

## 1. Predetermined Objectives

Entity	Finding	Root Cause	Recommendation
Department of Basic Education	<p><b>Usefulness of information</b></p> <p><b>Measurability</b></p> <p><b>Performance indicators not well defined</b></p> <p>The National Treasury Framework for managing programme performance information (FMPPi) requires that the time period or deadline for delivery be specified. A qualitatively material indicator relevant to the Curriculum Policy, Support and Monitoring programme was not time bound in specifying a time period or deadline for delivery. This was due to the fact that management reported the target for the achievement of the indicator (percentage of textbooks and workbooks available among learners) on the distribution of orders</p>	<p>Inadequate action plans to address prior year matters reported. Lack of understanding of the FMPPi resulting in incorrect application or interpretation. There was also a lack of key controls in the relevant systems of collection, collation, verification and storage of actual performance information.</p>	<p>The department should ensure that it follows up on its commitments and action plans to ensure that appropriate remedial action is taken timeously to address deficiencies noted. Workshops should be conducted with the National Treasury to ensure that clear guidance and compliance with the requirements of the FMPPi when the strategic plan is being drafted</p>
	<p><b>Reliability of selected programmes in the annual performance report</b></p> <p><b>Validity</b></p> <p><b>Reported performance not valid</b></p> <p>The National Treasury Framework for managing programme performance information (FMPPi) requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to a qualitatively material indicator of the Curriculum Policy, Support and Monitoring programme. This was due to the fact that the actual performance reported as achieved did not address the indicator which required the workbooks and textbooks to be made available to learners. The reported achievement indicators that some of the L.TSM were delivered to districts and provinces. The department does not have controls to ensure that learners have workbooks and textbooks available to them as per the indicator.</p>	<p>This was due to a lack of understanding of formulating the performance indicators by the department. Also the department did not have systems and processes to adequately monitor the achievement this qualitatively material performance indicator.</p>	<p>The entity should develop a system to collect and collate information to ensure that all reported information is adequately supported by sufficient substantiating evidence.</p>
	<p><b>Achievement of planned targets</b></p> <p>Of the total number of planned targets, only 32 targets were achieved during the year under review. This represents 47% (&gt;20%) of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process and the institution not considering relevant systems and evidential requirements during the annual strategic planning process.</p>	<p>Inadequate planning during the strategic planning phase resulting in targets being included which the entity does not have control over.</p>	<p>With the assistance of National Treasury, the department should workshop all performance indicators developed before the strategic plan is finalised. The relevant supporting documentation or evidence should also be defined when the strategic plan is prepared to enable the department to report on the achievement of its performance indicators. Processes should also be put in place to verify the completeness and validity of information reported in the annual report.</p>

	Material adjustments to the Department of Basic Education annual performance report  Material misstatements amounting to 10% in the annual performance report were identified during the audit, all of which were corrected by management.	Lack of effective monitoring processes to identify and prevent misstatements on performance information and in annual performance report	The department should implement appropriate controls to identify, prevent and correct any misstatements on performance information and the annual performance report. This should be done on a monthly basis to ensure that the quarterly performance reports are accurate and complete.  Internal audit function should review the quarterly performance reports and provide assurance that all information reported is factual, complete and accurate. Recommendation should be made for identified deficiencies in the control environment over the management of performance information to ensure that such deficiencies does not recur.
ELRC	Achievement of planned targets  Of the total number of planned targets, only 227 targets were achieved during the year under review. This represents 48% (>20%) of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process and the entity did not consider relevant systems and evidential requirements during the annual strategic planning process	Inadequate planning during the strategic planning phase resulting in targets being included which the entity does not have control over.	The entity should regularly monitor and assess its performance against the predetermined objectives. Timorous remedial action should be taken where there are indications that the performance indicators may not be achieved. Processes should also be designed in such that when the performance indicators are not achieved, this is also reflected on the annual budget as savings or appropriate reasons should be provided if this is not the case.
Umalusi	<b>Usefulness of information</b> <b>Consistency</b> <b>Performance indicators not well defined</b> A total of more than 20% of the reported targets from the selected material programmes are not consistent with targets as per the approved strategic plan.	This was due to the fact the management was aware of the reporting requirements of the performance indicators as required by the FMPP but did not receive the necessary training to enable applicable of the principles	With the assistance of National Treasury, workshops should be conducted to assist the entity on how to apply the principles of the FMPP and ensure that all targets in the strategic plan are consistent with their related programmes.
SACE	No material findings were identified	N/A	N/A
<b>2. Human Resources</b>			
Entity	Finding	Root Cause	Recommendation
Department of Basic Education	The department did not ensure that all leave taken by employees was completely and accurately recorded on PERSAL as required by Public Service Regulation 1(V/F(b))	This is due to lack of appropriate controls to ensure that the leave applications are formally approved and are completely and accurately processed on PERSAL	The department should put processes in place to ensure that line managers verify that all leave taken by staff is completely and accurately recorded on PERSAL. Unusually
ELRC	Although findings were identified, not considered significant to report in the Audit Report.	N/A	N/A
Umalusi	Although findings were identified, not considered significant to report in the Audit Report.	N/A	N/A
SACE	No findings were identified	N/A	N/A
<b>3. Information Technology Controls</b>			
Entity	Finding	Root Cause	Recommendation
	Weaknesses identified in effective security management controls	Inadequate IT security policy	IT security policy and procedures should be revised, updated and approved to ensure that all weaknesses are adequately addressed

