	2	2	0	N/A
	Reports on teacher professionalisation interventions	5.1.2 Number of teacher professionalisation interventions in the teacher education and development continuum	-	-	2	2	0	N/A



## Narrative-Highlights for the 2022/2023 Financial Year

### Professional Teaching Standards (PTS) promoted within the Teacher Education Continuum in a year

#### Introduction

In 2016/2017, Council finalised the process of conceptualising the professionalising of the teaching profession, which was informed by the 2016 Research on Teacher Professionalisation. Out of the research, one of the issues that came to light was the need to develop teacher standards. Initial Professional Teaching Standards Process Launch was held on the 1<sup>st</sup> of December 2016, and the Professional Teaching Standards were developed and approved by Council in November 2018. The process of developing the PTS followed an extensive consultation within the teaching profession because Council acknowledged that broader consultation was essential to obtain the relevant stakeholders' support and buy-in. The consultation involved a wide range of stakeholders, including academics, teacher education institutions, the Department of Higher Education, Unions, and different Teacher Associations.

The report will highlight the number of Professional Teaching Standards promoted and some strategies that were used to promote and introduce professional teaching standards to teachers, relevant stakeholders, and the education sector. In addition, the report will highlight the benefits and challenges that were experienced during the promotion and introduction of professional teaching standards.

#### Introduction of the PTS and Awareness Creation – Ten Professional Teaching Standards

Council followed a broad implementation strategy, including distributing the PTS, awareness creation sessions, and unpacking the PTS. Council planned to unpack the PTS gradually to ensure the Standards are known, understood, and are used as a shared language by teachers. The introduction and promotion of professional teaching standards required careful planning and execution to ensure their widespread adoption. The current approach focused on distribution, awareness creation, unpacking the PTS, and reflective sessions. The lessons learnt will be used to improve the promotion strategy.

Council used different methods to introduce the Ten Professional Teaching Standards to educators, policymakers, and other stakeholders in the education system. Out of the Ten Professional Teaching Standards, Council focused on unpacking the first two standards. In that regard, Council held awareness campaigns that targeted teachers and other relevant stakeholders to help increase the visibility and understanding of professional teaching standards. These campaigns included outreaches, social media, SACE website and other promotion strategies. Collaborative partnerships with Unions, Associations, teachers,



schools, and other stakeholders were used to help create a shared vision and understanding of professional teaching standards.

### **Distribution**

Council used various modes for distributing professional teaching standards to reach a wider audience. Council leveraged the SACE website and social media channels to distribute Professional Teaching Standards. Targeted email campaigns were created to reach specific stakeholder groups, such as teachers and other relevant stakeholders. Webinars and virtual workshops were also used for distributing the Professional Teaching Standards to attendees. Council developed and disseminated clear and accessible standards documents: This strategy involved creating clear, concise, and easily accessible bi-folder and brochure that outlined the Professional Teaching Standards. These documents were widely distributed to teachers who visited Council office and with the help of collaboration with Unions.

### **Professional Teaching Standards Promotion Activities**

Council identified and prioritised the Western Cape and North West provinces for the 2022/2023 promotion of Professional Teaching Standards. Planning sessions with Western Cape and North West stakeholders were held to prepare for the process. The Council used a variety of strategies to promote the Professional Teaching Standards, like virtual sessions, face-to-face sessions, sharing the Professional Teaching Standards hard copies, electronic copies, and outreach sessions.

During Quarter one and two of the financial year 2022/2023, the Council promoted the Professional Teaching Standards in the Western Cape for the members of the Teacher Union, the South African Democratic Teachers Union (SADTU). The Professional Teaching Standards were promoted in the following regions of the Union: Karoo, South Coast, Lydia Simons, and Boland region of the SADTU Western Cape Province. Six hundred forty-three (**643**) members of the SADTU Western Cape Province actively participated during all the Professional Teaching Standards sessions. The Western Cape SADTU branch, region, and provincial leaders participated in the Promotion of the Professional Teaching Standards workshops. Among the leaders were PL 1 educators, Departmental Heads, Deputy Principals and Principals. During Q3 and Q4, Council worked with NAPTOSA in Western Cape, where Professional Teaching Standards were distributed, and introductory discussions held on PTS.

Council conducted face-to-face sessions with the Northwest Department of Education, and the attendees were educators, departmental heads, deputy principals and Principals. The sessions were conducted in all the sub-regions of the district. In addition to these sessions, Council conducted an additional 12 face-to-face workshops in the Ngaka Modiri Molema District Education of The North West Department of Education. One thousand two hundred forty-five (**1245**) educators attended the Professional Teaching Standards sessions, facilitated in the district of Ngaka Modiri Molema.



Northwest Department of Education worked with Council to further conduct a dedicated session for Union officials. On the 25<sup>th</sup> of January, the Council Presented the Professional Teaching Standards to the leadership of the North West (NW) South African Democratic Teachers Union (SADTU) North West National Professional Teachers Organisation of South Africa (NAPTOSA), North West Professional Educators Union (PEU), North West- South Afrikaanse Onderwyser Unie (SAOU) in a collaborative session commissioned by the North West Provincial Education Department. The session included the District Teachers Centre Managers, Senior Education Specialist and Deputy Chief Education Specialist. Professional Teaching Standards 1 and 2 were promoted. Lastly, the hard copies were distributed during an outreach session held in Mafikeng, North West Province.

Council explored all the opportunities that emerged, including promoting the Professional Teaching Standards to the walk-ins applicants at the Council Head Office in Centurion. The walk-inns applicants included the final year student teachers, Newly Qualified Educators, and practising and experienced educators. The hard copies of the Professional Teaching Standards were also shared with these applicants. Some applicants requested the electronic version of the PTS.

Additionally, the Council distributed hard copies of the Professional Teaching Standards to the schools around Centurion, promoted PTS to 111 SADTU officials in Gauteng Province and engaged in introductory sessions. Communication and collaboration proved to be vital during the PTS promotion sessions.

Council shared the Professional Teaching Standards with providers so that they make sure they are aware and that going forward, they consider these standards when developing their professional development Programmes. This process will create an opportunity to provide professional development opportunities aligned with the standards.

### **Highlights of the sessions for the financial year**

The Professional Teaching Standards awareness level of the applicants was satisfactory and encouraging. The applicants requested the Council to prioritize the Newly Qualified Teachers in awareness and promotion sessions. The attendees appreciated that the Council promoted the Professional Teaching Standards on social media platforms and other platforms to reach out to teachers all over the breadth and the length of our country.

During the discussions, the participants appreciated the sessions and highlighted that Professional Teaching Standards will help establish consistent expectations for teacher performance and ensure that all educators are held to the same standards.

Teachers appreciated that the Professional Teaching Standards would assist them to ask critical questions regarding their commitment to the profession, their skills and knowledge.



Furthermore, the Professional Teaching Standards will help them to identify their strengths and areas for improvement.

The Professional Teaching Standards will serve as a safe space for reflection. The teachers highlighted using the Professional Teaching Standards to examine their attitudes, beliefs, and values critically.

The participants highlighted that Professional Teaching Standards would help increase public confidence in them as educators, which will help build trust between educators, parents, and the wider community. This process will also be enhanced by the fact that the standards are shared broadly to all.

### **Challenges:**

Since Professional Teaching Standards were new to teachers, they had different perceptions and ideas of the concept. Teachers were concerned that the Professional Teaching Standards may be used as a recruitment or an interview-related tool or criteria. This concern was cleared. Clear and effective communication will always be used to help ensure that everyone understands the importance of professional standards and how they will be implemented.

Overall, the initial promotion of professional teaching standards presented some challenges like time limitations, resistance by some attendees, and lack of resources- especially for virtual sessions for some attendees.

Lessons were learnt from the promotion of PTS- 2022/2023, and considerations for the future included leveraging the media platforms and advocacy strategies that Council could access. Also, more collaboration with school leaders to mobilise and inspire staff to embrace the PTS is needed.

Adequate time, resources, and support emerged as enablers to mitigate against barriers to the promotion of PTS. Clear communication and collaboration about the Professional Teaching Standards appeared as vital. Collaboration with the Department of Basic Education, Provisional Departments and Unions to promote and raise awareness about the Ten PTS among teachers and school leaders proved to be essential.

Teachers' knowledge and understanding regarding the Professional Teaching Standards were lower when Council started promoting the PTS. However, during the reflection sessions, they confirmed that promoting Professional Teaching Standards has a significant positive impact on the quality of education. Council will continue creating and promoting Professional Teaching Standards until all of them are known by all teachers. Council will continue using effective communication channels, such as emails, regular sessions, and social media, to keep stakeholders informed and involved in promoting Professional Teaching Standards. Finally,



Council will continue to work hard to sustain and accelerate growth in performance on the promotion of Professional Teaching Standards and address weak areas.

### **Teacher Professionalisation Interventions in the Teacher Education in the Teacher Education and Development Continuum.**

Teacher professionalisation interventions refer to a range of strategies aimed at improving teachers' knowledge, skills, and practices to enhance the quality of education they provide. These interventions are designed to support the ongoing development and growth of teachers throughout their careers, with the goal of ensuring that they are equipped with the tools and knowledge necessary to meet the diverse needs of their students. During the financial year 2022/2023, the Council conducted the teacher professionalisation student educator's interventions with the Higher Education Institutions (HEI)

The higher education intervention sessions were held with different public and private higher education institutions. The Council engaged the student educators differently from the first-to fourth-year student educators, and those in the Post Graduate Certificate in Education. The goal of teacher professionalization interventions for student teachers was to prepare them for successful careers as effective educators who can meet the diverse needs of their students.

### **Teacher Professionalisation Intervention Session in the Teacher Education Continuum**

The Council conducted the Teacher Professionalisation Intervention sessions with the Principals of the Accelerated Education Enterprise services (AEE). The reflection sessions were held to ascertain whether the knowledge, skills and experience gained from the previous sessions held during the quarter one and quarter two sessions were utilised, helpful and relevant in their different workplaces. The session focused on the experience of the principal's utilisation of the knowledge, skills, values, and knowledge acquired during the first session of the Professional Teaching Standards. Also, in the financial year under review, the Council, in collaboration with the Cape Teaching and Leadership Institute, conducted an intervention session with the deputy principals and principals of the Western Cape Education Department.

Furthermore, the Council had an intervention session with the National English Teachers of South Africa (NAETSA). The NAETSA was attended by representatives from all the nine (9) provinces of South Africa. Similarly, the Council held a session for the JG Fellowship fourth-year student educators.



### Linking performance with budgets

	2021/2022			2022/2023		
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional Teaching Standards	600	603	-3	1 000	973	27
<b>Total</b>	<b>600</b>	<b>603</b>	<b>-3</b>	<b>1 000</b>	<b>973</b>	<b>27</b>

### Strategy to overcome areas of underperformance.

N/A



## PROGRAMME 6: Research

**Purpose:** To enhance advisory role and decision-making processes that are evidence-based and data-driven.

### Sub-programme 6.1: Research Reports

**Purpose:** To produce research reports in line with the SACE research agenda

### Sub-programme 6.2: Data Management

**Purpose:** To ensure data-driven decision-making processes and periodic reports on the state of the teaching profession



Programme 6: Research								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improved advisory role	Completed research reports	6.1.1. Number of completed research reports	2	3	2	3	+1	Additional research was conducted at the request of an employee of the Council.
	Completed statistical reports	6.2.1 Number of completed statistical reports	-	2	1	1	0	N/A



## Narrative-Highlights for the 2022/2023 Financial Year

The formulation of the SACE Act makes it mandatory rather than optional for SACE to advise the Minister of Basic Education. Thus, it is vital that Council participates in research that informs policies so that it is better positioned to advise the Minister when needed and, most importantly, research that will enhance and regulate the status of the teaching profession.

### Basic Education Paraprofessionals in the South African context:

As a custodian of the teaching profession, SACE has a responsibility to protect, develop and enhance the status and image of the teaching profession. Accordingly, the introduction and employment of the 300 000 education and general assistants in schools countrywide through the Basic Education Employment Initiative (BEEI) came at an opportune time when Council is going through a self-renewal process by reviewing and repositioning itself as a professional self-regulatory body.

The purpose of this study was to explore the introduction of paraprofessionals in schools in supporting teaching and learning processes and professional educators in various ways. Also, the study was to look at the kind and levels of qualifications and skills required for paraprofessionals to support teaching and learning effectively. This study was conducted against the backdrop of SACE professionalising the teaching profession, protecting the status and prestige of the teaching profession, and its self-renewal process. Consequently, SACE intends to work collaboratively with the Gauteng City Region Academy, the ETPD-SETA, and other stakeholders to explore the effects of the currently employed education assistants in the provisioning of support to the educators (including School Management Teams - SMTs) and enhancing teaching and learning in schools.

The study was commissioned with clear objectives:

- Benchmark with several national and international professional regulatory bodies to explore best lessons and best practice.
- Explore the structures of the current PYEI-BEEI and Gauteng City Region Academy and their intended intermediate outcomes.
- Explore the current entry requirements/qualifications and continued support of Education Assistants if they sufficiently meet the intended outcomes.
- Explore what ongoing developmental needs and support are needed for paraprofessionals.
- Make recommendations about how the permanent introduction of paraprofessionals in the sector can be used to provide support to teachers and learners.
- Provide an understanding of how the interventions have affected the assistants, schools, principals, teachers, classrooms, and learners.
- Explore the kind of training and qualifications that would be appropriate for the paraprofessionals.

Make recommendations and advice about how the introduction of paraprofessionals will impact the sector and how best to prepare the sector to ensure that paraprofessionals are adequately utilized to improve the schooling system.



### Strategic Plan Mid-Term Assessment

The Department of Planning, Monitoring and Evaluation (DPME) revised the framework for Strategic Plans and Annual Performance Plans. Chapter 8, Section 8.3.1 provides for the process for the midterm assessment of strategic plans. It further indicates that a Mid-term Assessment Report provides information about progress on implementing the institution's Strategic Plan after the first two and a half financial years of implementation, with reference to the delivery of outcomes in relation to the priorities of the government.

The current SACE Strategic Plan 2020-2025 is expected to run until 2025. In compliance with this requirement, the Council appointed the Enterprise University of Pretoria to undertake this project. The results of the assessment will assist Council in implementing changes for the remaining years of the Strategic Plan 2020-2025 and informing plans for the next planning cycle of the Strategic Plan and Annual Performance Plans.

