

PART 4 - ANNUAL FINANCIAL STATEMENTS

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**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Report of the Accounting Officer

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

The approval and acceptance by all stakeholders of the Human Capital Development Strategy (HCDS), which is one of the key pillars of *the iKapa eliHlumayo* Strategy, have set a particular course for the Western Cape Education Department (WCED) in the province. The alignment of all activities of the department can now start in earnest. The re-design process, which is one of the first key activities for the re-alignment of the department to ensure implementation of the HCDS, started during the period under review. This represents a significant step towards assisting schools in the delivery of quality education.

The department has been able to deliver on its key programme-based strategies, which also contain definite targets. The increased funding from earmarked allocations ensured that the department could deliver on those targets. However, the department did encounter constraints in particular sectors, such as Early Childhood Development, where, in certain instances, no tenders were offered due to the relative infancy of this market.

The department receives the bulk of its revenue from its equitable share, which is the largest in the province. The department did manage to secure additional funding of R65 million at the adjustment stage for infrastructure due to good spending patterns. The National Treasury had to be convinced to secure the additional funding as part of the Division of Revenue Act. The department managed to spend all these funds on the huge backlog that exists in infrastructure.

The department had an under expenditure of R195 million for the 2006/07 financial year. The major portion of this amount is due to labour resolutions not being concluded at a national level in the Education Labour Relations Council. The result is that permission has been requested from Provincial Treasury for the rollover of this amount for the second year in succession. The rest of the under expenditure was for infrastructure, where School Governing Bodies were involved in the construction of additional classrooms, forums etc, which have not been completed at year end. The under expenditure represents 2.7% of adjusted budget.

Virements

The following virements between main divisions in the Vote were approved by Provincial Treasury:

Shifting of R132,000 from Programme 7 to Programme 3 due to increase in learner enrolment at independent schools.

Shifting of R2,234,000 from Programme 2 to Programme 4 due to the implementation of the upgrading of principals' remuneration.

Shifting of R838,000 from Programme 2 to Programme 4 due to the increase in tariffs for government vehicle usage.

Shifting of R4,606,000 from Programme 7 to Programme 5 for the purchase of a new building to be used as a satellite FET campus. The total amount of the building was R5,800,000.

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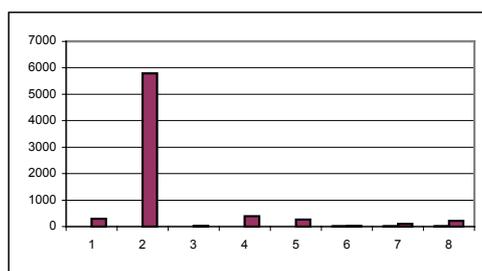
Shifting of R1,916,000 from Programme 7 to Programme 5 made up as follows: The R1,194,000 to fund remaining portion of the satellite campus and the balance i.e. R722,000, to be used to fund the FET colleges staff establishment involved in the re-capitalization process.

Statement of Financial Performance

The Statement of Financial Performance is the result of the activities for the year ended 31 March 2007.

Division of amounts (Rm) voted per programme

1	Administration	293	4%
2	Public ordinary school education	5,793	81%
3	Independent school subsidies	34	0%
4	Public special school education	389	6%
5	Further education and training colleges	271	4%
6	Adult basic education and training	24	0%
7	Early childhood development	101	1%
8	Auxiliary & associated services	211	3%
		7,116	100%



Programme 1 incorporates Personnel and Financial Management, Senior Management, the Ministry, Curriculum Development, Information Technology, Edumedia, Building Management and Management of Schools with Special Educational Needs. Programmes 2 to 7 represent the various categories of educational institutions and comprises 93% of the WCED's total expenditure. The management of schools and development centres is included in Programme 2. Programme 8 includes Examination Administration, Conditional Grants (HIV/AIDS, Financial Management and Quality Enhancement) and *iKapa Elihlumayo*.

2. Services rendered by the department

2.1 Tariff policy

The department does render services that are subject to tariffs in respect of examination related services which are prescribed by the National Department of Education.

2.2 Free Services

The department does not render services free of charge, which could have yielded significant revenue.

3. Capacity constraints

Although the department is delivering on its key programme-based strategies, constraints are encountered, as the departmental structure is not properly aligned to deal with such activities effectively. The re-design of the department will address this constraint with new structures being established.

The filling of vacant posts remains a challenge due to the lack of appropriate skilled staff in the Maths and Science subjects. The department has, however, issued bursaries to address the problem to some extent in the future.

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The vacant posts in Head Office, especially in the transversal disciplines such as Human Resources Management, Supply Chain Management and Financial Accounting, remain a challenge. Initiatives that are being undertaken to address the problem include the training of existing staff and the re-evaluation of job levels, as part of a succession management plan.

4. Utilisation of donor funds

The department did not receive any significant donor funds.

5. Trading entities and public entities

The department does not have any such stated entities.

6. Organisations to whom transfer payments have been made

The department has approximately 1900 institutions to which transfer payments are effected.

Appropriate procedures, as instituted in terms of section 38(1)(j) of the Public Finance Management Act (PFMA), are observed before a transfer payment is made. In most instances, institutions are required to submit audited financial statements to prove compliance.

7. Public-private partnerships (PPP)

No public-private partnerships were entered into for the year under review.

8. Corporate governance arrangements

Current Treasury Regulations determine the establishment of a risk-based approach to an internal audit. This approach is consistent with the King II report.

A risk-based approach requires coverage of all significant risks, but is not limited to focusing on operational and strategic risks.

The function of internal audit is currently conducted by Provincial Treasury, with the assistance of an outside service provider, *Sihluma Sonke* Consortium. They have been tasked to do the normal risk assessment for the 2005/06 financial year, while the 2006/07 financial year is under review.

The department does have an audit committee, which consists of independent members. It is currently in its third year of operation. They meet regularly and engage constantly with management. The internal audit function reports directly to the Audit Committee.

The department has established, in line with Treasury requirements, a Risk Assessment Unit. One of its main functions is to develop a Risk Policy framework in conjunction with Provincial Treasury. The Risk Policy will unfold into a Fraud Risk Assessment Policy. Although the latter is lacking, the department does have a generic fraud prevention plan, which would not be significantly different if a fraud risk assessment was completed.

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Senior management has to complete and submit a declaration of 'No conflict of Interest' annually. All bid committee members and all staff in Supply Chain Management must also declare any conflict of interest. The department has requested the assistance of the National Intelligence Agency to conduct the necessary security clearance for the relevant senior staff involved in Supply Chain Management, as well as the normal operational staff.

9. Discontinued activities/activities to be discontinued

None

10. New/proposed activities

None

11. Asset management

The asset register complies to the minimum requirements as prescribed by National Treasury. The asset verification process was performed by an outside service provider. The department did meet the targets as set out for the Asset Management Reforms process.

12. Transactions from previous dispensations (Mopping up)

The Western Cape Provincial Administration inherited old balances from the previous political dispensation that originated prior to the 1994/1995 financial year. The decentralisation of the accounting functions of the former Department of Finance (FMS Department 70) resulted in these balances, including unauthorized expenditure, being transferred to the various departments. The Western Cape Provincial Treasury is currently in consultation with the National Treasury to expedite the process of passing the necessary legislation to fund the unauthorised expenditure, since these old balances were incurred against the SA Reserve Bank accounts of ex-Cape Provincial Administration and ex-House of Representatives, which is a National Treasury competency.

13. Events after the reporting date

The Finance Act for the Stores Requisition Account was approved and passed by Cabinet in the current financial year. The amount of R26 million is under review for this exercise.

14. Performance information

An approved Strategic Plan for the period 2007/08 to 2009/10, with measurable objectives, was submitted to Provincial Legislature. Performance information and evaluation is conducted on a quarterly basis and is in line with the objectives of the strategic plan.

The Directorate Quality Assurance is responsible for the verification of the data submitted for performance measures. These monitoring activities prevent or detect and correct material misstatements in the performance information reported. This is necessary to ensure that performance information is accurately and completely reflected.

The systems in place are mainly the Central Education Management Information System (CEMIS) to provide learner data, Persal to provide personnel numbers and BAS to provide expenditure data.

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for the year ended 31 March 2007

15. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 1: Audit report 2004 Paragraph 5.4(ii)	Unauthorised expenditure: Expenditure on literacy programme 1991/92 – R21.949 million and over-expenditure on vote of former Administration: House of Representatives 1995/96 – R10.707 million	The committee recommended that the WCED and the Provincial Treasury again make urgent representations to the National Treasury to expedite the matter.
Fourth Report: SCOPA, Paragraph 7.1	Investment in Infrastructure	The WCED accepts the committee's recommendations and implemented processes to address the committee's concerns.
Fourth Report: SCOPA, Paragraph 7.2	HIV/AIDS	The WCED accepts the committee's recommendations and implemented processes to address the committee's concerns.
Fourth Report: SCOPA, Paragraph 9.2	Performance measurements	The concern of the Committee is noted. The WCED complies with the National Treasury's reporting requirements and has a system in place to regularly control and monitor the information being reported and the standards thereof.
Fourth Report: SCOPA, Paragraph 9.3	Asset Management	Recommendations noted and the WCED confirmed that the recommendations were implemented.