Department of Basic Education	Weaknesses identified on the reas of user access control and facilities and environmental controls	The department developed a plan to address internal and external audit findings, but adherence to the plan is not always monitored and implemented on a timely basis by the appropriate level of management. This results in slow progress in addressing the control deficiencies reported	IT Policy should be revised to ensure deficiencies reported on the areas of user account management, user access controls and facilities and environmental controls are addressed
	No formal IT Governance controls and no committee formally appointed (IT Governance steering committee)	The updated information technology governance framework had not been approved yet. IT governance processes may not be effectively undertaken. This could result in accountability not being established, breakdown in controls and oversight which might lead to decisions on IT investments and priorities not being based on the overall priorities of the department	The department must formally appoint the IT Governance steering committee consisting of personnel knowledgeable in the area of IT. A formal policy addressing all IT governance processes and procedures must also be enforced within the department. In addition the department must ensure that a formal process is put in place to facilitate the adequate guidance of EMS operations, controls over equality and management of information
	Weakness identified in program change controls	Existing controls did not fully address EMS implementation testing controls	The national EMS officer must approve all changes to the capturing tools before they are distributed and used by the provinces
	Findings were identified no information technology service continuity	Inadequate policy over business process control on EMS	Management should update the IT continuity policy to ensure appropriate controls for back-ups and retention of email (See supporting evidence) is documented

#### 4. Material Errors/Omissions in AFS submitted for Audit

Entity	Finding	Root Cause	Recommendation
Department of Basic Education	The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and were not supported by full and proper records, as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	Management did not implement controls over daily and monthly processing and reconciliation of transactions relating to disclosure notes and performance information resulting in material adjustments to the financial statements and annual performance report after submission for audit.	Management should prepare monthly reconciliations of disclosure notes and reports on performance information. The internal audit function must review monthly financial statements and reports on performance information and provide assurance on the quality, accuracy and completeness of information. Deficiencies identified should be timeously reported to management for remedial corrective action. Corrective action taken by management should be sustainable in ensuring that findings identified does not recur.
ELRC	No findings were identified	N/A	N/A
Umalusi	No findings were identified	N/A	N/A
SACE	No findings were identified	N/A	N/A

#### 5. Supply Chain Management

Entity	Finding	Root Cause	Recommendation
Department of Basic Education	R74 859 000 irregular expenditure incurred as a result of the contravention of SCM legislation by the service provider appointed for the management of the Kha Ri Gude programme	The department of basic education expended Government funds on the assumption that the contract entered into by department of education with the referred to service provider was in compliance with the government procurement regulations and this was not fact. The department did not take appropriate action to address the audit concern raise in the prior year audit	The department must put processes in place to ensure that the service provider appointed for the management of the Kha Ri Gude project comply with the government procurement laws and regulations. Internal audit function should review and evaluate the control process at Kha Ri Gude project

ELRC	RS44 219 irregular expenditure incurred as a result of the contravention of SCM legislation	The entity does not have skilled staff dedicated for procurement management. No SCM training application of the SCM regulations issued by National Treasury	The entity should establish a separate SCM unit with staff knowledgeable in the area of procurement and SCM. Regular update trainings must be arranged for staff responsible for procurement within the entity
Umalusi	No findings were identified	N/A	N/A
SACE	No findings were identified	N/A	N/A
<b>6. Other financial matters that resulted in a qualification</b>			
None			