The strategic plan mid-term assessment project was completed in November 2022, and the Minister approved the report on 09 December 2022, with it being coordinated by the research division.

### Teacher supply and demand

The quality education of the nation is largely dependent on the demand and supply of teachers. Demographic trends, learner enrolment, and learner progression rates are some variables that affect the demand for teachers.

As the guardian of the teaching profession, SACE is obligated to maintain, advance, and enhance that status and reputation. The Council is fully committed to carrying out empirically supported research that is competitive both locally and globally. SACE also thrives in contributing to the sharing of knowledge to promote educational excellence. Council is dedicated to creating a setting that supports activities consistent with advancing the teaching profession, with the Council's vision and mission.

On 01 March 2023, SACE appointed 11 temporary data capturers to capture the data of registration from the 2019-2022 financial year. This project aims to capture information that is not on the SACE electronic database with more focus on the area of specialisation to contribute to existing research on teacher supply and demand. The project is envisioned to run until the end of the 2024/25 financial year, with milestones and a preliminary report produced in 2023/24.

### Data Management

The Council analysed data from the Professional Development 4.3.3 indicator on the percentage of endorsed activities monitored.

This report entails monitoring compliance in the delivery of quality-based activities approved and endorsed by the Council. The virtual site visit instrument was developed to conduct virtual site visits and solicit feedback from the participants attending the training being conducted. The feedback is consolidated into a spreadsheet of information showing who has been part of the training and how they found it.

*Findings:*



- The data shows that most activities monitored are in Gauteng and the Western Cape, followed by Limpopo.
- The Eastern Cape, Northwest, Free State and KwaZulu-Natal show the least number of activities participated in and assessed.
- IQMS is the most assessed activity and indicated the most interest by educators.
- The majority of the participants felt that the activity they attended was relevant and built knowledge and understanding.
- There are also a number of activities where only a few participants responded to the virtual site monitoring tool, which does not give a accurate assessment of the activity.

#### *Recommendations:*

- The virtual site monitoring tool needs to be revised in order to add fields that will provide Council with more data from the participants. For example, more demographical data such as age, gender and years of experience would provide more detailed information about the type of educators participating in these activities.
- An understanding of indicator 4.3.3 and what it seeks to achieve, the virtual monitoring site tool is used by participants to assess the activity they participate in and offered by SACE-approved and endorsed providers, and not necessarily to monitor.
- It would be vital for Council to monitor a provider who offers a certain activity IQMS continuously to ensure the quality of the activity's delivery .
- Monitoring requires a continuous method of checking a certain aspect, and currently, the tool "monitors" an activity once and not on a continuous basis.

### **Teachers' Rights, Responsibilities and Safety (TRRS) Programme**

A facilitator guide and participant workbook were developed and are also readily available for teachers to capacitate themselves on safety and security issues in schools. In addition, an online self-study course programme on the handbook has been developed in collaboration with VVOB and is available to all teachers and SACE stakeholders.

#### **Policy Brief:**

SACE Act no. 31 of 2000 as amended Section 5 (b) (ii) states that: "must advise the Minister on matters relating to the education and training of educators". Therefore, to that effect, the Council developed the research agenda and policy, which outlined numerous processes. One of the outputs of the TRRS programme was to develop a policy brief on Teachers' Rights, Responsibilities and Safety and submit it to the Minister of Basic Education. The Council submitted the policy brief to the minister, who acknowledged the submission.

#### **Conference attendance and presentation of papers**

The Council presented a paper on the TRSS programme at the Africa Federation of Teaching Regulatory Authorities 9th Teaching and Learning Conference & 11th Roundtable, Ghana, May 29-June 2, 2022, AFTRA conference in Ghana under a Theme: "Unpacking teaching and learning in Africa". The paper was well received by the conference delegates.



## Virtual Library

In support of the Presidential and Ministerial priority on reading, SACE launched a Virtual Library to promote reading for the profession. The SACE virtual library presents reading opportunities for SACE registered educators, employees and stakeholders access to various digital resources that will contribute to their knowledge, material development, teaching and learning journey. The virtual library has more than 50 000 free reading materials. In the 2022/23 financial year, the virtual library had an overall number of 2554 signed-up educators. The educators requested books in the library. We have noted that most educators utilising the virtual library predominantly request CAPS-related material. The Council purchased books totalling R150 000, which stay in the library for further use by the educators.

## SACE Book Club

In the quest to inspire a credible teaching profession and to strengthen the human capital of Council, which is pivotal in delivering the mandate of SACE as per the Strategic Plan 2020-2025, the Council has established a book club and held two sessions for its staff members in the current reporting period. This is in support of the SACE goal to instil reading in the teaching profession and in line with the Presidential and Ministerial priority on reading. The book club targets staff members interested in reading and participating in discussions on various topics and books.

### Linking performance with budgets

Programme/activity /objective	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	1 000	615	385	1 400	753	647
Research	<b>1000</b>	<b>615</b>	<b>385</b>	<b>1400</b>	<b>753</b>	<b>647</b>

### Strategy to overcome areas of underperformance.

N/A



## 5. REVENUE COLLECTION

Source of Revenue	2021/2022			2022/2023		
	Estimate	Actual Amount Collected	(over)/under collection	Estimate	Actual Amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Registration; reprints & Re-instatement	9 000	15 688	-6 688	11 000	16 512	-5 512
Rental Income	0	258	-258	0	0	0
Recoveries	0	11	-11	0	13	-13
Other income	0	102	-102	0	71	-71
Interest received	1 800	1 715	85	2 800	4 091	-1 291
CPTD government Grant	21 748	18 909	2 839	18 368	15 528	2 840
Membership fees	80 100	81 193	-1 093	90 110	91 206	-1 096
Fines	501	772	-271	700	986	-286
Total	113 149	118 648	-5 499	122 978	128 407	-5 429

## 6. CAPITAL INVESTMENT

Infrastructure projects	2021/2022			2022/2023		
	Estimate	Actual Expenditure	(over)/under expenditure	Estimate	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Projects	0	0	0	0	0	0





**SACE**

South African Council for Educators

*Towards Excellence in Education*

## **PART C**

# **GOVERNANCE**





## 1. INTRODUCTION

The South African Council for Educators is regulated by SACE Act No. 31 of 2000 as amended by the Basic Education Laws Amendment Act (No. 15 of 2011). SACE is a statutory and Self-Regulating body for the Teaching Profession. Chapter Two of the SACE Act. 31 of 2000 defines and explains the entity's powers and duties.

### **The role of Council in relation to registration**

The Council determines the minimum criteria and procedures for Registration or Provisional Registration

Consider and decide on any application for Registration or Provisional Registration.

Keep a register of the names of all persons who are registered or provisionally registered.

Determine the form and content of the registers and certificates to be kept, maintained or issued in terms of the Act.

### **The role of Council in the promotion and development of the Education and training in the profession**

The Council must Promote, Develop and Maintain a professional image

- Advise the Minister on matters relating to the education and training of educators
- Research and develop a professional development policy
- Develop resource materials to initiate and run training programs, workshops, seminars and consultations with employers to enhance the Profession and Manage a system for the promotion of the Continuous Professional Development System for educators

### **1.3. The Role of Council with regard to Professional Ethics**

Compile, maintain and review from time to time the code of Professional Ethics for educators who are registered or provisionally registered with the Council and Conduct Disciplinary procedures against educators who transgressed the code of conduct.

### **1.4. Council Charter**

The Council recently adopted Council and Committee Charters that regulate meeting attendance and quorum for the smooth functioning of Council Structures. All Council and Executive Committee meetings were held according to the schedule, and no single meeting did not sit due to lack of quorum or non-attendance by the Chairpersons for the period under review.



### **1.5. Code of Conduct**

SACE has two sets of codes of conduct, regulating the behaviour of staff members and Councillors during the performance of their duties as staff and Councillors, respectively. No Councillor was subjected to any form of disciplinary hearings for the period under review, whilst employment contracts for two employees were terminated due to misconduct after following due processes. Staff and Councillors adhere to the sets of Code of Conduct, and the termination rate remains at 1,6 % of total staff employment.

### **1.6. Health and Safety Matters**

In handling the Health and Safety matters, the Council is guided by the Health and Safety Act. 85 of 1993 as amended. Health and Safety Committee (Task Team) has been established, and Health and Safety Representatives have been appointed from staff members in all SACE Offices. The Committee advises the Council on matters related to Health and Safety and ensures that the Council tries to adhere to the stipulations of the Act. Emergency and Evacuation procedures are established as part of Health and Safety protocols, and Fire/Emergency evacuation exercises are periodically conducted to prepare staff and Client evacuations during such emergencies. The Health and Safety task team has been trained on their responsibilities and was previously trained on firefighting.



## 2. PORTFOLIO COMMITTEE (PC)

Date	Committee	Topic for Discussion	Matters Raised by the Committee	How the entity addressed the matters raised
28 March 2023	Portfolio Committee	SACE & Umalusi 2023/24 Annual Performance Plan	<ul style="list-style-type: none"> <li>SACE to explain the omitted update of trends on corporal punishment in the presentation.</li> <li>What measures are implemented to reduce the number of disciplinary hearings of educators due to corporal punishment?</li> <li>SACE will explain how it will aid ECD practitioners' development and professionalism to improve learners' cognitive development following the ECD migration to mainstream education as of 1 April 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Cases reported at schools are also reported to the DBE, ELRC, and the criminal justice system. It is challenging for SACE to have a plan, as it has limited resources and capacity.</li> <li>A review and analysis process is required to manage corporal punishment and sexual misconduct cases. The broader GBV challenges in the country also contribute to GBV in schools.</li> <li>Regarding ECD issues, the ECD shift came through the DBE. SACE collaborated with the DBE Chief Directorate on ECD matters and participated in the steering committee.</li> </ul>
18 Oct 2022	Portfolio Committee	Department of Basic Education, Umalusi & SACE Annual Report 2021/22; with Deputy Minister	<ul style="list-style-type: none"> <li>Had SACE done a customer survey to determine why teachers would rather walk to the offices than use the online system to submit their data?</li> <li>Misconducts that warranted SACE acting on the spot, citing sexual assault and corporal punishment</li> </ul>	<ul style="list-style-type: none"> <li>Turnaround time was immediate. This was perhaps why online was not preferred because all the quality assurance processes were in-person. The system took about ten days, as a workflow chain must be followed.</li> <li>This was one area where SACE conducted advocacy action more than in any other area, followed by corporal punishment.</li> </ul>



### 3. EXECUTIVE AUTHORITY

The PFMA, Treasury Regulation 26.1 and Section 4.4 of the Framework of Strategic Plans and APPs prescribe that the Accounting Authority is to submit Quarterly Performance Reports to the Executive Authority within 30 days after the end of each quarter, concerning monitoring delivery against quarterly performance targets. During the 2022/23 financial year, the Council fully complied with the above-mentioned compliance reporting requirement. Accordingly, the Council's Quarterly Performance Reports, which outlined SACE's performance against the 2022/23 APP, the Council's financial performance and position, as well as the state of the Council's governance environment, were prepared and approved by the Council and submitted to the Executive Authority.

### 4. ACCOUNTING AUTHORITY

The Council is established in terms of the SACE Act no. 31 of 2000 as amended. The Council is the Accounting Authority of the South African Council for Educators (SACE) as a public entity. Thus, the Council constitutes a fundamental base for applying corporate governance principles in the public entity. According to the PFMA, all public entities should be headed by and controlled by an effective and efficient Board (Council), comprising the appropriate mix of members representing the necessary skills to guide the public entity strategically.

The Council should also give strategic direction to the public entity. Section 6 of the SACE Act establishes the Council by stating that it shall govern SACE. The Council is the Accounting Authority of SACE as defined by Section 49 (2)(a) of the PFMA. The Council has adopted the King IV Report on Corporate Governance as a guiding tool to adhere to good corporate governance principles.



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
Mr. Lucky Goodman Mabutho Cele	Chairperson	01 <sup>st</sup> August 2021	N/A	Secondary Teachers' Diploma, Diploma in Labour Law, Certificate in Project Management, Advance Certificate in Education – Professional Development and Bed. Honours – Education Management. Master's in education – Leadership, Management and Policy, Currently reading for a Master's Degree – Public Management and Administration.	Education and Organised Labour	SADTU-SACCO, OLD MUTUAL EDUCATION TRUST (OMET), AFTRA	Ex- officio	3 COUNCIL 8 EXCO
Ms. Veronica Hofmeester –	Chairperson of PRODCO	01 <sup>st</sup> August 2021	N/A	BA. B. ED. M. ED	Education and Organised Labour		Professional Development Committee	8 EXCO 5 PRODCO 3 COUNCIL
Dr. Louis H. Swanepoel	Chairperson of TEPCO	01 <sup>st</sup> August 2021	N/A	B. Comm, HED, B. Comm (Honours – Economics), M. Comm (Economics), PhD. (Educational Management)	Education and School Leadership	South African Education Foundation. South African Comprehensive Assessment Institute (SACAI)	Teacher Professionalisation Executive Committee	3 COUNCIL 8 EXCO 4 TEPCO
Mr. Elphus Maseko	Member	01 <sup>st</sup> August 2021	N/A	BSc	Strategic Management	Land Surveying	Registration, Advocacy and	4 REGCO 4 ADVOCO 3 COUNCIL



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
							Communications Committee	
Dr Hendrik Jaco Deacon	Member	01 <sup>st</sup> August 2017	N/A	LLB (University of Orange Free State).  LLM (University of Orange Free State).  LLD (University of Free State)	Education & Labour law	Director of the Afrikaanse Onderwys Netwerk.  Trustee at Education Development Trust.  Trustee at the Rapport Onderwysfonds.  Trustee at Fichie Klub 200.  Trustee of two-family trusts.	Ethics Committee	4 ETHCOM  3 COUNCIL
Mr. John William Bester	Member	01 <sup>st</sup> August 2021	N/A	Higher Diploma in Education	School Management	Michael Mount Waldorf School Southern African Federation of Waldorf Schools	Professional Development Committee	4 PRODCO 2 COUNCIL