Approval

The Annual Financial Statements as set out in pages 13 to 62 have been approved by the Accounting Officer:



RB Swartz
ACCOUNTING OFFICER
DATE: 31 MAY 2007



A U D I T O R - G E N E R A L

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 5 - WESTERN CAPE EDUCATION DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Education Department (WCED) which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 13 to 62

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by National Treasury as set out in accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements.

Basis for qualified opinion

9. Housing loan guarantees

The department did not have adequate procedures and controls in place throughout the year to ensure the existence and validity of housing loan guarantees. The department sent out letters for confirmation of guarantees older than 5 years with the relevant financial institutions on 19 January 2007 and the remainder of the guarantees on 7 June 2007. This process resulted in guarantees being adjusted from R100 million as included in the original submitted financial statements to R65 million on the final financial statements. As a significant number of guarantees were only confirmed from 7 June 2007 onwards by the relevant financial institutions, this amount has significantly decrease to R25 million at mid August 2007 and further amounts are being release as the process is continuing. Although most of the releases after year-end is based on the date the bank provided the confirmation that the guarantee has been released, a sample on these cases indicated that in certain instances the guarantees were released before or were not valid at 31 March 2007, and therefore housing loan guarantees are overstated by an undetermined amount.

Qualified opinion

10. In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the WCED as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA.

Emphasis of matters

I draw attention to the following matters:

Highlight of a matter affecting the financial statements

11. Comparatives

The audit opinion relating to the financial statements of the previous financial year was disclaimed due to various limitations in scope that could not be resolved. The comparatives have not been adjusted in preparation of the current year financial statements. The comparatives affected by the previous year disclaimer include compensation of employees, additions to fixed assets, provision for potential irrecoverable debt, commitments, housing loan guarantees and various suspense accounts.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

12. Transfer payments

For eight institutions included in the audit sample, no written assurance was obtained that the entities to whom transfer payments were made had implemented efficient, effective and transparent financial management and internal control activities in terms of section 38(1)(j) of the PFMA.

Material corrections made to the financial statements submitted for audit

13. The financial statements approved by the accounting officer as submitted for audit on 31 May 2007 have been significantly revised in respect of the following misstatements identified during the audit:

- commitments in respect of maintenance contracts amounting to R31 million that was not included in the disclosure note, resulting in the understatement of commitments.
- released and/or invalid housing loan guarantees amounting to R35 million were included in the balance as at 31 March 2007, resulting in contingent liabilities disclosure note being overstated.

Value for money matters

14. Human Resource (HR) plan

The department compiled a draft HR plan for the 2006-07 financial year. However, the draft HR plan was not approved as the Department of Public Service and Administration only finalised the template for the Human Resource (HR) plan during September 2006. A review of the draft HR plan and associated policies indicated that the following minimum requirements as per Public Service Regulation, 2001 (Part III D) were not addressed:

- A gap analysis to test the difference between the existing demand and supply of human resource requirements.
- Strategies and plans to address the achievement of affirmative action targets.
- Costing implications and strategies to address the existing disparity in the demand and supply of human resources.
- An assessment of training needs, employment capacity, skills and competencies of existing staff.

15. Vacancies

A review was performed to evaluate whether the vacancy level of the department was within the acceptable level of five per cent as determined by the National Treasury's framework of normative measures for financial management (National Treasury's framework). Owing to the unavailability of information to determine the extent of the vacancy level for educators, the review focused only on the public service staff. It was determined that as at 31 March 2007 the vacancy level at the department was 12 per cent, which exceeded the norm of five per cent. Material delays existed between the vacancy dates and the advertisement of vacant posts. The selection and appointment process after the closing date of an advertised post was also not finalised timely.

It was, furthermore, determined that 886 (79 per cent) of the 1 123 vacant posts were vacant for longer than the three-month period which was recognised as an acceptable norm within the National Treasury's framework. The average vacancy period of the department was 27 months.

16. Qualifications and experience of educators

The department did not maintain a comprehensive database to indicate staff competencies, skills, experience, qualifications and training. This contributed negatively to the department's ability to analyse existing demand and supply as well as assessments of training needs, skills and competence.

A review was conducted of the qualifications and experience of educators employed by the WCED and currently engaged at secondary schools in the learning area Mathematics and Physical Science for grade 12. The purpose of the review was to identify whether a correlation existed between the qualifications and experience of the educators employed and the efficacy of learning as indicated by the pass rate achieved by learners in the 2006 grade 12 examination.

The percentage of educators without a formal teaching or specialised qualification was higher at schools that achieved low pass rates than at schools that achieved high pass rates in the grade 12 examinations for Mathematics and Physical Science in 2006.

17. Excess HIV/Aids Learner and teacher support material (LTSM) procured during 2005-06 financial year

It was reported in our audit report of the 2005-06 financial year that incorrect quantities of HIV/Aids LTSM were ordered by the department for the 2006 academic year and that a total of 152 591 teacher guides for grades one to seven, estimated at a total value of R872 821, were on hand, based on the Valkenberg distribution centre's monthly report for April 2006. Based on the Valkenberg distribution centre's monthly report for April 2007, a total of 145 882 teacher guides were still on hand at an estimated value of R834 445 at the end of April 2007.

The department indicated on 15 June 2007 that they were in the process of distributing 28 000 teacher guides to the Free State Education Department. A large quantity of teacher guides will remain in stock at the Valkenberg distribution centre and, therefore, an estimated amount of R674 285 (117 882 teacher guides at an average cost of R5,72) was considered as fruitless and wasteful expenditure in terms of paragraph 38(1)(c)(ii) and (g) of the PFMA.

18. HIV/Aids secondary school educator training

The department did not achieve the set targets for secondary school educator training in the 2006-07 financial year as specified in the HIV/Aids Business Plan for 2006-07. Although the target was set that 500 grades eight and nine Life Orientation educators should be trained, only 104 (21 per cent) educators were trained. Furthermore, the target was set that 400 grades 10 and 11 Life Orientation educators should be trained and the department could only train 360 educators (90 per cent). The set targets for HIV/Aids secondary school educator training were not achieved owing to training required in terms of the national curriculum taking preference to HIV/Aids educator training. Furthermore, departmental policy precludes educators from attending training courses during school hours.

19. Care and support training

The HIV/Aids care and support programme had not been implemented, although it was previously indicated that it would be rolled out from the third quarter of 2006. The delay in implementation was due to the HIV/Aids care and support training programme and support material not having been finalised.

The objective of the care and support programme is to enable schools to become a resource to their communities and vice versa, in order to address the school community's needs holistically; to ensure an effective counselling service for learners; and to support the establishment of district support teams and school-based educator support teams.

20. Monitoring and evaluation of the HIV/Aids programme

The department did not monitor and evaluate the implementation of the HIV/Aids programme at schools in the West Coast/Winelands area as forty two per cent of schools were not visited by a HIV/Aids co-ordinator or fieldworker at least once during the 2006 calendar year.

21. Investment in infrastructure

In paragraph 6.5.1(b)(ii) of the 2005-06 audit report it was reported that two tender contracts for infrastructure projects were cancelled as the contractor did not have the capacity to successfully complete the projects. The Department of Public Works and Transport during August 2005 provisionally estimated that the loss owing to the cancellation of the two contracts would amount to R12 million and that an accurate value could only be determined after finalisation of the final account for both the cancelled contracts and new contracts to complete the projects. The two projects were completed. However, as at July 2007, the final accounts had not been finalised and an accurate value of the loss owing to the cancellation of the two contracts could still not be provided.

Internal control

22. Control environment

The department did not establish key elements of a control environment to ensure compliance with laws and regulations. This is evident from matters reported on non compliance.

23. Control activities

The effectiveness of control activities over business and accountancy processes is not adequate. This is evident from the matters reported on housing loan guarantees, commitments and comparatives.

Delay in finalisation of audit

24. Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006-07 financial year.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

25. I have audited the performance information as set out in Part 2.

Responsibility of the accounting officer

26. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

27. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

28. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
29. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Lack of systems generating performance information

30. We were unable to obtain sufficient appropriate audit evidence in relation to the performance information of the WCED because the system relevant for generating information on the target outputs was not adequate for purposes of the evaluation. Details are as follows:
 - For performance measure PM801, the figure of 21 347 reported in the annual report on performance information could not be verified because the database is being cleaned up and therefore the figures will only be rectified in future periods.
 - For performance measure PM802, the figure of 14 126 is up to December 2006 and the numbers will only be adjusted and rectified in future periods.

Evidence materially inconsistent with reported information or lack of adequate evidence

31. The following actual achievements of performance measures could not be substantiated by adequate source documentation:
 - PM502, PM503, and PM601: No supporting documentation provided.
 - PM206: The estimated replacement costs of R12 billion for the immovable school infrastructure could not be substantiated.
32. The evidence provided to support the performance information reported in the annual report was materially inconsistent with the reported performance information. Details are listed below:
 - PM205: Three totals for the total number of schools were provided to the auditors. We could not ascertain which total is the correct one.
 - PM203: There was a difference in the number of schools provided. A figure of 1 506 as well as a list with a total of 1 452 schools. No explanation for the difference could be provided.
 - PM501: The supporting documents provided for audit purposes did not agree to the actual performance against targets as reported in the annual report. The actual statement of performance against targets reported that the "enrollment students headcount" was 53 695 students while the information provided for support showed the "enrollment students headcount" as 56 350 students.