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
						Bryanston Organic and Natural Market European Council of Waldorf Schools South African Council of Educators National Alliance of Independent Schools		
Prof Lesley Le Grange	Member	01 <sup>st</sup> August 2021	N/A	PhD in Science/ Environment Education, MED in Science Education, B.Ed.			Teacher Professionalisation Committee	3 COUNCIL 4 TEPCO
Dr Jenny Joshua	Member	01 <sup>st</sup> August 2021	N/A	D.Ed, M. Ed in Orthopedagogics, MA in English language teaching, B. Ed, BA Education Diploma.			Professional Development and Registration Committee	3 COUNCIL 4 REGCO 5 PRODCO
Ms. Gaylin Wendy Bowles	Chairperson: Registration Committee	01 <sup>st</sup> August 2021		H. Dip Ed Bachelor of Arts FDE – CAE – Advanced Certificate in Education – Leadership, and Management –	Education and School Leadership	PCEO NAPTOSA Gauteng and Limpopo Member of NAPTOSA National	Registration Committee and Executive Committee	4 REGCO 7 EXCO 2 COUNCIL



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
						Executive Committee		
Adv Puseletso Loselo	Member	01 <sup>st</sup> August 2021	N/A	B. Juris LLB LLM- International Law	Legal	Servimix 108 CC	Ethics Committee	2 COUNCIL 3 ETHCOM
Ms. Nolitha Mboniswa	Member	01 <sup>st</sup> October 2021	N/A	Advanced Programme in Human Resource Management, Certificate in Sports Management, Project Management, Higher Diploma in Education. BA			Advocacy and Communications, Ethics Committees	4 ETHCOM 3 ADVOCO 3 COUNCIL
Ms. Agnes Nhlapo	Member	1 <sup>st</sup> August 2021	03 <sup>rd</sup> October 2022	Diploma in Education Advanced Certificate in Education			Registration Teacher Professionalisation committees	2 REGCO 2 TEPCO 1 COUNCIL
Mr. Tseliso Ledimo	Member	01 <sup>st</sup> August 2021	N/A	BA Education; Hon BA Psychology; Project management; Cert in financial & accounting principles for public entities; Labour law in Education	Education and Organised Labour	Matthew Goniwe School of Leadership and Governance Board	Advocacy and Communications	2 ADVOCO 1 COUNCIL



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
Mr. Tabile Kunene	Member	01 <sup>st</sup> August 2021	N/A	Higher Certificate in Economic Development; Project management; Senior Teachers Dip; Case handling & grievance procedure	Education and Organised Labour		Advocacy and Communications, Registration Committee	2 COUNCIL 3 ADVOCO 3 REGCO
Ms. Lindiwe Motshwane	Member	01 <sup>st</sup> August 2021	N/A	Senior Teachers Diploma, ACE. Postgraduate Diploma in Public Management	Education and Organised Labour		Finance committees	6 FINCO 2 COUNCIL
Ms. Nomarashiya Caluza	Member	01 <sup>st</sup> August 2021	N/A	SPTD; Advanced Dip in Practical Labour Law; ACE	Education and Organised Labour		Registration and Teacher professionalisation Committees	3 COUNCIL 3 REGCO 2 TEPCO
Mr. Nkosiphendule Ntantala	Chairperson Ethics Committee (2021-2025)	01 <sup>st</sup> August 2021	N/A	BA (Ed)	Education and Organized Labour		Ethics committee Finance Committee Executive committee	5 ETHCOM 3 COUNCIL 6 FINCO 7 EXCO
Mr. Mokholoane Samuel Moloji	Member	01 <sup>st</sup> August 2021	N/A	STD(Tech); FDE	Education and Organised Labour		Staffing Committee Finance Committee	3 COUNCIL 5 STAFFCO 5 FINCO
Mr. Walter Hlase	Chairperson: Staffing Committee	01 <sup>st</sup> August 2021	N/A	Secondary Education Dip; ACE; Hon BA; Advanced cert in labour law	Education and Organised Labour		Staffing committee and Executive Committee	6 STAFFCO 3 COUNCIL 7 EXCO



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
Mr. Jonovan Rustin	Member	01 <sup>st</sup> August 2021	09 <sup>th</sup> February 2023	Senior Primary Teachers Diploma Further Diploma in Education – School Management	Education and Organised Labour		Ethics and Risk and Audit committees	3 ETHCOM 4 R&A 2 COUNCIL
Mr. Sello Sethusha	Member	01 <sup>st</sup> August 2021	N/A	Dip in Education; BA; B. Ed; Btech in Human Resources Management			Registration and Professional Development	4 REGCO 5 PRODCO 2 COUNCIL
Mr. Siphiwe Dlamini	Member	03 <sup>rd</sup> October 2022	N/A	PTC; Primary Teachers Diploma; Further Diploma in Education; Bed Honours	Education and Organised Labour		Registration Committee and Ethics Committee	1 REGCO 2 ETHCOM 2 Council
Ms. Cheryl Weston	Member	01 <sup>st</sup> August 2021	N/A	B. Ed, Hon (ICT) IN Education; ACE; Higher Diploma in Education; Diploma in Education			Teacher Professionalisation committee	2 TEPCO 2 COUNCIL
Ms. Ella Mokgalane	Chief Executive Officer	01 August 2021	N/A	BprimEd; Bed Hon, Post-Grad Diploma in Education, Human Resource Management Diploma, Postgraduate Diploma in Management, Masters of Management in Public policy; Cert Financial accounting			<i>All Committees</i>	5 ETHCOM 3 COUNCIL 3 REGCO 8 EXCO 4 FINCO 2 STAFFCO 4 ADVOCO



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
				principles for public entities				
Ms Faseega Solomon	Member	01 August 2021	N/A	Diploma in Education, Senior Primary Education, Bachelor of Education, Higher education Diploma, Bachelor of Arts	Education and Organised Labour		Professional Development and Teacher Professionalisation Committees	5 PRODCO 3 TEPCO 3 COUNCIL
Ms Brenda Mbatha	Chairperson of ADVOCO	01 July 2019	N/A	Junior Primary Teachers Diploma, Higher Diploma in Education, Bed, Diploma in Human Resource Management	Education and Organised Labour		Staffing Committee and Advocacy and Communications Committee Executive Committee	6 STAFFCO 4 ADVOCO 8 EXCO 3 COUNCIL
Prof. Sarah Gravett	Member	01 August 2021	N/A	Diploma in Education, Masters in public Entities, Diploma in Human Resource Management and Development. Master of Education in Educational Leadership and Development (Current)			Teacher Professionalisation Committee	2 TEPCO 2 COUNCIL



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g., Audit committee / Ministerial task team)	No. of Meetings attended
Mr George Themba	Chairperson for FINCO	01 August 2021	N/A	University Diploma in Education (Secondary), National Higher Diploma in Education Management, Bed Honours, Project management in education, ACE in School Leadership, E-school Law for Educators, Certificate -Finance for Non-Managers Programme	Education and Organised Labour	Non-executive Director; SIHOLD	Finance Committee and Executive Committee	6 FINCO 9 EXCO 5 COUNCIL
Mr Mkhuseli Dubula	Member	1 <sup>st</sup> August 2021	N/A	BA in Education, Certificate in Labour Law in Education	Education and Organised Labour		Professional Development Committee	6 PRODCO 3 COUNCIL
Mr Senzo Mpalala	Member	1 <sup>st</sup> August 2021	N/A	Secondary Teachers Diploma in Education, Advance Certificate in Education, Certificate in Project Management, Higher Certificate in Economic Development, BED Honours (current)	Education and Organized Labour		Staffing Committee	4 STAFFCO 2 COUNCIL



## 5. COMMITTEES

### Council committees 01 April – 31 March 2023

Committee	No. of meetings held	No. of members	Name of members
Executive Committee	8	09	<ul style="list-style-type: none"> <li>• Mr M. Cele</li> <li>• Mr W. Hlaise</li> <li>• Mr N Ntantala</li> <li>• Dr L. Swanepoel</li> <li>• Mr Themba</li> <li>• Ms. V Hofmeester</li> <li>• Ms B Mbatha</li> <li>• Ms. G Bowles</li> <li>• Ms E. Mokgalane</li> </ul>
Registration Committee (REGCO)	4	08	<ul style="list-style-type: none"> <li>• Ms. G Bowles</li> <li>• Mr E. Maseko</li> <li>• Ms N. Caluza</li> <li>• Mr S. Sethusha</li> <li>• Mr T Kunene</li> <li>• Ms A Nhlapo (Resigned in October 2023, replaced by Mr S Dlamini on 1 November 2022)</li> <li>• Dr. J Joshua</li> <li>• Ms E. Mokgalane</li> </ul>
Ethics Committee (ETHCOM)	6	08	<ul style="list-style-type: none"> <li>• Mr N Ntantala</li> <li>• Mr T. Geza (Non- Councillor)</li> <li>• Dr J. Deacon</li> <li>• ADV P Loselo</li> <li>• Mr J. Rustin (Resigned on the 9<sup>th</sup> of February 2023)</li> <li>• Mr S. Tjebane)</li> <li>• Mr S Dlamini</li> <li>• Mr J. Eastes (Non- Councillor)</li> <li>• Ms N Mboniswa</li> <li>• Ms E. Mokgalane</li> </ul>



Committee	No. of meetings held	No. of members	Name of members
Professional Development Committee (PRODCO)	6	8	<ul style="list-style-type: none"> <li>• Ms. V Hofmeester</li> <li>• Mr M Dubula</li> <li>• Ms F Solomon</li> <li>• Mr W. Bester</li> <li>• Mr S. Sethusha</li> <li>• Ms. R Ledwaba (Non- Councillor)</li> <li>• Prof Lebeloane (Non- Councillor)</li> <li>• Ms E. Mokgalane</li> </ul>
Finance Committee (FINCO)	6	8	<ul style="list-style-type: none"> <li>• Mr G Themba</li> <li>• Mr N. Ntantala</li> <li>• Mr M Moloi</li> <li>• Mr G. Clark</li> <li>• (Non- Councillor)</li> <li>• Ms ME Mokoele (Non- Councillor)</li> <li>• Ms L Motshwane</li> <li>• Dr M Pillay (Non- Councillor)</li> <li>• Ms E. Mokgalane</li> </ul>
Staffing Committee (STAFFCO)	6	7	<ul style="list-style-type: none"> <li>• Mr W. Hlase</li> <li>• Mr S Mpalala</li> <li>• Mr M. Moloi</li> <li>• Mr S. Tjebane</li> <li>• Ms B Mbatha</li> <li>• Mr T. Geza (Non- Councillor)</li> <li>• Ms E. Mokgalane</li> </ul>
Advocacy and Communication Committee (ADVOCCO)	4	7	<ul style="list-style-type: none"> <li>• Ms B Mbatha</li> <li>• Mr T Kunene</li> <li>• Ms N Mboniswa</li> <li>• Mr M Mafunda (Non-councillor)</li> <li>• Mr E Maseko</li> <li>• Ms E. Mokgalane</li> <li>• Ms ME Mokoele (Non- Councillor)</li> </ul>



Committee	No. of meetings held	No. of members	Name of members
Risk and Audit Committee (R & A)	5	5	<ul style="list-style-type: none"> <li>• Mr J. Rustin</li> <li>• Ms E. Mokgalane</li> <li>• Mr. N Maluleke (Non councillor)</li> <li>• Mr G. Bengell (Non-councillor)</li> <li>• Mr P Sauer (Non- Councillor)</li> </ul>
Teacher Professionalisation Committee (TEPCO)	4	9	<ul style="list-style-type: none"> <li>• Dr LH Swanepoel</li> <li>• Dr. S Besman (Non-Councillor)</li> <li>• Prof. S Gravett</li> <li>• Prof L Le Grange</li> <li>• Ms. C Weston</li> <li>• Ms. F Solomon</li> <li>• Ms N Caluza</li> <li>• Ms. A Nhlapo (Resigned on the October 2022)</li> <li>• Ms. EM Mokgalane</li> </ul>



## 6. REMUNERATION OF COUNCIL MEMBERS

From its inception, the Council adopted a non-remunerative principle for the Councillors in all Council activities. It is on that basis that only subsistence and travelling cost reimbursements are disclosed as tabulated below:

Name	Remuneration	Other allowance	Other reimbursement	Total
LMG CELE	-	-	R 76 357.56	R 76 357.56
V HOFMEESTER	-	-	R8 903.41	R8 903.41
LH SWANEPOEL	-	-	R25 529.60	R25 529.60
E MASEKO	-	-	R10 204.40	R10 204.40
HJ DEACON	-	-	R7 506.98	R7 506.98
JW BESTER	-	-	R3 000.00	R3 000.00
Lle GRANGE	-	-	R2 500.00	R2 500.00
J JOSHUA	-	-	R5 819.20	R5 819.20
GW BOWLES	-	-	R26 568.93	R26 568.93
P LOSELO	-	-	R2 500.00	R2 500.00
N MBONISWA	-	-	R5 000.00	R5 000.00
A NHLAPO	-	-	R3 000.00	R3 000.00
T LEDIMO	-	-	R3 500.00	R3 500.00
T KUNENE	-	-	R6 500.00	R6 500.00
L MOTSHWANE	-	-	R3 500.00	R3 500.00
N CALUZA	-	-	R4 500.00	R4 500.00
N NTANTALA	-	-	R6 190.00	R6 190.00
M MOLOI	-	-	R32 839.10	R32 839.10
W HLAISE	-	-	R101 108.48	R101 108.48
J RUSTIN	-	-	R5 500.00	R5 500.00
S SETHUSHA	-	-	R6 500.00	R6 500.00
S DLAMINI	-	-	R1 500.00	R1 500.00
C WESTON	-	-	R1 500.00	R1 500.00
F SOLOMON	-	-	R5 500.00	R5 500.00
B MBATHA	-	-	R119 230.28	R119 230.28
S GRAVETT	-	-	R1000.00	R1000.00
G THEMBA	-	-	R38 377.04	R38 377.04



Name	Remuneration	Other allowance	Other reimbursement	Total
M DUBULA	-	-	R4 937.84	R4 937.84
S MPALALA	-	-	R5 875.04	R5 875.04
S TJEBANE	-	-	R44 069.79	R44 069.79
T GEZA	-	-	R63 615.18	R63 615.18

## 7. RISK MANAGEMENT

Risk management is recognized as an integral part of sound organizational management. Risk management in the South African Council for Educators (SACE) derives its mandate from the Public Finance Management Act (PFMA). The Public Finance Management Act stipulates in section 51 that:

“an accounting authority for public entity-(a) must ensure that public entity has and maintains –

(B) effective, efficient and transparent system of financial and risk management and internal control;

(ii) A system of internal audit under the control and direction of an audit and risk committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77;

In line with best practice, the governance structures are in place to ensure effective management of risk management at both strategic and operational levels.