Lack of targets and outputs for performance measures reported in the annual report

33. No targets were set in the annual performance plan and no outputs reported in annual report for the following performance measures:

PM004, PM202, PM211, PM213, PM218 and PM504.
34. No targets were set in the annual performance plan and annual report for the following actual achievements of performance measures:

PM003, PM206, PM216 and PM502.

Inconsistent reporting format between target and output

35. The reporting format for performance measure PM212 is inconsistent, as the reporting format of the actual output differs from the reporting format of the target. The target is a percentage (62%) and the output is indicated in decimal numbers (Literacy: 0.174, Numeracy 0.375).

APPRECIATION

36. The assistance rendered by the staff of the WCED during the audit is sincerely appreciated.



J Diedericks *for* Auditor-General

Cape Town

31 August 2007



A U D I T O R - G E N E R A L

**WESTERN CAPE EDUCATION DEPARTMENT
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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated and adjusted appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

**WESTERN CAPE EDUCATION DEPARTMENT
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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹.

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under *goods and services*.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in disclosure note 30.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in disclosure note 30.

4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.7 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

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for the year ended 31 March 2007**

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 31 and 32 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises 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 the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

7. Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

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Appropriation Statement for the year ended 31 March 2007

Appropriation per Programme

Programme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	266,069	-	(7,391)	258,678	254,379	4,299	98.3%	215,027	210,362
Transfers and subsidies	13,945	-	9,244	23,189	22,731	458	98.0%	14,065	13,835
Payment for capital assets	12,457	-	(1,853)	10,604	10,604	-	100.0%	14,042	13,296
2. Public ordinary school education									
Current payment	5,269,025	-	(72,794)	5,196,231	5,067,372	128,859	97.5%	4,775,158	4,734,420
Transfers and subsidies	278,246	-	53,580	331,826	332,292	(466)	100.1%	343,102	343,085
Payment for capital assets	249,071	-	16,142	265,213	223,986	41,227	84.5%	277,532	271,053
3. Independent school subsidies									
Transfers and subsidies	34,127	-	132	34,259	34,259	-	100.0%	32,471	32,445
4. Public special school education									
Current payment	309,150	-	3,072	312,222	312,419	(197)	100.1%	294,683	294,556
Transfers and subsidies	76,890	-	(203)	76,687	76,489	198	99.7%	71,738	71,735
Payment for capital assets	-	-	203	203	204	(1)	100.5%	500	156
5. Further education and training colleges									
Current payment	154,774	-	(14,729)	140,045	140,010	35	100.0%	133,541	133,538
Transfers and subsidies	109,753	-	21,251	131,004	131,038	(34)	100.0%	34,647	34,648
6. Adult basic education and training									
Current payment	7,797	-	(1,602)	6,195	6,163	32	99.5%	5,848	5,850
Transfers and subsidies	15,774	-	1,602	17,376	17,376	-	100.0%	17,202	17,201
7. Early childhood development									
Current payment	55,913	-	(6,522)	49,391	44,411	4,980	89.9%	44,765	44,764
Transfers and subsidies	51,484	-	(132)	51,352	45,784	5,568	89.2%	30,033	29,713
8. Auxiliary and associated services									
Current payment	93,492	-	(267)	93,225	87,197	6,028	93.5%	71,288	70,099
Transfers and subsidies	105,394	-	8,165	113,559	113,557	2	100.0%	119,459	118,928
Payment for capital assets	12,500	-	(7,898)	4,602	91	4,511	2.0%	9,558	9,560
Total	7,115,861	-	-	7,115,861	6,920,362	195,499	97.3%	6,504,659	6,449,244

Reconciliation with Statement of Financial Performance

Add: Prior year unauthorised expenditure approved with funding

Departmental receipts

Actual amounts per Statement of Financial Performance (Total Revenue) -

Prior year unauthorised expenditure approved

Actual amounts per Statement of Financial Performance Expenditure

-	-	29,456	-
2,014	-	1,647	-
7,117,875	-	6,535,762	-
-	-	29,456	-
6,920,362	-	6,478,700	-

**WESTERN CAPE EDUCATION DEPARTMENT
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Appropriation Statement for the year ended 31 March 2007

Appropriation per Economic classification

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	5,388,030	-	(13,380)	5,374,650	5,253,453	121,197	97.7%	4,999,731	4,962,469
Goods and services	763,435	-	(84,300)	679,135	657,411	21,724	96.8%	533,648	525,330
Interest and rent on land	-	-	-	-	-	-	0.0%	1,141	-
Financial transactions in assets and liabilities	4,755	-	(2,553)	2,202	1,087	1,115	49.4%	5,790	5,790
Transfers & subsidies									
Provinces & municipalities	3,322	-	171	3,493	3,330	163	95.3%	13,007	12,857
Departmental agencies & accounts	3,756	-	-	3,756	3,756	-	100.0%	3,839	3,306
Non-profit institutions	655,328	-	93,042	748,370	746,628	1,742	99.8%	620,994	620,954
Households	23,207	-	426	23,633	19,812	3,821	83.8%	24,877	24,473
Payment for capital assets									
Buildings & other fixed structures	247,216	-	14,887	262,103	220,878	41,225	84.3%	274,808	270,665
Machinery & equipment	26,812	-	(8,322)	18,490	13,978	4,512	75.6%	23,747	20,323
Software & other intangible assets	-	-	29	29	29	-	100.0%	3,077	3,077
Total	7,115,861	-	-	7,115,861	6,920,362	195,499	97.3%	6,504,659	6,449,244

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Appropriation Statement

Detail per programme 1 – Administration for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	3,696	-	(294)	3,402	3,402	-	100.0%	3,140	3,140
Transfers and subsidies	2	-	-	2	2	-	100.0%	12	11
Payment for capital assets	-	-	41	41	41	-	100.0%	-	-
1.2 Corporate services									
Current payment	139,063	-	(14,110)	124,953	122,354	2,599	97.9%	109,802	107,951
Transfers and subsidies	2,016	-	745	2,761	2,762	(1)	100.0%	2,280	2,279
Payment for capital assets	1,166	-	2,360	3,526	3,526	-	100.0%	1,120	374
1.3 Education Management									
Current payment	96,142	-	7,782	103,924	103,911	13	100.0%	89,972	89,973
Transfers and subsidies	11,466	-	8,499	19,965	19,964	1	100.0%	11,542	11,542
Payment for capital assets	11,225	-	(4,822)	6,403	6,403	-	100.0%	12,914	12,914
1.4 Human resource development									
Current payment	11,760	-	(724)	11,036	9,783	1,253	88.6%	12,113	9,298
Transfers and subsidies	458	-	-	458	1	457	0.2%	231	3
Payment for capital assets	-	-	523	523	523	-	100.0%	8	8
1.5 Education Management and Information Systems									
Current payment	15,408	-	(45)	15,363	14,929	434	97.2%	-	-
Transfers and subsidies	3	-	-	3	2	1	66.7%	-	-
Payment for capital assets	66	-	45	111	111	-	100.0%	-	-
Total	292,471	-	-	292,471	287,714	4,757	98.4%	243,134	237,493

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	137,758	-	2,893	140,651	140,652	(1)	100.0%	124,645	123,673
Goods and services	123,556	-	(7,731)	115,825	112,640	3,185	97.3%	84,592	80,899
Financial transactions in assets and liabilities	4,755	-	(2,553)	2,202	1,087	1,115	49.4%	5,790	5,790
Transfers & subsidies									
Provinces & municipalities	82	-	4	86	85	1	98.8%	433	299
Non-profit institutions	11,479	-	8,458	19,937	19,741	196	99.0%	11,445	11,445
Households	2,384	-	782	3,166	2,905	261	91.8%	2,187	2,091
Payments for capital assets									
Buildings and other fixed structures	600	-	(600)	-	-	-	0.0%	-	-
Machinery & equipment	11,857	-	(1,269)	10,588	10,588	-	100.0%	11,466	10,722
Software & other intangible assets	-	-	16	16	16	-	100.0%	2,576	2,574
Total	292,471	-	-	292,471	287,714	4,757	98.4%	243,134	237,493

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Appropriation Statement

Detail per programme 2 – Public ordinary school education for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Public Primary schools									
Current payment	3,008,394	-	(56,787)	2,951,607	2,819,522	132,085	95.5%	2,725,609	2,690,480
Transfers and subsidies	140,996	-	32,505	173,501	182,005	(8,504)	104.9%	174,581	174,582
Payment for capital assets	96,815	-	21,210	118,025	118,023	2	100.0%	122,611	116,132
2.2 Public Secondary schools									
Current payment	2,039,823	-	(16,450)	2,023,373	2,022,613	760	100.0%	1,844,723	1,844,405
Transfers and subsidies	109,470	-	12,371	121,841	120,336	1,505	98.8%	140,592	140,592
Payment for capital assets	149,801	-	(5,727)	144,074	102,849	41,225	71.4%	154,447	154,447
2.3 Professional services									
Current payment	164,448	-	892	165,340	170,341	(5,001)	103.0%	154,191	148,900
Transfers and subsidies	22,780	-	8,681	31,461	26,409	5,052	83.9%	17,576	17,557
Payment for capital assets	2,455	-	35	2,490	2,490	-	100.0%	461	461
2.4 Human resource development									
Current payment	13,047	-	188	13,235	13,093	142	98.9%	11,644	11,643
Transfers and subsidies	-	-	10	10	11	(1)	110.0%	21	22
2.5 National school nutrition programme									
Current payment	43,313	-	(637)	42,676	41,803	873	98.0%	38,991	38,992
Transfers and subsidies	5,000	-	13	5,013	3,531	1,482	70.4%	10,332	10,332
Payment for capital assets	-	-	624	624	624	-	100.0%	13	13
Total	5,796,342	-	(3,072)	5,793,270	5,623,650	169,620	97.1%	5,395,792	5,348,558

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	4,699,054	-	(5,035)	4,694,019	4,573,712	120,307	97.4%	4,363,127	4,326,839
Goods and services	569,971	-	(67,759)	502,212	493,660	8,552	98.3%	410,890	407,581
Interest and rent on land	-	-	-	-	-	-	0.0%	1,141	-
Transfers & subsidies									
Provinces & municipalities	2,929	-	165	3,094	2,926	168	94.6%	11,319	11,303
Non-profit institutions	258,714	-	53,592	312,306	315,638	(3,332)	101.1%	312,852	312,849
Households	16,603	-	(177)	16,426	13,728	2,698	83.6%	18,931	18,933
Payments for capital assets									
Buildings & other fixed structures	246,616	-	15,462	262,078	220,853	41,225	84.3%	274,308	270,509
Machinery & equipment	2,455	-	667	3,122	3,120	2	99.9%	3,224	544
Software and other intangible assets	-	-	13	13	13	-	100.0%	-	-
Total	5,796,342	-	(3,072)	5,793,270	5,623,650	169,620	97.1%	5,395,792	5,348,558

**WESTERN CAPE EDUCATION DEPARTMENT
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Appropriation Statement

Detail per programme 3 – Independent school subsidies for the year ended 31 March 2007

Programme per subprogramme		2006/07						2005/06		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1	Primary phase									
	Transfers and subsidies	19,270	-	(3,368)	15,902	15,902	-	100.0	17,458	17,432
3.2	Secondary phase									
	Transfers and subsidies	14,857	-	3,500	18,357	18,357	-	100.0	15,013	15,013
	Total	34,127	-	132	34,259	34,259	-	100.0	32,471	32,445

Economic Classification		2006/07						2005/06		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers & subsidies										
	Non-profit institutions	34,127	-	132	34,259	34,259	-	100.0	32,471	32,445
	Total	34,127	-	132	34,259	34,259	-	100.0	32,471	32,445

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Appropriation Statement

Detail per programme 4 – Public special school education for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Schools									
Current payment	309,150	-	3,072	312,222	312,419	(197)	100.1%	294,683	294,556
Transfers and subsidies	76,888	-	(203)	76,685	76,489	196	99.7%	71,736	71,735
Payments for capital assets	-	-	203	203	204	(1)	100.5%	500	156
4.2 Professional services									
Transfers and subsidies	1	-	-	1	-	1	0.0%	1	-
4.3 Human resource development									
Transfers and subsidies	1	-	-	1	-	1	0.0%	1	-
Total	386,040	-	3,072	389,112	389,112	-	100.0%	366,921	366,447

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	305,235	-	2,234	307,469	307,469	-	100.0%	291,574	291,577
Goods and services	3,915	-	838	4,753	4,950	(197)	104.1%	3,109	2,979
Transfers & subsidies									
Provinces & municipalities	190	-	-	190	190	-	100.0%	744	744
Non-profit institutions	75,623	-	(173)	75,450	75,448	2	100.0%	69,871	69,868
Households	1,077	-	(30)	1,047	851	196	81.3%	1,123	1,123
Payments for capital assets									
Buildings & other fixed structures	-	-	25	25	25	-	100.0%	500	156
Machinery and equipment	-	-	178	178	179	(1)	100.6%	-	-
Total	386,040	-	3,072	389,112	389,112	-	100.0%	366,921	366,447

**WESTERN CAPE EDUCATION DEPARTMENT
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Appropriation Statement

**Detail per programme 5 – Further education and training colleges
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Public institutions									
Current payment	154,774	-	(14,729)	140,045	140,010	35	100.0%	133,541	133,538
Transfers and subsidies	39,751	-	21,251	61,002	61,038	(36)	100.1%	34,645	34,648
5.2 Professional services									
Transfers and subsidies	1	-	-	1	-	1	0.0%	1	-
5.3 Human resource development									
Transfers and subsidies	1	-	-	1	-	1	0.0%	1	-
5.4 Conditional grant									
Transfers and subsidies	70,000	-	-	70,000	70,000	-	100.0%	-	-
Total	264,527	-	6,522	271,049	271,048	1	100.0%	168,188	168,186

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	154,722	-	(14,729)	139,993	139,993	-	100.0%	133,541	133,538
Goods and services	52	-	-	52	17	35	32.7%	-	-
Transfers & subsidies									
Provinces & municipalities	87	-	-	87	87	-	100.0%	334	336
Non-profit institutions	109,310	-	21,251	130,561	130,688	(127)	100.1%	33,904	33,903
Households	356	-	-	356	263	93	73.9%	409	409
Total	264,527	-	6,522	271,049	271,048	1	100.0%	168,188	168,186

**WESTERN CAPE EDUCATION DEPARTMENT
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Appropriation Statement

**Detail per programme 6 – Adult basic education and training
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Subsidies to private centres									
Current payment	7,797	-	(1,602)	6,195	6,163	32	99.5%	5,848	5,850
Transfers and subsidies	15,772	-	1,602	17,374	17,376	(2)	100.0%	17,202	17,201
6.2 Professional services									
Transfers and subsidies	1	-	-	1	-	1	0.0%	-	-
Human resource development									
6.3 Transfers and subsidies	1	-	-	1	-	1	0.0%	-	-
Total	23,571	-	-	23,571	23,539	32	99.9%	23,050	23,051

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	5,948	-	-	5,948	5,916	32	99.5%	5,431	5,432
Goods and services	1,849	-	(1,602)	247	247	-	100.0%	417	418
Transfers & subsidies									
Provinces & municipalities	3	-	-	3	3	-	100.0%	14	13
Non-profit institutions	15,771	-	1,602	17,373	17,373	-	100.0%	17,188	17,188
Total	23,571	-	-	23,571	23,539	32	99.9%	23,050	23,051

**WESTERN CAPE EDUCATION DEPARTMENT
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Appropriation Statement

Detail per programme 7 – Early childhood development for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Grade R in public schools									
Current payment	45,450	-	-	45,450	44,402	1,048	97.7%	44,755	44,756
Transfers and subsidies	6,984	-	15,516	22,500	22,500	-	100.0%	13,391	13,073
7.2 Grade R in community centres									
Current payment	3,000	-	-	3,000	9	2,991	0.3%	8	8
Transfers and subsidies	39,499	-	(15,648)	23,851	23,284	567	97.6%	16,642	16,640
7.3 Professional services									
Current payment	-	-	-	-	-	-	-	1	-
Transfers and subsidies	1	-	-	1	-	1	0.0%	-	-
7.4 Human resource development									
Current payment	7,463	-	(6,522)	941	-	941	0.0%	1	-
Transfers and subsidies	5,000	-	-	5,000	-	5,000	0.0%	-	-
Total	107,397	-	(6,654)	100,743	90,195	10,548	89.5%	74,798	74,477

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	45,249	-	-	45,249	44,390	859	98.1%	43,829	43,829
Goods and services	10,664	-	(6,522)	4,142	21	4,121	0.5%	936	935
Transfers & subsidies									
Provinces & municipalities	21	-	-	21	28	(7)	133.3%	112	110
Non-profit institutions	50,429	-	192	50,621	45,619	5,002	90.1%	29,503	29,495
Households	1,034	-	(324)	710	137	573	19.3%	418	108
Total	107,397	-	(6,654)	100,743	90,195	10,548	89.5%	74,798	74,477

**WESTERN CAPE EDUCATION DEPARTMENT
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Appropriation Statement

Detail per programme 8 – Auxiliary and associated services for the year ended 31 March 2007