Management has designed and implemented a risk management system. The system is documented in the SACE Enterprise Risk Management Policy. The policy has been developed to achieve maximum integration of the risk management process in standard business processes. Risk management has been into the performance management system of the Council and quarterly reporting to the Audit and Risk management committee by the internal auditor. During the period under review, Management reviewed and recommended approval of the Enterprise Risk Management policy in line with their commitment to ensure risk management is integrated into the standard business processes of the entity. A detailed strategic and operational risk assessment for the organization was conducted, and the risk register was updated accordingly. The purpose of risk assessment was to identify business risks related to SACE. The risks were measured and rated in terms of impact and likelihood of occurrence.

The top risks identified by Risk Owners are prioritized in terms of their importance and are being managed and reported on accordingly. SACE identified strategic risk and developed a strategic risk register, which was submitted to the audit and risk committee. Key controls and



mitigation strategies/plans have been identified and are being implemented for both strategic and operational risks to ensure that risks are kept within the councils' risk appetite.

## 8. INTERNAL CONTROL UNIT

Internal control is a process, effected by the council, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives strategic and operational. Council established an internal control system and regularly reviewed its effectiveness and relevance. The control environment enhances the tone of risk management and provides the necessary discipline and structure. It is the foundation for all other components of risk management. The control environment includes factors such as integrity, ethical values, organizational culture, competence of people, management philosophy and operating style, a delegation of authority and responsibility, how people are organized and developed, as well as the intention and direction provided by the Council. Management is further responsible for the establishment and maintenance of an effective system of internal control. The objectives of the internal control system are, inter alia, to provide management with reasonable, but not absolute, assurance that:

- Risks are adequately managed.
- Assets are safeguarded.
- Financial and operational information is reliable.
- Operations are effective and efficient and
- Laws, regulations, policies, procedures and contractual obligations are complied with.

## 9. INTERNAL AUDIT AND AUDIT COMMITTEES

### Internal Audit

The internal audit operates within the framework of the Institute of Internal Auditors (IIA) under the direction of the Audit and Risk Committee, which approved the Internal Audit Charter, Three-year Internal Audit Rolling Plan, and Internal Audit Operational Plan. The Internal Audit Plan was informed by strategy and key risks that may impair the realization of strategic objectives and goals. The operational plan is updated annually and as the need arises to ensure that it is responsive to changes in the business. The internal audit functionally reports to the Audit and Risk Committee and administratively to the Chief Executive Officer (CEO). Internal audit is responsible for the overall preparation and execution of the risk-based audit plan and coordinating the internal audit service. It, therefore, evaluates and contributes to the improvement of risk management, internal control and governance systems within SACE.



The SACE Management is ultimately accountable for the Council's system of internal controls. These controls are designed to provide reasonable assurance regarding the achievement of the Council's objectives concerning the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Findings by the internal audit are reported to the Audit and Risk Committee at each scheduled meeting. In addition, follow-up audits are conducted in areas where significant control weaknesses are found to ensure that management adequately and effectively implements mitigating strategies. The follow-up audits are reported to the audit and risk committee to ensure accountability by management regarding implementation of the action plan.

### Audit and Risk Committee

The Audit and Risk Committee of the SACE is independent and fulfils a vital role in corporate governance by, among others, ensuring the integrity of integrated reporting and internal financial controls and the management of risk. The Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, which the Council has approved. The Committee has also regulated its affairs in compliance with the Charter and has discharged its responsibilities as contained therein. The Audit and Risk Committee is an advisory committee of the Council operating with an independent and objective stance.

The Audit and Risk Committee reports that it has operated and performed its oversight responsibilities independently and objectively in compliance with section 51(1)(a)(ii) of the PFMA and Treasury Regulations Part 3. The system of internal control applied by the Council over financial and risk management is effective. In line with the PFMA and the KING IV Report on corporate governance requirements, internal audit provides the Audit and Risk Committee and management with assurance on the appropriateness and effectiveness of the internal controls. This is achieved through the risk management process, as well as the identification of corrective actions and suggested enhancements to controls and processes.

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	Internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr J. Rustin	BA(UWC)  Financial management for non-financial managers (UNISA)	External	N/A	August 2013	N/A	5/5
Mr. N Maluleke	National Diploma Public Finance	External	N/A	August 2021	N/A	5/5



Name	Qualifications	Internal or external	Internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
	Secondary Teachers Diploma(M+3) Higher Education Diploma (M+4)					
Mr P. Sauer	Diploma in Business Management  BSC Zoology  BSCHON) Geomorphology and Biogeography	External	N/A	August 2021	N/A	2/5
Mr G. Bengell	Grade 12  PTD 3	External	N/A	November 2013	N/A	5/5



## 10. COMPLIANCE WITH LAWS AND REGULATIONS

The Council was established in terms of SACE Act No. 31 of 2000 to deliver mandatory roles as outlined in the Act. In the delivery of these mandatory functions, the Council delegated its functions to the Executive Committee and further to different sub-committees to play different roles as outlined below:

- Executive Committee, which makes decisions between Council meetings on recommendations of all Council sub-committees to ensure smooth delivery of mandatory functions. Its decisions are implementable unless overturned by Council.
- Finance Committee, Registration Committee, Professional Development Committee, Ethics Committee; Advocacy Committee; Teacher Professionalisation Committee; and Risk and Audit Committee. These committees formulate policies and keep track of regulatory frameworks to update policies that guide the operations, as well as play an oversight role in the implementation of approved policies. The sub-committees make recommendations on policy amendments to the Executive Committee, which approves and recommends to Council for final approval. The policies of Council are reviewed annually to ensure relevance to current regulations and legislation.

## 11. FRAUD AND CORRUPTION

The Council manages fraud and corruption through its fraud and prevention policy, which underwent annual review during the financial year under review.

For the year under review, the Council is unaware of any fraud allegation reported in the organisation. The SIU has started an investigation into the irregular purchase allegation against an administrative office in East London in 2021. The investigation is still underway.

## 12. MINIMISING CONFLICT OF INTEREST

The Council has reviewed its Conflict-of-Interest policy used to manage conflict of interest at all levels consistent with King IV and the Supply Chain policy. All members of governance are required to declare a conflict of interest with Council activities in addition to the continual declaration of interest in each committee meeting. Any conflicted member is recused from the discussion of the conflicted agenda items. In line with the supply chain management policy and guidelines, all SACE personnel are compelled to declare conflicts of interest or remuneration work outside of their employment annually. As part of effective internal control, proper segregation of responsibilities



amongst personnel and structures as well as a delegation of powers, were implemented in terms of the SCM policy.

### 13. CODE OF CONDUCT

The Council has reviewed its Code of Good Practice regulating the conduct of governance members and personnel during the financial year under review. The Council did not encounter any violation of the Code by governance members, while one personnel member resigned before disciplinary action could be taken.

### 14. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

SACE cares about the health and social well-being of its employees and recognises that there are a number of personal problems that negatively impact employees' personal and work lives (According to SACE HR Employee Assistance & Occupational Health & Safety Policies). The Council complies with the following set of regulations in an attempt to ensure a healthy and safe working environment for employees and clients :

- a) OHS Act 85 Of 1993, Occupational Health & Safety Act (No.85 of 1993)
- b) Compensation for Occupational Disease and Injuries Act (No.130 Of 1993)
- c) SACE EAP Policy (HR0030)
- d) SACE OHS Policy (HR0025)

**The Council conducted several employee wellness activities, including a Wellness Day where the following activities were provided: -**

- Nurses to test Hypertension, Blood sugar, Cholesterol, HIV, Body Mass Index, Heart disease and Biometric Screening.
- Stress Assessment and Management (Massages)
- Audiometry (Hearing tests)
- Optometrist
- Dietician
- Financial Wellness and Management
- Aerobics/Zumba/Pilates/Yoga
- Employee Assistance Programme (Psychologists)

The Council is now experiencing a better, healthy, and safe environment since the recently devastating COVID-19 Pandemic. Sufficient knowledge and experience have been shared in preparation to face any future pandemic that may erupt at any given time.



## 15. COMPANY SECRETARY

N/A

## 16. SOCIAL RESPONSIBILITY

As part of its Corporate Social Responsibility, SACE commemorated the 2023 Human Rights Month in collaboration with Hofmeyer High School, based in Atteridgeville, Pretoria. Through the commemoration, SACE donated sanitary towels and clothes to needy learners from the schools. The contributions made a positive impact on those school learners who are from disadvantaged communities. SACE continues to explore more corporate social networks and opportunities to advance its social activities.

## 17. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

### Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet four **(4)** times per annum as per its approved terms of reference. During the current year, five **(5)** meetings were held.

Name of member	Number of meetings attended
Mr G Bengel (Chairperson)	5
Mr N Maluleke	5
Mr J Rustin	5
Mr P Sauer	2

### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities from section 38(10)(1) of the PFMA and Treasury Regulation 3.1. The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of internal control

The system of internal controls applied by the council over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved using the risk management process, as well as the



identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the internal control system nor related deviations. Accordingly, we can report that the internal control system over financial reporting for the period under review was efficient and effective.

The quality of in-year management and monthly and quarterly reports were submitted in terms of the PFMA .

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the council during the year under review.

### **Evaluation of annual financial statements**

The audit committee has:

- Reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the External Auditor and councillors;
- Reviewed the External Auditor of South Africa's management report and management's subsequent response;
- Reviewed changes in accounting policies and practices;
- Reviewed the entity's compliance with legal and regulatory provisions; and
- Reviewed adjustments resulting from the audit.

The audit committee concur with and accept the External Auditor of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the External Auditor of South Africa.

### **Internal audit**

The audit committee is satisfied that the internal audit function is operating effectively and has addressed the risks pertinent to the council and its audits.

### **Auditors**

The audit committee met with the External Auditors to ensure that there are no unresolved issues.



**Chairperson of the Audit Committee**

**Date: 18 08 2023**



### 18. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table should be completed in accordance with compliance with the BBBEE requirements as required by the BBBEE Act and as determined by the Department of Trade, Industry and Competition. Where there has been no or only partial compliance with the criteria, the entity should provide a discussion and indicate the measures taken to comply.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	The SCM policy was reviewed, and that preferential procurement was employed for all acquisitions above R30 000.
Developing and implementing a preferential procurement policy?	YES	N/A
Determining qualification criteria for the sale of state-owned enterprises?	NO	N/A
Developing criteria for entering into partnerships with the private sector?	NO	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	NO	N/A





Towards Excellence in Education

## PART D

## HUMAN RESOURCE MANAGEMENT





## 1. INTRODUCTION

The South African Council for Educators is regulated in terms of the SACE ACT No.31 of 2000. SACE is a statutory and self-regulating body for the teaching profession responsible for the registration of educators and ensuring adherence to the ethical Code of Conduct and Professionalisation of the teaching sector. The Human Resource Management division, through its Corporate Services sub-division, is responsible for the provision of human capital and further ensure that the workforce is trained and enabled to discharge their duties for the Council to achieve its strategic objectives for the period under review.

The Human Resource Management unit, therefore, ensures that the Council is resourced adequately with human capital capable of delivering the expectations of the Council. The focus of the unit is on the following aspects among several others:

- The Workforce Planning Framework and key strategies to recruit and select employees
- Recruitment and selection of potential candidates
- Talent management and training of employees
- Employee Performance Evaluation Framework
- Maintenance of labour peace

## 2. HUMAN RESOURCE PROVISIONING

The Human Resource Provisioning is based on the Human resource Planning guided by the Job Evaluation which is conducted once in every five years. The last Job Evaluation process was conducted in 2018 and informed the current work structure and resulted with the following Organogram.

The Council has a staff complement of 123 and 40 temporary/ Intern staff for the period under review. The staff complement is led by the Chief Executive Officer (Ms Mokgalane Ella) and supported by other senior managers and thirteen managers who are responsible for the day-to-day activities of the Council and report to the Executive Committee that meets every month and Council Sub-Committees that meet once per quarter each year. It is with great pleasure to report that Council structures have been stable and consistently held their meetings.

SACE has four provincial offices (Limpopo, KwaZulu Natal, Eastern Cape and Free State) with Western Cape in the pipeline. All the Provincial Offices are resourced with necessary human Capital and continue to ensure that registration and other services are provided from those offices.

The Council is currently undergoing a severe process of review and repositioning, which has never taken place since its establishment, to comply with the new demands and dictates of changes in the education landscape, Education 4.0, debates to include Higher Education and Vocational Education in the composition of SACE and other dynamics of the changing world. This process will change the Council staff composition and general outlook of the education continuum. The review and



repositioning process takes place simultaneously as the job evaluation process to also examine the continual relevance of the workforce towards achieving the SACE 2025 strategic objectives. The result of the Review and Repositioning Project and the job evaluation process will inform the final Workforce Planning Framework.

## Skills and Training Development

The Council has adopted the Skills and Development Training Plan for the period under review based on the following Pillars: -

### a. Capacity Building for Managers

SACE managers are to be trained on the following skills in order to improve Management Capacity: -

- Office Administration
- Management and Leadership
- Project Management

Managers are registered with the Enterprise University of Pretoria for an online, phased, three-month Project Management course. About nineteen **(19)** managers and assistant managers are already enrolled on this programme.

### b. Skills Training Interventions

The Council has adopted the Skills Development Plan for the period under review, and it includes the following training interventions in the following areas.