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Payments to SETA									
Transfers and subsidies	3,756	-	-	3,756	3,756	-	100.0%	3,839	3,306
8.2 Conditional grant projects									
Current payment	11,870	-	(37)	11,833	11,833	-	100.0%	11,199	11,199
Transfers and subsidies	-	-	2	2	2	-	100.0%	6	6
Payments for capital assets	-	-	37	37	37	-	100.0%	-	-
8.3 External examinations									
Current payment	62,622	-	379	63,001	63,001	-	100.0%	55,534	54,349
Transfers and subsidies	10	-	60	70	69	1	98.6%	111	111
Payments for capital assets	-	-	53	53	54	(1)	101.9%	101	101
8.4 Teacher training									
Transfers and subsidies	1,753	-	115	1,868	1,868	-	100.0%	1,743	1,743
8.5 iKapa Elihlumayo									
Current payment	19,000	-	(609)	18,391	12,363	6,028	67.2%	4,555	4,551
Transfers and subsidies	99,875	-	7,988	107,863	107,862	1	100.0%	113,760	113,762
Payments for capital assets	12,500	-	(7,988)	4,512	-	4,512	0.0%	9,457	9,459
Total	211,386	-	-	211,386	200,845	10,541	95.0%	200,305	198,587

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	40,064	-	1,257	41,321	41,321	-	100.0%	37,584	37,581
Goods and services	53,428	-	(1,524)	51,904	45,876	6,028	88.4%	33,704	32,518
Transfers & subsidies									
Provinces & municipalities	10	-	2	12	11	1	91.7%	51	52
Departmental agencies & accounts	3,756	-	-	3,756	3,756	-	100.0%	3,839	3,306
Non-profit institutions	99,875	-	7,988	107,863	107,862	1	100.0%	113,760	113,761
Households	1,753	-	175	1,928	1,928	-	100.0%	1,809	1,809
Payments for capital assets									
Machinery & equipment	12,500	-	(7,988)	4,602	91	4,511	2.0%	9,057	9,057
Software & other intangible assets	-	-	-	-	-	-	0.0%	501	503
Total	211,386	-	-	211,386	200,845	10,541	95.0%	200,305	198,587

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Appropriation Statement for the year ended 31 March 2007

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (B-E) to the annual financial statements
 2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
 3. **Detail on financial transactions in assets and liabilities**
Detail of these transactions per programme can be viewed in note 5 (Details of special functions (theft and losses)) to the annual financial statements.
 4. **Explanations of material variances from Amounts Voted (after virement):**
- 4.1 Per programme:

	Final appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	292,471	287,714	4,757	2%
Public ordinary school education	5,793,270	5,623,650	169,620	3%
	Explanation of variance: The underspending is mainly due to a compulsory saving for the salary adjustments in respect of incentives for various groups of educators. The criteria for the payment was not finalised before 31 March 2007. There is also an underspending in the capital budget due to the delays in some contracts where the building could not start, pending an environmental impact assessment that must be done.			
Independent school subsidies	34,259	34,259	-	0%
Special schools education	389,112	389,112	-	0%
Further education and training	271,049	271,048	1	0%
Adult basic education and training	23,571	23,539	32	0%
Early childhood development	100,743	90,195	10,548	10%
	Explanation of variance: The saving is mainly due to delays in the procurement of services for the training of ECD practitioners in the Expanded Public Works Programme (EPWP).			
Auxiliary and Associated services	211,386	200,845	10,541	5%
	Explanation of variance: The underspending is mainly due to delays in the upgrading of the two new schools of skill and the roll-out of the literacy strategy for the WCED			

Note	2006/07 R'000	2005/06 R'000
Compensation of employees	121,197	37,262
Goods and services	21,724	8,318
Interest and rent on land	-	1,141
Financial transactions in assets and liabilities	1,115	-
Provinces and municipalities	163	150
Departmental agencies and accounts	-	533
Non-profit institutions	1,742	40
Households	3,821	404
Building and other fixed structures	41,225	4,143
Machinery and equipment	4,512	3,424

**WESTERN CAPE EDUCATION DEPARTMENT
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Statement of Financial Performance for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1.	7,115,861	6,504,659
Appropriation for unauthorised expenditure approved	8.	-	29,456
Departmental revenue	2.	2,014	1,647
TOTAL REVENUE		7,117,875	6,535,762
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	5,253,453	4,962,469
Goods and services	4.	657,411	525,330
Financial transactions in assets and liabilities	5.	1,087	5,790
Unauthorised expenditure approved	8.	-	29,456
Total current expenditure		5,911,951	5,523,045
Transfers and subsidies	6.	773,526	661,590
Expenditure for capital assets			
Buildings and other fixed structures	7.	220,878	270,665
Machinery and equipment	7.	13,978	20,323
Software and other intangible assets	7.	29	3,077
Total expenditure for capital assets		234,885	294,065
TOTAL EXPENDITURE		6,920,362	6,478,700
SURPLUS/(DEFICIT)		197,513	57,062
Add back fruitless and wasteful expenditure	9.	14	-
SURPLUS/(DEFICIT) FOR THE YEAR		197,527	57,062
Reconciliation of Net Surplus (Deficit) for the year			
Voted Funds to be surrendered to the revenue fund	15.	195,513	55,415
Departmental revenue to be surrendered to the revenue fund	16.	2,014	1,647
SURPLUS/(DEFICIT) FOR THE YEAR		197,527	57,062

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Statement of Financial Position as at 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		320,211	199,255
Fruitless and wasteful expenditure	9.	708	-
Cash and cash equivalents	10.	244,742	128,834
Prepayments and advances	12	430	2,485
Receivables	13.	74,331	67,936
Non-current assets		11,008	9,435
Investments	14.	10,190	9,435
Other financial assets	11	818	-
TOTAL ASSETS		331,219	208,690
LIABILITIES			
Current liabilities		284,483	131,932
Voted funds to be surrendered to the revenue fund	15.	195,513	55,415
Departmental revenue to be surrendered to the revenue fund	16.	(214)	(1,702)
Bank overdraft	17.	47,471	54,050
Payables	18.	41,713	24,169
Non-current liabilities			
Payables	19.	-	26,035
TOTAL LIABILITIES		284,483	157,967
NET ASSETS		46,736	50,723
Represented by:			
Capitalisation reserve		10,301	9,546
Recoverable revenue		36,435	41,177
TOTAL		46,736	50,723

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Statement of Changes in Net Assets for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Capitalisation reserves			
Opening balance		9,546	8,962
Transfers		755	584
Closing balance		10,301	9,546
Recoverable revenue			
Opening balance		41,177	59,641
Transfers		(4,742)	(18,464)
Debts written off	5.3	(1,593)	(10,325)
Debts recovered (included in departmental receipts)		(3,419)	(8,139)
Closing balance		36,435	41,177
TOTAL		46,736	50,723

**WESTERN CAPE EDUCATION DEPARTMENT
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Cash Flow Statement for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7,139,516	6,546,854
Annual appropriated funds received	1.1	7,115,861	6,504,659
Appropriation for unauthorised expenditure received	8.	-	29,456
Departmental revenue received		23,655	12,739
Net decrease in working capital		12,510	26,583
Surrendered to revenue fund		(77,582)	(82,718)
Current payments		(5,911,951)	(5,493,589)
Transfers and subsidies paid		(773,526)	(661,590)
Net cash flow available from operating activities	20.	<u>388,967</u>	<u>335,540</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(234,885)	(294,065)
Increase in investments		(755)	(584)
Increase in other financial assets		(818)	
Net cash flows from investing activities		<u>(236,458)</u>	<u>(294,649)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		(3,987)	(17,880)
Decrease in non-current payables		(26,035)	
Net cash flows from financing activities		<u>(30,022)</u>	<u>(17,880)</u>
Net increase in cash and cash equivalents		122,487	23,011
Cash and cash equivalents at beginning of period		74,784	51,773
Cash and cash equivalents at end of period	21.	<u><u>197,271</u></u>	<u><u>74,784</u></u>

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2007

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

	Final Appropriation 2006/07	Actual Funds Received 2006/07	Funds not requested/ not received 2006/07	Appropriation Received 2005/06
	R'000	R'000	R'000	R'000
Administration	292,471	292,471	-	243,134
Public ordinary school education	5,793,270	5,793,270	-	5,395,792
Independent school subsidies	34,259	34,259	-	32,471
Public special school education	389,112	389,112	-	366,921
Further education and training colleges	271,049	271,049	-	168,188
Adult basic education and training	23,571	23,571	-	23,050
Early childhood development	100,743	100,743	-	74,798
Auxiliary and associated services	211,386	211,386	-	200,305
Total	7,115,861	7,115,861	-	6,504,659

	Note	2006/07 R'000	2005/06 R'000
1.2 Conditional grants**			
Total grants received	Annex 1 A	257,012	143,091
Provincial grants included in total grants received		-	-

** (It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1)

2. Departmental revenue to be surrendered to revenue fund

Sales of goods and services other than capital assets	2.1	8,539	5,412
Fines, penalties and forfeits		350	180
Interest, dividends and rent on land	2.2	1,561	2,163
Financial transactions in assets and liabilities	2.3	13,205	4,984
Total revenue collected		23,655	12,739
Less: Departmental revenue budgeted*	16.	21,641	11,092
Total		2,014	1,647