- Customer Services intended to employees interfacing with clients on a daily basis.
- Advanced Excel Skills intended to improve skills for employees handling Capturing, processing and reporting.
- Record Keeping and report writings for staff dealing with taking minutes and maintaining Council records.
- Human Resource Management for improvement of HRM staff to improve their skills in handling recruitment and selection procedures, training and development of other staff members and maintaining of labour relations.
- Facilities Management, intended to improve the management of Council Assets
- Financial Skills, intended to improve bookkeeping and budgeting skills and other relevant Accounting Skills
- Supply Chain Management Skills, intended to improve Asset Management, Acquisition and Procurement Procedure and tender Contract Management Skills
- Investigation and Prosecution Skills specifically for our Ethics team to enhance their skills in investigating and prosecuting cases.
- Digital Case Management skills
- Forensic Auditing and Risk Identification Skills



- Planning, Evaluation and Monitoring Skills

The Council continues offering financial assistance by paying fees for employees through Employee Initiated studies. More than 40% of staff were trained during the period under review. SACE has received R400 000 discretionary funding from ETDP-SETA for formal and Skills training for the period under review.

### **Employment Equity Plan**

The Employment Equity Plan was developed and adopted in 2019. It targeted disabled people and other designated groupings less represented in the employ of SACE. Regrettably, the targets are not achieved despite attempts to recruit the designated people because the designated groupings do not declare and apply when posts are advertised. The plans are to be reviewed during the 2023/24 financial year, and we hope to find better ways to attract designated groupings to apply when opportunities are granted through advertised posts.

### **Employee Performance Management Framework**

SACE continues to evaluate employee performance through the policy and implementation guidelines as an instrument used to measure performance as collectively agreed upon. The instrument measures how employees contribute towards the achievement of set targets as espoused in the Annual Performance Plan and the 2025 strategic objectives.

### **Internship Programme**

The Council contributes towards improving skills for the graduates and enabling them to be absorbed into the labour market by offering Internship posts. About 39 internship posts were filled during the period under review. The interns were allocated to various divisions and provinces. Most of the interns who obtained their experiential learning from SACE managed to be employed by the Council itself and in other institutions of employment. The internship programme contributes towards skills improvement and job opportunities in the country.



### 3. Human Resource Oversight Statistics

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Executive, Finance, Internal Audit, Corporate	40 908	31 412	76%	56	561
Planning, M&E, Reporting and Research	4 588	3 178	69%	4	794
Registration and TP	10 163	7 951	78%	15	530
Professional Development, CPTD, Legal and Ethics	33 160	21 031	63%	33	637
Communications	19 901	5 636	28%	12	470
<b>Total</b>	<b>89 947</b>	<b>69 208</b>	<b>77%</b>	<b>120</b>	<b>577</b>
<b>Total including Interns and Temps</b>	<b>89947</b>	<b>70552</b>	<b>78.44%</b>	<b>160</b>	<b>441</b>

#### *Personnel cost by salary band*

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	5 803	8.42%	3	2
Senior Management	12 592	18.28%	11	1
Professional qualified	19 968	28.98%	28	1



Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Skilled	12 102	17.56%	26	0.5
Semi-skilled	15 312	22.22%	57	0.3
Unskilled	3 122	4.53	35	0.09
<b>TOTAL</b>	<b>68899</b>	<b>100%</b>	<b>160</b>	<b>5</b>

### *Performance Rewards*

Programme//activity/objective	Performance rewards R'000	Personnel Expenditure (R'000) R'000	% of performance rewards to total personnel cost (R'000)
Top Management	87	5803	1.5%
Senior Management	189	12592	1.5%
Professional qualified	300	19968	1.5%
Skilled	182	12102	1.5%
Semi-skilled	230	15312	1.5%
Unskilled	47	3122	1.5%
<b>TOTAL</b>	<b>1035</b>	<b>68899</b>	<b>1.5%</b>

### *Training Costs*

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Executive	7 829	8	0,1	1	8
Corporate Services	8 281	83	1	6	14
Internal - Audit	1 249	30	2.4	2	15
Finance	9 126	29	0.3	2	15



Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Registration	5 681	24	0.4	3	8
Legal & Ethics	6 192	30	0.4	4	8
Teacher Professionalization	1 543	15	0.9	2	8
Professional Development	13 749	61	0.4	3	20
PMER	2 815	80	2.8	3	27
Communications	5 272	17	0.3	2	8
Limpopo Office	1 655	56	3.4	2	28
KZN Office	2 622	9	0.3	2	4
OFS Office	1 065	9	0.9	1	9
Eastern Cape Office	1 788	2	0.1	1	2
<b>Total:</b>	<b>68 867</b>	<b>454</b>	<b>0.7</b>	<b>33</b>	<b>14</b>

### *Employment and vacancies*

	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Top Management	3	4	3	1	33%
Senior Management	12	13	11	2	18.2%
Professional qualified	27	29	26	3	11.5%
Skilled	29	33	27	6	22.2%
Semi-skilled	43	51	46	5	10.8%
Unskilled	9	8	7	2	28.6%



	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
TOTAL	123	138	120	19	15.8%

### *Employment changes*

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	1	3
Senior Management	12	1	2	11
Professional qualified	27	2	1	28
Skilled	29	1	4	25
Semi-skilled	42	1	1	41
Unskilled	9	1	1	9
<b>TOTAL</b>	123	6	10	117

### *Reasons for staff leaving*

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	8	6,5
Dismissal	2	1,6
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other		
Total	10	8,1



*Labour Relations: Misconduct and disciplinary action*

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	1
Dismissal	3
TOTAL	5

*Equity Target and Employment Equity Status*

Levels			MALE					
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	5	0	0	0	0	0	0	1
Professional qualified	13	0	0	1	0	0	1	0
Skilled	29	0	0	2	0	2	0	1
Semi-skilled	13	0	1	1	0	2	0	1
Unskilled	2	0	0	1	0	1	0	1
TOTAL	37	0	1	5	0	5	0	4



Levels			FEMALE					
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	1	0	0
Senior Management	4	0	1	0	0	1	0	1
Professional qualified	15	0	0	1	0	1	1	1`
Skilled	21	0	2	0	1	1	1	0
Semi-skilled	30	0	0	1	0	0	0	0
Unskilled	4	0	0	1`	0	1	0	1
TOTAL	76	0	3	3	1	5	2	3



Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	1
Senior Management	0	0	0	1
Professional qualified	0	0	0	0
Skilled	0	0	1	0
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
TOTAL	0	0	1	3





**SACE**

South African Council for Educators

*Towards Excellence in Education*

## PART E

# PFMA COMPLIANCE





## 1. IRREGULAR EXPENDITURE

### a) Reconciliation of irregular expenditure

Description	2021/2022 R'000	2022/2023 R'000
Opening balance	0	0
Add: Irregular expenditure confirmed	0	51
Less: Irregular expenditure condoned	0	-51
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	0	0

### Reconciling notes

Description	2021/2022 R'000	2022/2023 R'000
Irregular expenditure that was under assessment in 2022/2023	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	51
Total	0	51



b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2021/2022 R'000	2022/2023 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	51
Irregular expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>51</b>

c) Details of current and previous year irregular expenditure condoned

Description	2021/2022 R'000	2022/2023 R'000
Irregular expenditure condoned	0	51
<b>Total</b>	<b>0</b>	<b>51</b>

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2021/2022 R'000	2022/2023 R'000
Irregular expenditure NOT condoned and removed	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



## e) Details of current and previous year irregular expenditure recovered

Description	2021/2022 R'000	2022/2023 R'000
Irregular expenditure recovered	0	0
Total	0	0

## f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2021/2022 R'000	2022/2023 R'000
Irregular expenditure written off	0	51
Total	0	51

*Additional disclosure relating to Inter-Institutional Arrangements*g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None
Total: None

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2021/2022 R'000	2022/2023 R'000
Total	0	0

## i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
One officer resigned before charged in 2023



## FRUITLESS AND WASTEFUL EXPENDITURE

### a) Reconciliation of fruitless and wasteful expenditure

Description	2021/2022 R'000	2022/2023 R'000
Opening balance	2	18
Add: Fruitless and wasteful expenditure confirmed	212	8
Less: Fruitless and wasteful expenditure written off	-	-5
Less: Fruitless and wasteful expenditure recoverable	-196	-3
<b>Closing balance</b>	<b>18</b>	<b>18</b>

Description	2021/2022 R'000	2022/2023 R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	-	-
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/2023	-	-
Fruitless and wasteful expenditure for the current year	-	8
<b>Total</b>	<b>0</b>	<b>8</b>

### b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2021/2022 R'000	2022/2023 R'000
Fruitless and wasteful expenditure under assessment	0-	0-
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



## c) Details of current and previous year irregular expenditure recovered

Description	2021/2022 R'000	2022/2023 R'000
Fruitless and wasteful expenditure recovered	196	3
<b>Total</b>	<b>196</b>	<b>3</b>

## d) Details of current and previous year irregular expenditure not recovered and written off

Description	2021/2022 R'000	2022/2023 R'000
Fruitless and wasteful expenditure written off	0	5
<b>Total</b>	<b>0</b>	<b>5</b>

## e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken	
Verbal warning	
In 2021/22	1
In 2022/23	3



**ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))**

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2021/2022 R'000	2022/2023 R'000
Theft	112	0
Other material losses	0	350
Less: Recovered	-112	0
Less: Not recovered and written off	0	0
<b>Total</b>	<b>0</b>	<b>350</b>

b) Details of other material losses

Nature of other material losses	2021/2022 R'000	2022/2023 R'000
<i>(Group major categories, but list material items)</i>		
Cyber crime	0	350
Fraud related	0	0
<b>Total</b>	<b>0</b>	<b>350</b>

c) Other material losses recovered

Nature of losses	2021/2022 R'000	2022/2023 R'000
<i>(Group major categories, but list material items)</i>	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

d) Other material losses written off

Nature of losses	2021/2022 R'000	2022/2023 R'000
<b>Total</b>	<b>0</b>	<b>0</b>



Description	Number of invoices	Consolidated Value R'000
Valid invoices received	2567	43 538
Invoices paid within 30 days or agreed period	2538	41 267
Invoices paid after 30 days or agreed period	29	2 271
Invoices older than 30 days or agreed period ( <i>unpaid and without dispute</i> )	0	0
Invoices older than 30 days or agreed period ( <i>unpaid and in dispute</i> )	0	0

## INFORMATION ON SUPPLY CHAIN MANAGEMENT

### *Procurement by other means*

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
<b>Total: none</b>				<b>0</b>

### Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
<b>Total : none</b>				<b>0</b>	<b>0</b>	<b>0</b>





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## PART F

# FINANCIAL STATEMENT





## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2023

### **Council's Responsibilities and Approval**

The councillors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The councillors acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the council is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The councillors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The councillors have reviewed the council's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the council is a going concern and that the council has neither the intention nor the need to liquidate or curtail materially the scale of the council.



Although the councillors are primarily responsible for the financial affairs of the council, they are supported by the council's external auditors.

The external auditors are responsible for independently reviewing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page **122** to **131**.

The annual financial statements set out on page **133 to 177**, which have been prepared on the going concern basis, were approved by the council on 18 August 2023 and were signed on its behalf by:



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**Mr M. Cele (Chairperson)**



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**Ms M.E. Mokgalane (Chief Executive Officer)**





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## REPORT OF THE EXTERNAL AUDITOR







012 460 9885  
 043 460 9844  
 043 460 9844  
 Info.pta@a2akopano.co.za 147  
 Marais Street,  
 Brooklyn Pretoria, 0181  
 P.O. Box 342,  
 Groenkloof 0027

## Independent auditor's report to Parliament on South African Council for Educators

### Report on the audit of the financial statements

#### Opinion

1. We have audited the financial statements of the South African Council for Educators set out on pages 133 to 177, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amount for the year then ended, as well as notes to the and financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Council for Educators as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.
4. We are independent of the public entity in accordance with the *Code of Professional Conduct for auditors* of the Independent Regulatory Board for Auditors (IRBA) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

IRBA. NO. 901944-0007 • Co. Reg. No.: 1998/014078/21

**Directors:** Chairman: KJ Sithole  
 Chief Executive Officer: HAS Moosa  
 Chairman of Executive Committee: TA Maenzanise  
 List of Directors available at the registered office or national website.

**Offices in:** Gauteng, Mpumalanga, Limpopo, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West

**Website:** [www.a2akopano.co.za](http://www.a2akopano.co.za)



## Emphasis of matter

6. We draw attention to the matters below. Our opinion is not modified in respect of these matters.

### Material losses

7. As disclosed in note 7 to the financial statements, material losses of R6 496 223 were incurred as a result of write-off of membership fees.

### Restatement of corresponding figures

8. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2023.

## Other matter

9. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

### Irregular, fruitless and wasteful expenditure.

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 31 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of South African Council for Educators. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditee.

## Responsibilities of accounting authority for the financial statements

11. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act, 1 of 1999 (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.



## Responsibilities of the auditor for the audit of the financial statements

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
16. We selected the following programmes presented in the annual performance report for the year ended 2022/2023 for auditing. We selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Professional Registration	32-37	To ensure that educators engage in life-long learning to improve their professional competence.
Programme 3: Ethical Standards	38-49	The purpose of this programme is to promote and maintain ethical standards in the profession.
Programme 4: Professional Development	50-57	The purpose of this programme is to promote and maintain ethical standards in the profession.

17. We evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
18. We performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the public entity's /mandate and the achievement of its planned objectives



- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- There are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. We performed the procedures for the purpose of reporting material findings only and not to express an assurance opinion. The material finding on the performance information of the selected programme is as follows:

#### Programme 4: Professional Development

Indicator 4.1.1 Number of educators confirmed to have earned a minimum of 50 professional development points in a year

20. An achievement of 758 was reported against a target of 25 000. However, the audit evidence did not support this achievement. We could not determine the actual achievement, but we estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Indicator 4.2.1 Number of educators supported on professional matters

21. An achievement of 43 823 was reported against a target of 40 000. However, the audit evidence did not support this achievement. We could not determine the actual achievement, but we estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

#### Other matter

22. We draw attention to the matters below.

#### Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements. This information should be considered in the context of the material findings on the reported performance information.



## Material misstatements

24. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2: Professional registration, Programme 3: Ethical standards and Programme 4: Professional development programmes. Management did not correct all material misstatements and I reported material findings in this regard.

## Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
26. We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.
27. Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

## Annual Financial Statement and Annual Report

29. Financial statements were not submitted for auditing within the prescribed period after the end of financial year, as required by section 55(1) (c) (i) of the PFMA.
30. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
31. Material misstatements of current liabilities and revenue identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

## Other information in the annual report

32. The public entity is responsible for the other information. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.



33. Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
34. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. We have nothing to report in this regard.