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
2.1 Sales of goods and services other than capital asset			
Sales of goods and services produced by the department		8,516	5,401
Other sales		8,516	5,401
Sales of scrap, waste and other used current goods		23	11
Total		8,539	5,412
2.2 Interest, dividends and rent on land and buildings			
Interest		1,561	2,163
Total		1,561	2,163
2.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Receivables		3,942	3,164
Other Receipts including recoverable revenue		9,263	1,820
Total		13,205	4,984
3. Compensation of employees			
3.1 Salaries and Wages			
Basic salary		4,081,112	3,859,786
Performance award		5,985	17,349
Service based		9,188	9,094
Compensative/circumstantial		41,040	35,444
Periodic payments		2,573	4,891
Other non-pensionable allowances		414,988	385,391
Total		4,554,886	4,311,955
3.2 Social contributions			
3.2.1 Employer contributions			
Pension		464,546	424,542
Medical		233,048	224,994
Bargaining council		430	430
Official unions and associations		543	548
Total		698,567	650,514
Total compensation of employees		5,253,453	4,962,469
Average number of employees		38,263	38,693

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
4. Goods and services			
Advertising		2,446	2,119
Attendance fees (including registration fees)		178	14
Bank charges and card fees		996	1,017
Bursaries (employees)		1,462	1,168
Communication		9,724	8,861
Computer services		2,257	-
Consultants, contractors and special services		40,197	31,240
Courier and delivery services		3,515	2,623
Tracing agents & debt collections		302	-
Drivers licences and permits		-	307
Entertainment		190	159
External audit fees	4.1	6,136	5,070
Equipment less than R5000		4,200	11,762
Freight service		-	56
Inventory	4.2	272,320	194,743
Legal fees		2,137	2,396
Maintenance, repairs and running cost		112,665	84,167
Operating leases		11,268	10,305
Plant flowers and other decorations		46	2
Printing and publications		9,652	8,309
Professional bodies and membership fees		5,559	5,606
Resettlement costs		426	882
Subscriptions		471	221
Owned leasehold property expenditure		15,956	17,190
Translations and transcriptions		500	760
Transport provided as part of the departmental activities		93,660	95,428
Travel and subsistence	4.3	38,197	25,613
Venues and facilities		16,718	12,301
Protective, special clothing & uniforms		167	116
Training & staff development		6,066	2,895
Total		657,411	525,330
4.1 External audit fees			
Regulatory audits		4,379	4,996
Performance audits		1,294	4
Other audits		463	70
Total external audit fees		6,136	5,070

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
4.2 Inventory			
Domestic consumables		191	95
Learning and teaching support material		216,860	147,339
Food and food supplies		38,992	36,741
Other consumables		25	20
Stationery and printing		16,252	10,548
Total inventory		272,320	194,743
4.3 Travel and subsistence			
Local		37,052	25,264
Foreign		1,145	349
Total travel and subsistence		38,197	25,613
5. Financial transactions in assets and liabilities			
Other material losses written off	5.1	152	3,202
Debts written off	5.2	935	2,588
Total		1,087	5,790
5.1 Other material losses written off			
Nature of losses			
GG-accidents		144	525
Claims against the state		8	2,677
Total		152	3,202
5.2 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Employee tax		4	44
State guarantees		62	613
Salary overpayments		245	1,455
Other		524	464
Bursaries		1	12
Interest on debts		99	-
Total		935	2,588

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
5.3 Irrecoverable amounts written off			
Receivables written off		1,593	10,325
Salary debt		123	772
Bursary debts		1,241	8,950
Other		229	603
Total		1,593	10,325
6. Transfers and subsidies			
Provinces and municipalities	Annex 1B	3,330	12,857
Departmental agencies and accounts	Annex 1C	3,756	3,306
Non-profit institutions	Annex 1D	746,628	620,954
Households	Annex 1E	19,812	24,473
Total		773,526	661,590
7. Expenditure on capital assets			
Buildings and other fixed structures	31.	220,878	270,665
Machinery and equipment	31.	13,978	20,323
Software and other intangible assets		29	3,077
Computer software	32.	29	3,077
Total		234,885	294,065
8. Unauthorised expenditure			
Opening balance		-	29,456
Amounts approved by Parliament/Legislature (without funding)		-	(29,456)
Total		-	-
9. Fruitless and wasteful expenditure			
9.1 Reconciliation of fruitless and wasteful expenditure			
Fruitless and wasteful expenditure – prior year		694	
Current		694	
Fruitless and wasteful expenditure – current year		14	-
Current		14	-
Fruitless and wasteful expenditure – awaiting condonement		708	-

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
9.2 Analysis of current fruitless and wastful expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
VLS 03224	In process	-	
VLS 04716	In process	-	
VLS 04868	In process	1	
VLS 04869	In process	4	
VLS 04871	In process	10	
VLS 04956	In process	-	
VLS 04915	In process	4	
VLS 04967	In process	1	
VLS 04923	In process	14	
VLS 05089	In process	674	
		708	-
		708	-
10. Cash and cash equivalents			
Cash on hand		-	3
Cash with commercial banks (Local)*		244,742	128,831
Total		244,742	128,834
		244,742	128,834
<p>* "Cash with commercial banks" represents cash not required by the department for immediate use and is invested by the Provincial Treasury at various commercial banks. Interest earned on these investments is reflected in the financial statements of the Provincial Revenue Fund.</p>			
11. Other financial assets			
Non-current			
Local			
Ex Departments: Mopping up		818	-
Total		818	-
Total non-current other financial assets		818	-
		818	-
12. Prepayments and advances			
Description			
Travel and subsistence		381	518
Advances paid to other entities		49	1,967
Total		430	2,485
		430	2,485

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2007

		Note	2006/07 R'000	2005/06 R'000
13	Receivables			
		Note	Total	Total
		Less than one year	One to three years	Older than three years
	Households and non profit institutions	13.1	7,399	5,389
	Staff debt	13.2	8,997	8,354
	Other Debtors	13.3	1,560	8,431
	Intergovernmental receivables	Annex 3	2,135	1,258
	Total		20,091	23,432
			30,808	74,331
			6,637	11,369
			74,331	67,936
		Note	2006/07 R'000	2005/06 R'000
13.1	Households and non-profit institutions			
	Salary deductions: housing		1,709	1,072
	Miscellaneous		106	2,816
	Disallowances: Damages & Losses		4,650	-
	Salary: Income Tax		1,230	-
	Disallowance: Miscellaneous		2,168	-
	Salary: ACB recalls		1,389	-
	Suspense: CPRS Trading Acc Loss		1,536	-
	Total		12,788	3,888
13.2	Staff Debt			
	Salary overpayments		8,852	3,597
	Debt account		9,356	7,574
	Total		18,208	11,171
13.3	Other debtors			
	Breach of contract		23,133	30,475
	Ex employees		8,150	6,961
	State guarantees		1,171	1,067
	Criminal acts		2,024	1,996
	Miscellaneous		2,220	1,009
	Total		36,698	41,508

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
14. Investments			
Non-Current			
Shares and other equity			
School Building Fund		9,792	9,053
JL Bisset Fund		313	292
Royal Reception Fund		34	36
Graham Civil Service Bursary Fund		42	42
Sir David Harris Trust		9	12
Total non-current		10,190	9,435
Analysis of non current investments			
Opening balance		9,435	8,851
Additions in cash		755	584
Closing balance		10,190	9,435
15. Voted funds to be surrendered to the revenue fund			
Opening balance		55,415	66,536
Transfer from Statement of Financial Performance		195,513	55,415
Paid during the year		(55,415)	(66,536)
Closing balance		195,513	55,415
15.1 Voted funds not requested/not received			
Funds to be rolled over		197,527	57,060
16. Departmental revenue to be surrendered to the revenue fund			
Opening balance		(1,702)	1,741
Transfer from Statement of Financial Performance		2,014	1,647
Departmental revenue budgeted		21,641	11,092
Paid during the year		(22,167)	(16,182)
Closing balance		(214)	(1,702)
17. Bank overdraft			
Consolidated Paymaster General Account		47,471	54,050
Total		47,471	54,040

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
18. Payables – current			
Description		2006/07 Total R'000	2005/06 Total R'000
	Note	30 Days R'000	30+ Days R'000
Clearing accounts	18.1	2,111	39,602
Total		2,111	39,602
		2006/07 R'000	2005/06 R'000
18.1 Clearing accounts			
Description			
Disallowance miscellaneous		2,392	2,308
Salary deduction: pension fund		-	4,615
Other (former WCCE & ABC recalls)		4,558	3,168
Advances from Western Cape		5,152	10,005
Other deduction accounts		2,653	55
Salary deduction: income tax		-	3,384
Salary deduction: medical aid		-	634
Ex Depts Mopping-up: Trading Account Capital		26,958	-
Total		41,713	24,169
19. Payables – Non-current			
Description		Total R'000	Total R'000
	Note	One to two years R'000	Two to three years R'000
		More than three years R'000	
Other payables	19.1	-	-
Total		-	-
19.1 Other payables			
Description			
Ex departments: Mopping up - Voted funds to be surrendered			613
Ex departments: Mopping up - CPRS Trading Account			25,422
Total			26,035

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
20. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		197,527	57,062
Add back non cash/cash movements not deemed operating activities		191,440	278,478
Increase in receivables – current		(6,395)	26,122
Decrease in prepayments and advances		2,055	(2,067)
Increase in other current assets		(708)	
Increase in payables – current		17,544	2,528
Expenditure on capital assets		234,885	294,065
Surrenders to revenue fund		(77,582)	(82,718)
Other non cash items		21,641	40,548
Net cash flow generated by operating activities		388,967	335,540
21. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		(47,471)	(54,050)
Cash on hand		-	3
Cash with commercial banks - Local		244,742	128,831
Total		197,271	74,784

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2007

These amounts are not recognised in the annual financial statements and are disclosed to enhance the usefulness of the annual financial statements.