#### Internal control deficiencies

36. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the opinion and, the findings on the annual performance report and the material findings on compliance with legislation included in this report.
  - Management did not design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information relating to user access management, programme change control and service continuity.
  - Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
  - Material misstatements were identified in the financial statements, which can be attributed to a breakdown in the quality review process by management to ensure that financial statements comply with the requirements of the relevant GRAP standards.

#### Other reports

38. We draw attention to the following engagement conducted by the Special Investigation Unit. The reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.
39. The Special Investigation Unit investigated allegations into the procurement for and acquisition of commercial property in East London at the request of Mr. Ramaphosa, President of the Republic of South Africa, under the authority of Proclamation Number R77 of 2022 (published in the Government Gazette No. 47055 dated 22 July 2022). The investigation is still in progress.



**Auditor tenure**

40. In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that A2A Kopano Inc has been the auditor of South African Council for Educators for 3 years.

A2A Kopano Inc.

**A2A Kopano Incorporated**

TA Maenzanise

Director

Registered Auditor

18 August 2023

Pretoria



## Annexure to the auditor's report

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

### Auditor's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

#### Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the public entity's audit. We remain solely responsible for our audit opinion.



## Communication with those charged with governance

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

- The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections - 51(1)(b)(i), 51(1)(b)(ii), 51(1)(e)(iii), 53(4), 54(2)(c) Sections - 54(2)(d), 55(1)(a), 55(1)(b), 55(1)(c)(i); 57(b)
National Treasury Regulations issued in terms of the PFMA	Regulations - 16A3.2, 16A6.1, 16A6.2(a) & (b) Regulations - 16A6.3 (a) &(b), 16A6.3(c), 16A6.6, 16A.7.1 Regulations - 16A.7.3, 16A.7.6, 16A.7.7, 16A8.3; 16A8.4, Regulations - 16A9.1(b)(ii), 16A9.1(d), 16A9.1(e); 16A9.1(f), Regulations - 16A9.2(a)(ii), 8.2.1 and 8.2.2, 30.1.1, 30.1.3(a) Regulations - 30.1.3(b) , 30.1.3(d), 30.2.1, 31.1.2(c) Regulations - 31.2.1; 31.3.3; 33.1.1, 33.1.
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section - 2(1)(a) and (b); 2(1)(f)
Preferential Procurement Regulations of 2017 (PPR)	Regulations - 4(1) & 4(2); 5(1) & 5(3); 5(6); 5(7); 6(8), 7(8), Regulations - 8(2); 8(5); 9(1); 10(1) & (2) & 11(1)
Preferential Procurement Regulations of 2022 (PPR)	Regulation 4(4)
Construction Industry Development Board Act 38 of 2000	Section - 18(1)
Construction Industry Development Board Regulations	Regulations – 17, 25(7A)



Legislation	Sections or regulations
Prevention and Combatting of Corrupt Activities Act 12 of 2004	PRECCA 34(1)
National Treasury Instruction note 4 of 2015/16	Paragraphs – 3.4
National Treasury Instruction 4A of 2016/17	Paragraphs – 6
National Treasury Instruction 07 of 2017/18	Paragraphs – 4.3
National Treasury Instruction 01 of 2021-22	Paragraphs – 4.1
SCM Instruction Note 02 of 2021-22	Paragraphs – 3.2.1, 3.2.4, 3.3.1,
PFMA SCM instruction note 03 of 2021/22	Paragraphs – 4.1, 4.2 (b), 4.3, 4.4, 7.2, 3.2.4 (b)





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South African Council for Educators

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## PART F

# ANNUAL FINANCIAL STATEMENTS





# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Position as at 31 March 2023

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Other financial assets	4	724 073	410 916
Receivables from exchange transactions	6	2 916 364	1 856 327
Receivables from non-exchange transactions	7	991 655	403 513
Cash and cash equivalents	8	108 002 749	105 644 746
		<b>112 634 841</b>	<b>108 315 502</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	93 961 041	94 696 438
Intangible assets	3	2 649 744	3 035 353
		<b>96 610 785</b>	<b>97 731 791</b>
<b>Total Assets</b>		<b>209 245 626</b>	<b>206 047 293</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	5	27 151 659	27 051 252
<b>Total Liabilities</b>		<b>27 151 659</b>	<b>27 051 252</b>
<b>Net Assets</b>		<b>182 093 967</b>	<b>178 996 041</b>
Accumulated surplus		182 093 967	178 996 041
<b>Total Net Assets</b>		<b>182 093 967</b>	<b>178 996 041</b>

\* See Note 28



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Registration, Reprints and Reinstatement	10	16 512 467	15 687 603
Rental income		-	257 948
Recoveries		13 000	11 443
Other income		70 630	102 120
Interest received	13	4 090 804	1 715 330
<b>Total revenue from exchange transactions</b>		<b>20 686 901</b>	<b>17 774 444</b>
<b>Revenue from non-exchange transactions</b>			
Fines		986 174	772 439
Membership fees		91 205 532	81 193 102
<b>Transfer revenue</b>			
Government transfer	14	15 528 000	17 985 000
<b>Total revenue from non-exchange transactions</b>		<b>107 719 706</b>	<b>99 950 541</b>
<b>Total revenue</b>	<b>9</b>	<b>128 406 607</b>	<b>117 724 985</b>
<b>Expenditure</b>			
Employee related costs	15	(68 292 070)	(70 141 393)
Depreciation and amortisation	16	(4 458 021)	(4 241 026)
Lease rentals on operating lease	11	(9 040)	(1 456 714)
Debt Impairment	18	317 349	(491 319)
Membership fees written off	22	(6 496 223)	-
Loss on disposal of assets		(48 969)	(20 847)
General Expenses	19	(46 321 691)	(38 923 535)
<b>Total expenditure</b>		<b>(125 308 665)</b>	<b>(115 274 834)</b>
<b>Surplus for the year</b>		<b>3 097 942</b>	<b>2 450 151</b>

\* See Note 28



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	172 710 248	172 710 248
Adjustments		
Correction of errors note	3 835 642	3 835 642
<b>Balance at 01 April 2021 as restated*</b>	<b>176 545 890</b>	<b>176 545 890</b>
Changes in net assets		
Surplus for the year	2 450 151	2 450 151
Total changes	2 450 151	2 450 151
<b>Restated* Balance at 01 April 2022</b>	<b>178 996 041</b>	<b>178 996 041</b>
Changes in net assets		
Surplus for the year	3 097 926	3 097 926
Total changes	3 097 926	3 097 926
<b>Balance at 31 March 2023</b>	<b>182 093 967</b>	<b>182 093 967</b>
Note(s)		

\* See Note 28



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from exchange transaction		15 709 246	-
Receipts from non exchange transactions		85 424 690	96 495 816
Grants		15 528 000	17 985 000
Interest income		4 090 804	1 676 811
		120 752 740	116 157 627
<b>Payments</b>			
Employee costs		(69 049 205)	(61 053 729)
Suppliers		(45 959 532)	(33 316 068)
		(115 008 737)	(94 369 797)
<b>Net cash flows from operating activities</b>	20	<b>5 744 003</b>	<b>21 787 830</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(2 905 615)	(20 686 279)
Proceeds from sale of property, plant and equipment	2	64 166	169 495
Purchase of other intangible assets	3	(561 150)	(1 245 088)
Proceeds from sale of other intangible assets	3	16 616	65 270
Movement in deposit held in trust		-	(144 827)
<b>Net cash flows from investing activities</b>		<b>(3 385 983)</b>	<b>(21 841 429)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2 358 020</b>	<b>(53 599)</b>
Cash and cash equivalents at the beginning of the year		105 644 746	105 698 347
<b>Cash and cash equivalents at the end of the year</b>	8	<b>108 002 766</b>	<b>105 644 748</b>

\* See Note 28



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

Registration, reprints and reinstatement fee	6 500 000	4 500 000	11 000 000	16 512 467	5 512 467	34.1
Recoveries	-	-	-	13 000	13 000	
Other income	-	-	-	70 630	70 630	
Interest received	2 000 000	800 000	2 800 000	4 090 804	1 290 804	34.2
<b>Total revenue from exchange transactions</b>	<b>8 500 000</b>	<b>5 300 000</b>	<b>13 800 000</b>	<b>20 686 901</b>	<b>6 886 901</b>	

##### Revenue from non-exchange transactions

##### Taxation revenue

Fines	300 000	400 000	700 000	986 174	286 174	34.4
Membership fee	88 110 000	2 000 000	90 110 000	91 205 532	1 095 532	

##### Transfer revenue

CPTD grants	18 528 000	(160 016)	18 367 984	15 528 000	(2 839 984)	34.3
<b>Total revenue from non-exchange transactions</b>	<b>106 938 000</b>	<b>2 239 984</b>	<b>109 177 984</b>	<b>107 719 706</b>	<b>(1 458 278)</b>	

<b>Total revenue</b>	<b>115 438 000</b>	<b>7 539 984</b>	<b>122 977 984</b>	<b>128 406 607</b>	<b>5 428 623</b>	
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#### Expenditure

Personnel	(74 873 069)	2 000 000	(72 873 069)	(68 292 070)	4 580 999	34.5
Depreciation and amortisation	(3 500 000)	-	(3 500 000)	(4 458 021)	(958 021)	34.6
Lease rentals on operating lease	-	-	-	(9 040)	(9 040)	
Debt Impairment	-	-	-	317 349	317 349	34.7
Membership fees written off	-	-	-	(6 496 223)	(6 496 223)	
General Expenses	(37 064 931)	(9 539 984)	(46 604 915)	(46 321 691)	283 224	34.8
<b>Total expenditure</b>	<b>(115 438 000)</b>	<b>(7 539 984)</b>	<b>(122 977 984)</b>	<b>(125 259 696)</b>	<b>(2 281 712)</b>	

<b>Operating surplus</b>	-	-	-	3 146 911	3 146 911	
Loss on disposal of assets and liabilities	-	-	-	(48 969)	(48 969)	

<b>Surplus</b>	-	-	-	3 097 942	3 097 942	
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	-	-	-	3 097 942	3 097 942	
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# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

Figures in Rand	Note(s)	2023	2022
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### 1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

#### 1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the council.

#### 1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the council will continue to operate as a going concern for at least the next 12 months.

#### 1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

#### 1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Provisions

Provisions were raised and management determined an estimate based on the information available.

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the council measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the council considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the council discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

### 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the council; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.6 Property, plant and equipment (continued)

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Buildings	Straight-line	40 years
Motor vehicles	Straight-line	5-11 years
Office equipment, furniture and fittings	Straight-line	5-30 years
IT equipment	Straight-line	3-15 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the council. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The council assesses at each reporting date whether there is any indication that the council expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the council revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The council separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the council or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the council; and
- the cost or fair value of the asset can be measured reliably.

The council assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	5-15 years
Computer software, other	Straight-line	5-15 years



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of the council and a financial liability or a residual interest of the council.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by council on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from council's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, council shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the council shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another council; or
- a contractual right to:
  - receive cash or another financial asset from another council; or
  - exchange financial assets or financial liabilities with another council under conditions that are potentially favourable to the council.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another council; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the council.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.8 Financial instruments (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by council in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an council after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an council's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an council.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the council had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the council designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.8 Financial instruments (continued)

#### Classification

The council has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The council has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost

### 1.9 Statutory receivables

#### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The council recognises statutory receivables as follows:

- At initial recognition, the council designates statutory receivables as non-exchange transactions. The designation is made on the basis that membership fees and fines by nature are compulsory and there is no willing party in statutory arrangements,

#### Initial measurement

As receivables arise from revenue transactions, the initial measurement of statutory receivables is largely dependent on the measurement outlined in GRAP 23 on Revenue from Non-Exchange Transactions

The revenue standard indicate the following: GRAP 23 - Fair value at the date of acquisition

GRAP 108 explains that the measurement in the revenue standards should be read to mean the 'transaction amount' as outlined in GRAP 108. The transaction amount specified in, or calculated, levied or charged in accordance with legislation, supporting regulations or similar means. The effect is that fair value in the revenue related standard of GRAP 108 should be determined solely based on what is prescribed in legislation.

#### Subsequent measurement

The council measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable;
- impairment losses; and



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.9 Statutory receivables (continued)

- amounts derecognised.

#### Impairment losses

The council assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the council considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the council measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

### 1.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

### 1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.11 Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the council; or
- the number of production or similar units expected to be obtained from the asset by the council.

Judgements is needed to determine whether an asset is cashgenerating or non-cash generating. The council determined that all non-current, non-financial assets are non-cash generating. This is determined based on the mandated function of the council which is to provide statutory services for which the significant funding is received from members. It is not the intention of the council to generate positive cash flows from its operations.

#### Designation

At initial recognition, the council designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of the council's objective of using the asset.

The council designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the council expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the council designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The council assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the council estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the council also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.11 Impairment of cash-generating assets (continued)

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the council recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the council; or
- the number of production or similar units expected to be obtained from the asset by the council.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.12 Impairment of non-cash-generating assets (continued)

#### Designation

At initial recognition, the council designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of the council's objective of using the asset.

The council designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The council designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the council expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the council designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The council assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the council estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the council recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.13 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.13 Employee benefits (continued)

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the council's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Other post retirement obligations

The council does not provide post-retirement health care benefits, housing subsidies and gratuities upon retirement to retirees.

### 1.14 Provisions and contingencies

Provisions are recognised when:

- the council has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the council settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.14 Provisions and contingencies (continued)

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the council

No obligation arises as a consequence of the sale or transfer of an operation until the council is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The council recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the council for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the council considers that an outflow of economic resources is probable, an council recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the council;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the council, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the council's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the council, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the council can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the council either receives value from another council without directly giving approximately equal value in exchange, or gives value to another council without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting council.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the council.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.17 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the council recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

#### Transfers

Apart from Services in kind, which are not recognised, the council recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the council.

Where the council collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

### 1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

### 1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation.

Irregular expenditure is incurred when the resulting transaction is recognised in the financial records of the council in accordance with the relevant Accounting Framework.