	Note	2006/07 R'000	2005/06 R'000	
22. Contingent liabilities				
 Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A 65,390	44,047	
Claims against the department		Annex 2B 26,409	13,795	
Other departments (interdepartmental unconfirmed balances)		Annex 4 2,573	156	
Total		94,372	57,998	
23. Commitments				
 Current expenditure				
Approved and contracted		275,729	276,474	
Approved but not yet contracted		5,423	98,507	
		281,152	374,981	
 Non current expenditure				
Approved and contracted		113,770	93,231	
Approved but not yet contracted		33,582	186,245	
		147,352	279,476	
Total Commitments		428,504	654,457	
24. Accruals				
 Listed by economic classification				
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Compensation of employees	98	17	115	17
Goods and services	7,935	599	8,534	6,838
Transfers and subsidies	1,015	4,014	5,029	-
Buildings and other fixed structures	2,726	1,048	3,774	2,386
Machinery and equipment	-	-	-	43
Software and other intangible assests	-	124	124	-
Other	1	11	12	-
Total	11,775	5,813	17,588	9,284
 Listed by programme level				
Programme 1			2,562	2,717
Programme 2			10,970	5,011
Programme 4			13	-
Programme 5			49	-
Programme 7			19	-
Programme 8			3,975	1,556
Total			17,588	9,284
Confirmed balances with other departments	<i>Annex 4</i>		115	1
Total			115	1

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000	
25. Employee benefit provisions				
Leave entitlement		47,958	46,500	
Thirteenth cheque		174,102	159,020	
Performance awards		-	38	
Capped leave commitments		791,511	783,054	
Total		1,013,571	988,612	
26. Lease Commitments				
	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
26.1 Operating leases				
2006/07				
Not later than 1 year	-	342	4,469	4,811
Later than 1 year and not later than 5 Years	-	1,367	1,376	2,743
Total present value of lease liabilities	-	1,709	5,845	7,554
2005/06				
Not later than 1 year	-	462	-	462
Later than 1 year and not later than 5 Years	-	-	6,402	6,402
Total present value of lease liabilities	-	462	6,402	6,864
27. Irregular expenditure				
27.1 Reconciliation of irregular expenditure				
Opening Balance		1,578	-	
Irregular expenditure – current year		3,034	1,578	
Irregular expenditure awaiting condonement		4,612	1,578	
Analysis of awaiting condonement per classification				
Current expenditure		4,612	1,578	
		4,612	1,578	
Analysis of awaiting condonement per age classification				
Current		3,034	1,578	
Prior years		1,578	-	
Total		4,612	1,578	

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
27.2 Irregular expenditure			
Incident	Disciplinary steps taken/ criminal proceedings		
Prior years			
VLS 04989 MD Martin	Investigation in progress	-	9
VLS 04990 S&F Christians	Investigation in progress	-	19
VLS 04991 S Chilwan Coachlines	Investigation in progress	-	23
VLS 04992 M America	Investigation in progress	-	22
VLS 04993 JBS Transport	Investigation in progress	-	11
VLS 04994 D Adams Bus Service	Investigation in progress	-	40
VLS 04995 J Pistorius	Investigation in progress	-	7
VLS 04996 J Pistorius	Investigation in progress	-	26
VLS 04997 CMA Jacobs	Investigation in progress	-	16
VLS 04998 CMA Jacobs	Investigation in progress	-	31
VLS 04999 GJ Botha	Investigation in progress	-	62
VLS 05000 S Chilwan Coachlines	Investigation in progress	-	85
VLS 05001 Vergotine Transport	Investigation in progress	-	90
VLS 05002 Simpsons Bus Service	Investigation in progress	-	103
VLS 05003 Hanekoms Bus Service	Investigation in progress	-	171
VLS 05004 JG Gaffleys	Investigation in progress	-	192
VLS 05005 JG Gaffleys	Investigation in progress	-	220
VLS 05006 JG Gaffleys	Investigation in progress	-	43
VLS 05007 JG Gaffleys	Investigation in progress	-	6
VLS 05008 Munniks Intertown Coaches	Investigation in progress	-	402
Current year			
VLS 05010 E Dijebe	Investigation in progress	23	-
VLS 05011 Pers en Seuns	Investigation in progress	41	-
VLS 05012 Kobus Kruger Vervoer	Investigation in progress	3	-
VLS 05017 J Pistorius	Investigation in progress	16	-
VLS 05018 F Christiaans	Investigation in progress	47	-
VLS 04841 Independent Newspapers	Investigation in progress	22	-
VLS 04833 Schools Choral Eisteddfod	Investigation in progress	31	-
VLS 04843 I Can Communications	Investigation in progress	178	-
Adult Basic Education And Training	Investigation in progress	477	-
B/WCED 452/06	Investigation in progress	83	-
B/WCED 638/08	Investigation in progress	461	-
13/2/8/17/2/1/T066	Investigation in progress	98	-
13/2/8/17/2/1/T509	Investigation in progress	248	-
13/2/8/17/2/1/T063	Investigation in progress	1306	-
Total		3,034	1,578

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
28. Related party transactions			
In terms of the definition for related parties, public ordinary schools are regarded as a related party and the transactions thereto are disclosed under Annexure 1D			
29. Key management personnel			
Description	No. of Individuals		
Political Office Bearers (MEC)	1	792	742
Level 15 to 16	4	3,259	3,057
Level 14	6	3,654	3,026
Total		7,705	6,825
30. Provisions			
Potential irrecoverable debts			
Staff debtors		857	583
Other debtors		26,707	32,005
Claims recoverable		3,244	9,391
Total		30,808	41,979

The amounts i.r.o. the potential irrecoverable debts are based on the debts older than 3 years as indicated in Note 13 to the Financial Statements for "Receivables". In terms of the Prescription Act 68 of 1969 most debts would become prescribed after a period of 3 years.

31. Tangible Capital Assets

Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Building and other fixed structures	-	-	134,474	134,474	-
Non-residential buildings	-	-	134,474	134,474	-
Machinery and equipment	25,340	1,712	13,984	5,770	35,266
Transport assets	-	-	815	802	13
Computer equipment	23,155	821	7,565	4,865	26,676
Furniture and Office equipment	2,185	891	5,512	11	8,577
Other machinery and equipment	-	-	92	92	-
Total tangible assets	25,340	1,712	148,458	140,244	35,266

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2007

31.1 Additions to tangible capital asset per asset register for the year ended 31 March 2007

	Cash	Non-Cash	(Capital work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Building and other fixed structures	220,878	112,649	(199,053)	-	134,474
Non-residential buildings	220,878	112,649	(199,053)		134,474
Machinery and equipment	13,978	13	-	(7)	13,984
Transport assets	802	13	-		815
Computer equipment	7,572	-	-	(7)	7,565
Furniture and Office equipment	5,512	-	-	-	5,512
Other machinery and equipment	92	-	-	-	92
Total capital assets	234,856	112,662	(199,053)	(7)	148,458

31.2 Disposals of tangible capital assets per asset register for the year ended 31 March 2007

	Sold (cash)	Non-cash	Total	Cash Received Actual
	R'000	R'000	R'000	R'000
Building and other fixed structures	-	134,474	134,474	-
Non-residential buildings	-	134,474	134,474	-
Machinery and equipment	-	5,770	5,770	-
Transport assets	-	802	802	-
Computer equipment	-	4,865	4,865	-
Furniture and Office equipment	-	11	11	-
Other machinery and equipment	-	92	92	-
Total	-	140,244	140,244	-

31.3 Movement in tangible capital assets per asset register for the year ended 31 March 2006

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Building and other fixed structures	-	270,665	270,665	-
Non-residential buildings	-	270,665	270,665	-
Machinery and equipment	20,578	20,377	15,615	25,340
Computer equipment	18,752	4,403	-	23,155
Furniture and Office equipment	1,826	359	-	2,185
Other machinery and equipment	-	15,615	15,615	-
Total tangible assets	20,578	291,042	286,280	25,340

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2007

32. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer Software	130	-	29	-	159
Total intangible assets	130	-	29		159

32.1 Additions to intangible capital assets per asset register for the year ended 31 March 2007

	Cash	Non-cash	(Development work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	
Computer Software	29	-	-	-	29
Total	29	-	-	-	29

32.2 Capital intangible asset movement schedule for the year ended 31 March 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer Software	96	3,077	3,043	130
Total intangible assets	96	3,077	3,043	130

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

**Annexure 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT:	GRANT ALLOCATION					SPENT			2005/06	
	Division of Revenue Act	Roll Overs	DORA adjustments	Other adjustments	Total Available	Amount received by Department	Amount spent by Department	% of available funds spent by department	Division of Revenue Act	Amount spent by departments
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Division of Revenue Act										
HIV/AIDS	11,870	-	-	2	11,872	11,870	11,872	100.0%	11,205	11,205
National school nutrition programme	48,313	-	-	-	48,313	48,313	45,958	95.1%	49,321	49,337
FET Grant	70,000	-	-	-	70,000	70,000	70,000	100.0%	-	-
Provincial infrastructure grant (PIG)	126,829	-	-	-	126,829	126,829	126,706	99.9%	82,565	83,141
Total	257,012	-	-	2	257,014	257,012	254,536		143,091	143,683

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of Municipality	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Cape Metropolitan Council	2,140	-	-	2,140	2,140	100.0	2,140	2,140	100.0	8,270
Cape Winelands District Municipality	440	-	-	440	440	100.0	440	440	100.0	1,700
Central Karoo District Municipality	56	-	-	56	56	100.0	56	56	100.0	220
Eden District Municipality	433	-	-	433	433	100.0	433	433	100.0	1,666
Overberg District Municipality	141	-	-	141	141	100.0	141	141	100.0	536
West Coast District Municipality	120	-	-	120	120	100.0	120	120	100.0	465
Total	3,330	-	-	3,330	3,330		3,330	3,330		12,857

RCS levies discontinued 1/7/2006

WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Department/ Agency/Account	TRANSFER ALLOCATION				TRANSFER		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
SETA	3,756	-	-	3,756	3,756	100.0	3,306
Total	3,756	-	-	3,756	3,756		3,306

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO NON PROFIT INSTITUTIONS

Non Profit Organisation	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Public ordinary schools	370,068	-	70,038	440,106	416,756	94.7	406,125
Independent schools	34,127	-	132	34,259	34,259	100.0	32,445
Schools for learners with special education needs	75,623	-	(173)	75,450	76,933	102.0	69,868
Further education and training colleges	109,310	-	21,251	130,561	155,688	119.2	65,833
ABET: Private centres	15,771	-	1,602	17,373	17,373	100.0	17,188
ECD: Gr-R-Public Schools	6,985	-	15,516	22,501	22,335	99.3	12,853
ECD: Gr-R-Community Centres	43,444	-	(15,324)	28,120	23,284	82.8	16,642
Total	655,328	-	93,042	748,370	746,628		620,954

WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 1E
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

Households	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Employee Social Benefits (leave gratuity)	16,007	-	-	16,007	16,007	100.0	21,097
Claims Against State	1,929	-	-	1,929	1,929	100.0	1,628
Staff debt write-off – Bursary	3	-	-	3	3	100.0	5
Bursaries (non-employees)	1,868	-	-	1,868	1,868	100.0	1,743
Act of grace/ <i>Ex gratia</i> payments	5	-	-	5	5	100.0	-
Total	19,812	-	-	19,812	19,812		24,473

WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED
31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Received in kind		
Together with Africa and Asia Association - vehicle (bus)	13	-
Total	<u>13</u>	<u>-</u>

WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Remissions, refunds, and payments made as an act of grace		
Ambulance services – Brandwacht Primary	2	10
BP Lujabe – Funeral costs of learner, Y Lujabe	3	-
Total	5	10

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 - LOCAL

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 01/04/2006	Guarantee drawdowns during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Currency Revaluations	Closing Balance 31/03/2007	Guaranteed interest outstanding 31/3/2007	Realised losses not recoverable i.e. claims paid out
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Housing									
0001 – Standard Bank of S.A. Limited		-	6,320	4,976	3,109	-	8,187	-	16
0002 Nedbank Limited (former Cape of GHB)		-	829	(34)	520	-	275	-	-
0003 Nedbank Limited		-	1,219	4,430	2,286	-	3,363	-	16
0004 First Rand Bank Limited: First NA		-	3,527	9,656	8,626	-	4,557	-	26
0010 Nedbank limited incorporating BOE		-	1,531	1,402	2,831	-	102	-	-
0017 ABSA		-	14,727	36,658	19,590	-	31,795	-	20
0041 Old Mutual Finance Limited		-	444	92	224	-	312	-	-
0052 People's Bank Limited (Former FBC)		-	1,107	332	1,156	-	283	-	-
0053 Nedbank Limited (incorp NB)		-	2,185	4,232	2,116	-	4,301	-	21
0054 First Rand Bank Limited: FNB former		-	2,757	4140	1,281	-	5,616	-	-
0055 Old Mutual Bank Div of Nedbank		-	7,827	5,564	10,002	-	3,389	-	-
0071 GBS Mutual Bank		-	49	(20)	14	-	15	-	-
0280 Albaraka Bank		-	13	20	-	-	33	-	-
0281 Nedbank Ltd (incorporated Bo)		-	30	-	-	-	30	-	-
0444 BOE Bank Ltd		-	929	(120)	683	-	126	-	-
0512 SA Homeloans (Pty) Ltd		-	-	20	-	-	20	-	-
0514 First Rand Bank: Origin Division		-	-	22	22	-	-	-	-
0516 Greenstart Homeloans (Pty) Ltd		-	105	47	78	-	74	-	-
0530 National Housing Finance Corporation		-	448	247	61	-	634	-	-
Spes Bona Bank		-	-	3	-	-	3	-	-
Santam Bank		-	-	14	-	-	14	-	-
Provincial Building Society		-	-	10	-	-	10	-	-
Old Mutual (Perm)		-	-	3,043	1,776	-	1,267	-	9
Future Bank		-	-	6	-	-	6	-	-
Fidelity		-	-	62	-	-	62	-	-
EP Bank		-	-	33	-	-	33	-	-
Community Bank		-	-	62	-	-	62	-	-
Cash Bank		-	-	19	-	-	19	-	-
BOE Boland		-	-	682	255	-	427	-	-
Other		-	-	375	-	-	375	-	-
Total		-	44,047	75,973	54,630	-	65,390	-	108

WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5

Annexures to the Annual Financial Statements for the year ended 31 March 2007

Annexure 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable	Closing Balance 31/03/2007
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Various	13,795	14,585	1,971	-	26,409
Total	13,795	14,585	1,971	-	26,409

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Annexures to the Annual Financial Statements for the year ended 31 March 2007

**Annexure 3
INTER-GOVERNMENTAL RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department of Education	-	-	180	325	180	325
Department of Education Gauteng	-	-	50	37	50	37
Miscellaneous (Salary Claims 0061)	-	-	3,316	-	3,316	-
Northern Cape Education (0067)	-	-	200	433	200	433
Eastern Cape Education Department (EED)	-	-	82	922	82	922
National Department of Labour (DLB)	-	-	214	-	214	-
ELRC (Electoral Labour Resolution Council)	-	-	408	553	408	553
S.A. Police Services	-	-	63	17	63	17
S.A. Defence	-	-	19	7	19	7
SADTU (South African Democratic Teachers Union)	-	-	1,830	1,214	1,830	1,214
CTPA (Cape Teachers Professional Ass.)	-	-	220	25	220	25
Public Allied Workers Union S.A.	-	-	14	-	14	-
Cape Metropolitan Council	-	-	18	-	18	-
WC Dept. Social Services (WSS)	-	-	46	24	46	24
WC Department Local Gov & Housing (WHA)	-	-	54	7	54	7
WC Dept. Community Safety (WSL)	-	-	52	9	52	9
WC Dept. of Agriculture (WLA)	-	-	46	32	46	32
Dept. Health (WHW)	-	-	9	45	9	45
Cultural Affairs (WAC)	-	-	13	-	13	-
Dept of the Premier (WAM)	-	-	213	20	213	20
Western Cape Dept (WED)	-	-	431	-	431	-
WC Provincial Treasury (WFE)	-	-	37	29	37	29
Unallocated credit balances	-	-	(878)	-	(878)	-
Kwazulu/Natal Education Dept.	-	-	-	119	-	119
Free State Education Dept.	-	-	-	198	-	198
North West Education Dept.	-	-	-	3	-	3
Provincial Admin. Natal	-	-	-	394	-	394
Province PWV	-	-	-	165	-	165
Province Eastern Transvaal	-	-	-	6	-	6
Province Orange Free State	-	-	-	1	-	1
WC Dept. of Transport & Public Works	-	-	-	2	-	2
NAPTOSA	-	-	-	132	-	132
National Dept. of Social Services	-	-	-	45	-	45
Provincial Administration of W Cape	-	-	-	948	-	948
National Treasury, Pensions	-	-	-	3,288	-	3,288
WC Dept. of Environmental Affairs	-	-	-	2	-	2
Hosmed	-	-	-	50	-	50
Other	-	-	-	2,317	-	2,317
Total	-	-	6,637	11,369	6,637	11,369

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Annexures to the Annual Financial Statements for the year ended 31 March 2007

**Annexure 4
INTER-DEPARTMENTAL PAYABLES - CURRENT**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Western Cape Department of Transport, Roads & Public Works	-	-	2,555	156	2,555	156
National Dept. of Justice & Constitutional Development	1	1	-	-	1	1
Free State Education Department	26	-	18	-	44	-
Western Cape Department of Health	58	-	-	-	58	-
Western Cape Department of Community Safety	30	-	-	-	30	-
Total	115	1	2,573	156	2,688	157