When an irregular expenditure is being suspected, it is reported to the Chief Executive Officer and then recorded in the irregular expenditure register

The alleged irregular expenditure is then investigated for confirmation.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.20 Irregular expenditure (continued)

When irregular expenditure is confirmed, recovery steps are taken where there is a liable official; or a condonation is sought from the accounting officer.

### 1.21 Contingent liabilities

Contingent liabilities are possible obligation that arose from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the council; or a present obligation that arises from past events.

A contingent liability that relates to a present obligation is not recognised because the amount cannot be measured with sufficient reliability.

### 1.22 Budget information

The council is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by council shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the council, including those charged with the governance of the council in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the council.

The council is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions more or less favourable than those which it is reasonable to expect the council to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the council is exempt from the disclosures in accordance with the above, the council discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

### 1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The council will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The council will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.25 New Standards and Interpretation

#### New Standards and Interpretation issued, but not yet effective

The council has not applied the following standards and interpretation, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023

	Effective date	Expected impact
• GRAP 1 on Presentation of Financial Statements	Effective date 01 April 2023	Expected impact Unlikely there will be a material impact
• GRAP 104 on Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 25 on Employee Benefits	01 April 2023	Unlikely there will be a material impact



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand

	2023	2022
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#### 2. Property, plant and equipment

	2023		2022			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	23 327 559	-	23 327 559	23 327 559	-	23 327 559
Buildings	71 416 378	(8 072 531)	63 343 847	71 416 378	(6 287 122)	65 129 256
Motor vehicles	1 207 372	(639 987)	567 385	1 207 372	(493 770)	713 602
Office equipment	9 492 354	(4 552 541)	4 939 813	8 055 472	(4 283 682)	3 771 790
IT equipment	5 337 956	(3 555 519)	1 782 437	4 797 355	(3 043 124)	1 754 231
<b>Total</b>	<b>110 781 619</b>	<b>(16 820 578)</b>	<b>93 961 041</b>	<b>108 804 136</b>	<b>(14 107 698)</b>	<b>94 696 438</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	23 327 559	-	-	-	23 327 559
Buildings	65 129 256	-	-	(1 785 409)	63 343 847
Motor vehicles	713 602	-	-	(146 217)	567 385
Office equipment	3 771 790	2 002 693	(51 749)	(782 921)	4 939 813
IT equipment	1 754 231	902 922	(61 386)	(813 330)	1 782 437
	<b>94 696 438</b>	<b>2 905 615</b>	<b>(113 135)</b>	<b>(3 527 877)</b>	<b>93 961 041</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 2. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	21 816 913	1 510 646	-	-	23 327 559
Buildings	49 246 277	17 389 355	-	(1 506 376)	65 129 256
Motor vehicles	834 961	-	-	(121 359)	713 602
Office equipment	3 973 775	724 582	(41 110)	(885 457)	3 771 790
IT equipment	1 561 004	1 061 696	(103 810)	(764 659)	1 754 231
Leasehold improvements	203 456	-	(45 422)	(158 034)	-
	<b>77 636 386</b>	<b>20 686 279</b>	<b>(190 342)</b>	<b>(3 435 885)</b>	<b>94 696 438</b>

##### Pledged as security

The council has no assets classified under property, plant and equipment pledged as security for liabilities and no restrictions have been imposed on any of the assets.



Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>2. Property, plant and equipment (continued)</b>		
<b>Details of properties</b>		
<b>Crossway office park</b>		
Terms and conditions		
- Purchase price: 21 July 2016	61 110 936	61 110 936
<b>The Spinnaker, section 4</b>		
Terms and conditions		
- Purchase price: 30 November 2020	10 800 000	10 800 000
<b>25 Rhodesdrift Chambers</b>		
Terms and conditions		
- Purchase price: 14 December 2020	3 933 000	3 933 000
<b>Section 2 Genius Loci</b>		
Terms and conditions		
- Purchase price: 5 October 2021	5 000 000	5 000 000
<b>638 Beacon Bay</b>		
Terms and conditions		
- Purchase price: 14 October 2021	6 500 000	6 500 000
<b>Expenditure incurred to repair and maintain property, plant and equipment included in statement of financial performance</b>		
<b>Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance</b>		
Contracted services	-	271 987
General expenses	1 069 439	431 547
	<b>1 069 439</b>	<b>703 534</b>



Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 3. Intangible assets

	2023		2022			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	8 205 109	(6 256 557)	1 948 552	8 205 109	(5 482 959)	2 722 150
Computer software, other	1 461 727	(760 535)	701 192	1 139 995	(826 792)	313 203
<b>Total</b>	<b>9 666 836</b>	<b>(7 017 092)</b>	<b>2 649 744</b>	<b>9 345 104</b>	<b>(6 309 751)</b>	<b>3 035 353</b>

#### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, internally generated	2 722 150	-	-	(773 598)	1 948 552
Computer software, other	313 203	561 150	(16 616)	(156 545)	701 192
	<b>3 035 353</b>	<b>561 150</b>	<b>(16 616)</b>	<b>(930 143)</b>	<b>2 649 744</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, internally generated	2 058 693	1 238 688	-	(575 231)	2 722 150
Computer software, other	601 983	6 400	(65 270)	(229 910)	313 203
	<b>2 660 676</b>	<b>1 245 088</b>	<b>(65 270)</b>	<b>(805 141)</b>	<b>3 035 353</b>

### 4. Other financial assets

At amortised cost



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>4. Other financial assets (continued)</b>		
Deposit held in trust	144 827	144 827
Other receivables	579 246	266 089
	<b>724 073</b>	<b>410 916</b>
<b>Current assets</b>		
At amortised cost	724 073	410 916
<b>5. Payables from exchange transactions</b>		
Trade payables	4 506 083	6 814 741
Payments received in advanced	1 542 177	1 654 232
Payroll related payables	839 028	835 592
Accrued expense	15 863 504	17 746 687
Other payables	4 400 867	-
	<b>27 151 659</b>	<b>27 051 252</b>
<b>6. Receivables from exchange transactions</b>		
Prepayments	1 445 743	847 345
Deposits	180 868	200 868
Staff loans	1 289 753	808 114
	<b>2 916 364</b>	<b>1 856 327</b>
<b>7. Statutory receivables</b>		
Statutory receivable	991 655	403 513
<b>Statutory receivables included in receivables from non-exchange transactions above are as follows:</b>		
Membership fee and fines	8 242 611	1 972 680
Less: Refunds	(99 972)	(92 258)
Less: Provision for impairments	(654 761)	(1 476 909)
Less: Membership fee written off	(6 496 223)	-
	<b>991 655</b>	<b>403 513</b>
	991 655	403 513



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>7. Statutory receivables (continued)</b>		
<b>Statutory receivables general information</b>		
<b>Transaction(s) arising from statute</b>		
Membership fees and fines arise from section 19 of the SACE act, which states that funds of the council consists of compulsory fees, money appropriated by parliament, money received from donations, interest, fines and money received from other source.		
<b>Determination of transaction amount</b>		
Membership fees and fines receivable are based on a council decision, and are charged at R 198.00 per annum for Membership fees and fines are charged at a maximum of monthly salary of a member.		
<b>Basis used to assess and test whether a statutory receivable is impaired</b>		
The council will assess at the end of each reporting date whether there is objective evidence that a receivable account or group of receivables accounts are impaired,		
Membership fees and fines receivable with any outstanding balances will be assessed as a group for evidence of impairment		
<b>Statutory receivables impaired</b>		
As of 31 March 2023, Statutory receivables of R317 349 (2022: R491 319) were impaired and provided for.		
The amount of the provision was R654 760 as of 31 March 2023 (2022: R1 476 909).		
The ageing of these loans is as follows:		
<b>Factors the entity considered in assessing statutory receivables impaired</b>		
Any of the following events is considered in assessing statutory receivable impaired.		
- account handed over to debt collectors		
- All in-active accounts in the system		
- When accounts have been formally presented to the CFO and CEO for write-off		
- All accounts with balances outstanding current and beyond		
- When a member status is suspended		
<b>Reconciliation of provision for impairment for statutory receivables</b>		
Opening balance	1 476 909	2 519 568
Provision for impairment	(317 349)	491 319
Amounts written off as uncollectible	(459 800)	(1 533 978)
Revisions to impairment losses	(45 000)	-
	<b>654 760</b>	<b>1 476 909</b>

## 8. Cash and cash equivalents

Cash and cash equivalents consist of:



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>8. Cash and cash equivalents (continued)</b>		
Cash on hand	1 921	25 691
Bank balances	86 022 596	85 138 016
Short-term deposits	21 978 232	20 481 039
	<b>108 002 749</b>	<b>105 644 746</b>

### The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2023	31 March 2022	31 March 2021	31 March 2023	31 March 2022	31 March 2021
NEDBANK - Account Type - Current	86 011 538	85 053 721	85 972 988	86 022 596	85 138 015	85 978 288
Reserve BANK - Account Type - Corporate for Public Deposits	21 634 740	20 370 517	19 616 918	21 634 740	20 370 517	19 616 918
<b>Total</b>	<b>107 646 278</b>	<b>105 424 238</b>	<b>105 589 906</b>	<b>107 657 336</b>	<b>105 508 532</b>	<b>105 595 206</b>

## 9. Revenue

Registration, reprints and reinstatements	16 512 467	15 687 603
Rental income	-	257 948
Debt impairment recovered	13 000	11 443
Letter of good standing	70 630	102 120
Interest received - other	4 090 804	1 715 330
Fines	986 174	772 439
Membership fee	91 205 532	81 193 102
Government grants & subsidies	15 528 000	17 985 000
	<b>128 406 607</b>	<b>117 724 985</b>

### The amount included in revenue arising from exchanges of goods or services are as follows:

Registration, reprints and reinstatement	16 512 467	15 687 603
Rental income	-	257 948
Recoveries	13 000	11 443
Letter of good standing	70 630	102 120
Interest received - other	4 090 804	1 715 330
	<b>20 686 901</b>	<b>17 774 444</b>

### The amount included in revenue arising from non-exchange transactions is as follows:

Fines	986 174	772 439
Membership fee	91 205 532	81 193 102
<b>Transfer revenue</b>		
Government transfer	15 528 000	17 985 000
	<b>107 719 706</b>	<b>99 950 541</b>

## 10. Registration, reprints and reinstatements

Registration Fees	9 021 481	9 644 923
Reprints of Certificates	2 010 429	2 307 080
Reinstatement fee	5 480 557	3 735 600
	<b>16 512 467</b>	<b>15 687 603</b>



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>11. Lease rentals on operating lease</b>		
<b>Premises</b>		
Contractual amounts	-	1 456 714
<b>Equipment</b>		
Contingent amounts	9 040	-
	<b>9 040</b>	<b>1 456 714</b>
<b>12. Other income</b>		
Rental income - third party	-	257 948
Debt impairment recovered	13 000	11 443
Letter of good standing	70 630	102 120
	<b>83 630</b>	<b>371 511</b>
<b>13. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	4 052 278	1 690 618
Interest received - other	38 526	24 712
	<b>4 090 804</b>	<b>1 715 330</b>
<b>14. Government transfer</b>		
Government transfer	15 528 000	17 985 000



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>15. Employee related costs</b>		
Basic	63 262 693	55 181 022
WCA	112 345	114 875
Leave pay provision charge	(426 677)	8 543 611
	<b>62 948 361</b>	<b>63 839 508</b>
<b>Remuneration of chief executive officer</b>		
Annual Remuneration	1 331 528	1 247 722
Car Allowance	520 162	489 147
Annual Bonuses	110 267	103 977
Contributions to UIF, Medical and Pension Funds	258 519	242 898
	<b>2 220 476</b>	<b>2 083 744</b>
<b>Remuneration of chief finance officer</b>		
Annual Remuneration	1 154 116	1 080 268
Car Allowance	475 250	444 725
Annual Bonuses	95 516	90 007
Contributions to UIF, Medical and Pension Funds	198 325	185 715
	<b>1 923 207</b>	<b>1 800 715</b>
<b>Remuneration of Senior Manager Professional Development and Ethics (Terminated 25 February 2022)</b>		
Annual Remuneration	-	630 149
Car Allowance	-	116 451
Annual Bonuses	-	66 899
Contributions to UIF, Medical and Pension Funds	-	197 770
Other	-	116 451
Other	-	138 044
	-	<b>1 265 764</b>
<b>Remuneration of Senior Manager Registration and Teacher Professionalisation</b>		
Annual Remuneration	737 037	690 648
Housing Allowance	274 439	255 264
Annual Bonuses	61 036	57 554
Contributions to UIF, Medical and Pension Funds	127 514	148 196
	<b>1 200 026</b>	<b>1 151 662</b>
<b>16. Depreciation and amortisation</b>		
Property, plant and equipment	3 527 877	3 435 885
Intangible assets	930 144	805 141
	<b>4 458 021</b>	<b>4 241 026</b>
<b>17. Auditors' remuneration</b>		
Fees	454 702	429 134
<b>18. Debt impairment</b>		
Debt impairment	(317 349)	491 319



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>19. General expenses</b>		
Advertising	315 445	354 534
Auditors remuneration	454 702	429 134
Bank charges	819 617	815 310
Cleaning	338 269	481 672
Consulting and professional fees	7 476 543	4 500 469
Fines and penalties	5 189	16 264
Insurance	538 255	413 610
Planning and Monitoring	668 798	-
Motor vehicle expenses	88 188	6 540
Postage and courier	13 055	44 297
Printing and stationery	739 345	424 696
Project maintenance costs	4 939 184	3 785 350
Repairs and maintenance	1 069 440	703 534
Security	1 545 703	574 002
Staff welfare	55 726	43 572
Subscriptions and membership fees	1 003 428	879 505
Telephone and fax	1 314 636	1 013 332
Training	532 977	210 729
Travel - local	2 957 013	2 564 486
Travel - overseas	712 451	-
Utilities - Other	3 728 888	3 789 088
Registration	1 347 637	794 180
Professional development	7 440 315	11 155 632
Professional ethics	5 170 026	4 241 146
Communications	1 321 035	494 694
Research	752 736	585 080
Teacher professionalization	973 090	602 679
	<b>46 321 691</b>	<b>38 923 535</b>
<b>20. Cash generated from operations</b>		
Surplus	3 097 942	2 450 151
<b>Adjustments for:</b>		
Depreciation and amortisation	4 458 021	4 241 026
Gain on sale of assets and liabilities	48 969	20 847
Debt impairment	(317 349)	-
Bad debts written off	6 496 223	-
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(1 373 194)	(1 125 848)
Other receivables from non-exchange transactions	(6 767 016)	(49 354)
Payables from exchange transactions	100 407	16 251 008
	<b>5 744 003</b>	<b>21 787 830</b>
<b>21. Operating (deficit) surplus</b>		
Operating (deficit) surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	-	1 456 714
Equipment		
• Contingent amounts	9 040	-
	<b>9 040</b>	<b>1 456 714</b>



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>21. Operating (deficit) surplus (continued)</b>		
Loss on sale of property, plant and equipment	(48 969)	(20 847)
Amortisation on intangible assets	930 144	805 141
Depreciation on property, plant and equipment	3 527 877	3 435 885
Employee costs	68 292 070	70 141 393
<b>22. Bad debt written off</b>		
Bad debt written off		
• Bad debt written off	6 496 223	-
<b>23. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2023</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Trade and other receivables from exchange transactions	3 640 437	3 640 437
Cash and cash equivalents	108 002 749	108 002 749
	<b>111 643 186</b>	<b>111 643 186</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Trade and other payables from exchange transactions	27 151 659	27 151 659
<b>2022</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Trade and other receivables from exchange transactions	2 267 243	2 267 243
Cash and cash equivalents	105 534 224	105 534 224
	<b>107 801 467</b>	<b>107 801 467</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Trade and other payables from exchange transactions	27 051 253	27 051 253



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>24. Commitments</b>		
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Operational expenditure	1 445 606	687 090
<b>Total operational commitments</b>		
Already contracted for but not provided for	1 445 606	687 090
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised operational expenditure	1 445 606	687 090

This committed expenditure relates to already contracted open purchase orders at year end.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 25. Contingencies

Litigation is in the process against the council relating to a dispute with a former employee and is seeking damages equal to the annual remuneration at the time of termination R 945 641. The matter relates to one employee whose contract ended with no option of renewal. The council's lawyers and management consider the likelihood of the action against the council being successful as unlikely, and the case should be resolved soon.

Litigation is in the process against the council relating to a dismissal of 2 employees. The matter is subsequently before the Commission for Conciliation Mediation and arbitration for review. The employees are seeking reinstatement or damages of R 2 097 650. The council's lawyers and management consider the likelihood of the action against the council being successful as unlikely, and the case should be resolved within the next two years.

Litigation is in the process against the council relating to a dismissal of 22 employees. The matter is subsequently before the Labour court for review. The employees are seeking reinstatement or damages of R 7 998 545. The council's lawyers and management consider the likelihood of the action against the council being successful as unlikely, and the case should be resolved within the next two years.

#### Surrender of surpluses

The council annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits.

The entity surrenders for re-depositing into the relevant Revenue Fund, all surpluses that were realised in a particular financial year –

(a) which were not approved for retention by the relevant Treasury in terms of section 53(3) of the PFMA; or

(b) where no application was made to the relevant Treasury to accumulate the surplus in terms of section 53(3) of the PFMA.

The surpluses are surrendered for re-depositing into the relevant Revenue by no later than 30 November of each year, as prescribed.

Failure by the entity to submit a surplus retention request to the relevant Treasury by 30 September each year will result in the entity having to surrender the surplus to the relevant Revenue Fund by 30 November, unless there has been a delay in the finalisation of the audit.

In the case of a delay in the finalisation of the audit –

(a) a letter is sent to the relevant Treasury by the 30th September explaining the delay.

(b) a surplus retention request is submitted to the relevant Treasury within 30 days of finalising the audit.

The surplus of R 84 037 576 has been classified as a contingent liability at 31 March 2023 as there is no approval received as yet to retain the surplus funds.

	Department of Basic Education	
Figures in Rand	2023	2022



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 25. Contingencies (continued)

Cash and cash equivalents	108 002 749	105 534 224
Add: Receivables	4 632 092	2 670 756
Less: Current liabilities	(27 151 659)	(27 051 253)
Less: Commitments	(1 445 606)	(687 090)
Subtotal	84 037 576	80 466 637
	<b>84 037 576</b>	<b>80 466 637</b>



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 26. Related parties

Relationships	
Ultimate controlling entity	National Department of Basic Education
Controlled entities	South African Post Office
Controlled entities	National Treasury
Controlled entities	State Information Technology Agency
Controlled entities	Telkom
Controlled entities	South African Revenue Services
Controlled entities	Compensatio fund
Controlled entities	South African Broadcasting Corporation
Members of key management	Mapula Ella Mokgalane
Member of key management	Gezani Morris Mapindani
Member of key management	Nkele Yvone Lechaba
Members of key management	Councillors*

\*All members of council are related parties. Refer to the council report page 16 of the financial statement where all council members are listed. The council does not remunerate its council members.

The South African Council for Educators is presumed to be related to all other government entities within the national sphere of government, by virtue of its classification as a national public entity. All the parties that have the ability to control or exercise significant influence over the South African Council for Educators in making financial and operating decisions were considered to be related parties of the council.

### Related party balances

#### Amounts included in Trade receivable (Trade payable) regarding related party

State Information Technology Limited	(438 554)	(199 347)
National Treasury	-	(3 444 307)
Compensation fund	(12 188)	(5 248)
Telkom	-	(127 393)
South African Post Office	-	(11 266)
South African Revenue Services	(1 303)	(16 268)
South African Post Office	1 422	6 902

#### Amounts included in other receivable (other Payable) regarding related parties

ETDP SETA	23 362	-
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#### Grants received from related parties

National Treasury	15 528 000	17 985 000
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#### Amounts written-off as bad debt

South African Post office	-	1 480 613
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#### Amount of transactions from related parties

South African Post office	34 963	90 216
National Treasury	713 131	722 764
State Information Technology Agency Proprietary Limited	2 721 538	3 374 112
Telkom	1 105 827	578 758
South African Revenue Service	9 345 051	10 564 591
Compensation fund	112 345	114 875
ETDP SETA	57 433	67 159
South African Broadcasting Corporation	-	625 761

Loans key management and close member of family	Opening balance	Loans advanced	Loans repaid	Closing balance
Mapula Ella Mokgalane	13 833	200 000	(84 122)	129 711



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

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## Notes to the Annual Financial Statements

Figures in Rand		2023	2022
<b>26. Related parties (continued)</b>			
Gezani Morris Mapindani	-	150 000	(26 091)
	<b>13 833</b>	<b>350 000</b>	<b>(110 213)</b>
			<b>253 909</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 26. Related parties (continued)

##### Remuneration of management

##### Management class: Executive management

##### 2023

Name	Basic salary	Annual Bonus	Car allowance	Contribution to UIF, Medical and Pension	Total
Mapula Ella Mokgalane	1 331 528	110 267	520 162	258 519	2 220 476
Morris Gezani Mapindani	1 154 116	95 516	475 250	198 325	1 923 207
Nkele Yvone Lechaba	737 037	61 036	274 439	127 514	1 200 026
	<b>3 222 681</b>	<b>266 819</b>	<b>1 269 851</b>	<b>584 358</b>	<b>5 343 709</b>

##### 2022

Name	Basic salary	Annual Bonus	Car allowance	Housing allowance	Termination benefits	Contribution to UIF, Medical and Pension	Total
Mapula Ella Mokgalane	1 247 722	103 977	489 147	-	-	242 898	2 083 744
Morris Gezani Mapindani	1 080 268	90 007	444 725	-	-	185 715	1 800 715
Nkele Yvone Lechaba	690 648	57 554	255 264	-	-	148 196	1 151 662
Bernard Bushe	630 149	66 899	116 451	116 451	138 044	197 770	1 265 764
	<b>3 648 787</b>	<b>318 437</b>	<b>1 305 587</b>	<b>116 451</b>	<b>138 044</b>	<b>774 579</b>	<b>6 301 885</b>



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 27. Change in estimate

#### Property, plant and equipment

In terms of the requirements of GRAP 17 on Property, Plant and Equipments which states that the useful lives of assets must be reviewed at each balance sheet date, management revised the estimated useful lives of computer equipment, office equipment, furniture and fittings.

The useful life of certain computer equipments was estimated in 2023 to be 3 to 14 years. In the current period management have revised their estimate to between 4 to 15 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R (187 856).

The useful life of certain furniture and fittings was estimated in 2023 to be 10 years. In the current period management have revised their estimate to 15 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R (129 48)

The useful life of certain office equipments was estimated in 2023 to be 10 years. In the current period management have revised their estimate to 15 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R (7 158).

The useful life of certain intangible assets was estimated in 2023 to be 5 to 11 years. In the current period management have revised their estimate to between 6 to 15 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R (43 442)

### 28. Prior period errors

Interest received were accounted for in error. The accrued interests were not appropriately considered. The interest earned for the year 2021 and 2022 were understated by the total of R 110 522.

Prior period error emanated from the error in recognising of the government transfer. Government transfer was previously classified as a conditional government grant. This reclassification has affected the prior periods by adjusting the accumulated surplus and deferred government grant in the statement of financial position for 2021 by R 3 763 639 and 2022 by R 923 655.

This reclassification has affected the statement of financial performance by R 923 655

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

##### 2022

	Note	As previously reported	Correction of error	Restated
Accumulated surplus		(176 045 537)	(2 950 504)	(178 996 041)
Unspent conditional grant		(2 839 984)	2 839 984	-
Cash and cash equivalents		105 534 224	110 520	105 644 744
		<b>(73 351 297)</b>	<b>-</b>	<b>(73 351 297)</b>



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand		2023	2022	
28. Prior period errors (continued)				
2021				
	Note	As previously reported	Correction of error	Restated
Accumulated surplus		(172 710 251)	(3 835 642)	(176 545 893)
Unspent conditional grant		(3 763 639)	3 763 639	-
Cash and cash equivalents		105 626 344	72 003	105 698 347
		(70 847 546)	-	(70 847 546)

### Statement of financial performance

#### 2022

	Note	As previously reported	Correction of error	Restated
Revenue from non exchange transactions		(18 908 655)	923 655	(17 985 000)
Interest received		(1 676 811)	(38 519)	(1 715 330)
<b>Surplus for the year</b>		<b>(20 585 466)</b>	<b>885 136</b>	<b>(19 700 330)</b>

#### 2021

	Note	As previously reported	Correction of error	Restated
Revenue from non exchange transactions		(12 951 193)	73 193	(12 878 000)
Interest received		(2 003 222)	(72 003)	(2 075 225)
<b>Surplus for the year</b>		<b>(14 954 415)</b>	<b>1 190</b>	<b>(14 953 225)</b>

## 29. Risk management

### Financial risk management

The council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the council's financial performance.

### Liquidity risk

The council's risk to liquidity is a result of the funds available to cover future commitments. The council manages liquidity risk through an ongoing review of future commitments and credit facilities.



# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 29. Risk management (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The council only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2022
Bank	108 002 749	105 534 224
Other	3 640 437	2 267 243

### 30. Going concern

We draw attention to the fact that at 31 March 2023, the council had an accumulated surplus of R 182 093 967 and that the council's total assets exceed its liabilities by R 182 093 967.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The management has determined that there is no material uncertainty that cast doubt on the council's ability to continue as a going concern.

### 31. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	51 300	-
Fruitless and wasteful expenditure	8 172	212 542

<b>Closing balance</b>	<b>59 472</b>	<b>212 542</b>
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**\*Refer to reconciling notes in the annual report**

### 32. Material losses through criminal conduct

Add: Losses identified - current period	350 000	-
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#### Disciplinary steps taken/criminal proceedings

The matter was a cyber crime reported to the police.

### 33. Segment information

#### General information



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### 33. Segment information (continued)

#### Identification of segments

The council's is organised and reports to management on the basis of three major functional areas: registration of educators, ethics, professional development and administration. They generate economic benefit (educators fees) to the council. The council's activities are based in the national office with the support of satellite offices in five provinces. The council's management assess the performance of these segments to make decisions about allocating resources to the activities.

The disclosure of information about these segments is also considered appropriate for external reporting purposes.

#### Segment separate financial information

The council's financial system is centralised and does not permit production of separate financial information. Therefore, the council is unable to report on separate segment financial information. The council does not produce separate financial information and do not manage the segments based on their financial performance.

### 34. Budget differences

#### Material differences between budget and actual amounts

The budget was prepared on an accrual basis covering the financial year ended 31 March 2023. The variances between budget and actual which are 10% and R 100 000 above and below budget are explained below.

#### 34.1 Revenue

The council has over collected on membership status reinstatement fee. This was due to the higher than expected number of educators reinstating their suspended membership status.

#### 34.2 Interest received

the council has over collected on the interest income. the reason for the over collection is the higher than expected increase in the repo rate by the reserve bank.

#### 34.3 Government transfer

The government transfer is below the budget due to the prior period adjustment that affected the budget projected.

#### 3.4 Fines, Penalties and forfeits

The council has over collected due to the higher number of educators fined during the year

#### 34.5 Personnel

Personne related costs are below the budget due to the number of vacant positions.

#### 34.6 Depreciation and amortizations

Depreciation and amortizations are above the budget due to the value of property, plant and equipments for the new offices and the purchase of the computer equipments for the national office.

#### 34.7 Membership fees written off

The membership fees written off was not factored in the budgeted for 2023 financial year.



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### 34. Budget differences (continued)

#### 34.8 General expenses

The general expenses is below the budget due to the cost containment measures implemented to save costs.





### Head Office

Crossway Office Park,  
Block 1,  
240 Lenchen Avenue,  
Centurion,  
0157

### Provincial Offices

4 The Spinnaker  
180 Mahatma Gandhi Road  
Durban  
4001

### Free State Office

2 Genius Loci Park  
CP Hoogenhout Street  
Langenhovenpark  
Extension 7  
Bloemfontein  
9301

### Limpopo Office

25 Rhodesdrift Street, Bendor park,  
Polokwane

### Eastern Cape Office

33 Bonza Bay Drive  
Bonza Bay  
East London  
5241

**Tel:** 012 663 9517

**Email:** [info@sace.org.za](mailto:info@sace.org.za)

**Website:** [www.sace.org.za](http://www.sace.org.za)

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