

PART 3 - REPORT OF THE AUDIT COMMITTEE

REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT AUDIT COMMITTEE ON THE DEPARTMENT OF EDUCATION (VOTE 5) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008.

1. Introduction

The Audit Committee is pleased to present its report for the above-mentioned financial year ended 31 March 2008.

2. Audit Committee Members and Attendance

- 2.1 The Audit Committee consists of the members listed hereunder. It is required to meet a minimum of 4 times per annum as per its approved Terms of Reference. During the current year 7 meetings were held:

2.2 Members for the year	Number of Meetings Attended
Mr RG Nicholls (Chairperson)	7
Dr L Kathan	6
Mr J January (Contract expired in August 2007).	3
Mr R Lalu (Contract expired in August 2007).	5
Mr M Joshua (Resigned on the 7 April 2008).	5
Ms B Daries (Appointed on the 1 December 2007)	
Ms P White (Appointed on the 1 December 2007)	

3. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13 as required.

The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

The committee was not afforded the opportunity to evaluate the Unaudited Annual Financial Statements which is a requirement of the National Treasury Guide for the Preparation of the Annual Reports of Chapter 1.

4. Effectiveness of Internal Control

In our opinion, based on the reports received from the service providers and information reported during our audit committee meetings, the internal control environment contains weaknesses which need to be strengthened in the financial year ending March 2009. We further believe that findings reported by the audit service providers need to result in positive change.

Deliveries to achieve and monitor the positive change from audit findings remain a challenge in the New Year.

5. Internal Audit

As reported for the last two years by the Audit Committee, the internal audit has not been effective in creating the necessary positive change related to the audit service provider findings. The internal audit process must be re-visited with a view to ensuring that the correct value is provided to address the reported weaknesses and facilitate the correction needed.

The change initiatives and the internal audit plan for 2007/08 were compiled with specific input from the Audit Committee and the department to enable the Internal Audit process to deliver the required corrective value.

This was not achieved during the reporting year.

6. The quality of in year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

In our opinion the requirements of the PFMA and Division of Revenue Act have been met by the monthly and quarterly reports produced and delivered to stakeholders.

The In-Year Monitoring Treasury process results have not been fed back to our committee. Such a process can effectively enable the committee to monitor any the significant deviations found. We have tasked Internal Audit to perform this function on our behalf.

7. Information Technology

In the past and during the reporting year Information Technology has been identified by the provisional Shared Service Auditors as being at a critical high risk level due to gross inadequacies in hardware, software, human capital capacity and a severe shortage of skills.

A turn around plan has been proposed and is being implemented. Latest audit findings are that the plan is both inadequate and because of the above capacity constraints slow in achieving any positive change.

This matter is being escalated to a senior position in the province to ensure it receives the budget and attention necessary to mitigate the critical risk.

It is further reported to the Audit Committee that the user controls related to computer input and output are non-existent or ineffective which with the general and application control weaknesses make these areas high risk.

These weaknesses result in the user controls not being a source of reliance for both the audit process and the user.

8. Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited financial statements to be included in the annual report with the Auditor General and the Accounting Officer;
- reviewed the Auditor General's management letter and management's response thereto;
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor General's conclusion on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

The Department is congratulated for its first Unqualified Audit Opinion from the Auditor General for a number of years. The Audit Committee further note an improvement in the financial control environment during the reporting year.

9. Performance

The Auditor General has raised a few significant issues that relates to Education core delivery. These items will form part of their audit opinion from 2010.

The Department has been requested to address these items as part of their ongoing correctional processes failing which core delivery could result in a qualified Audit General Report in the near future.

Conclusion

As concluded last year, good corporate governance and effective controls especially in the computer and risk management areas must be the prioritised matters for attention and improvement in the financial year ending March 2009.

Core performance is an issue needing review and attention to enhance educational delivery.



MR RG NICHOLLS
CHAIRPERSON OF THE WESTERN CAPE
EDUCATION DEPARTMENT AUDIT COMMITTEE
DATE: 14 August 2008

PART 4 – ANNUAL FINANCIAL STATEMENTS

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**WESTERN CAPE PROVINCE
DEPARTMENT OF EDUCATION
VOTE 5**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

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

For the year under review, the Department has made renewed efforts to increase expenditure and to avoid savings. The main priority areas were given the necessary attention and a proactive management style was adopted. The Re-Design process started this year with the appointment of new senior management staff in October 2007. This is an important event as it signals the start of our Internal Human Capital Development Strategy of expanding the strategic capacity of the Department, and the alignment of the organisational structure with the departmental strategy.

The strike action by the majority of educators and its possible impact on service delivery was of major concern to us. Despite this challenge the WCED still managed to perform well in terms of the overall matric pass rate, remaining the top performer nationally. This was achieved through special intervention measures such as winter schools, extra tuition time, etc. The department introduced a recovery plan in those schools that were severely affected by the strike.

The conclusion of negotiations with the labour unions around the Occupation Specific Dispensation will also assist with better remuneration of educators. This is still ongoing and is given special attention by the National department of education, who acts on behalf of provincial departments.

While the No-fee Schools policy is applicable primarily to schools in quintiles one and two, the further rollout and funding of this policy to national quintile three schools in the Western Cape is a major step to ensure access to education for our poorest learners. These quintile three schools have accepted this policy on a voluntary basis.

The department has managed to spend 98,92% of the adjusted budget. The target for under- or overspending set by Provincial Treasury is set at 1%. Our under expenditure amounted to R84, 9 million. This amounts to 1,08%.

Infrastructure under spending on committed capital projects was due to land acquisition challenges that could not be completed. Early childhood development programme fund allocation was not all spent due to delays in the verification of learner numbers to be subsidised and the late submission of claims for subsidies.

Where possible the department did institute preventive action by implementing proper planning, scenario analysis of challenges and project plans accordingly.

Virement:

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

Shifting of R290 000 from programme 2 to programme 1 due to 37% benefits payable to temporary teacher appointments.

Shifting of R960 000 from programme 2 to programme 1 due to leave gratuity payable.

Shifting of R9 557 000 from programme 2 to programme 4 due to 37% benefits payable to temporary teacher appointments.

Shifting of R7 593 000 from programme 2 to programme 5 due to 37% benefits payable to temporary teacher appointments.

Shifting of R5 084 000 from programme 2 to programme 8 due to 37% benefits payable to temporary teacher appointments.

Shifting of R171 000 from programme 2 to programme 3 due to increase in learner numbers in independent schools.

Shifting of R347 000 from programme 2 to programme 4 due to increase in GG transport tariffs.

Shifting of R575 000 from programme 2 to programme 4 due for new school of skills.

Unauthorised expenditure mainly due to bus contractors, transporting learners without following due laid down procedures. Increase in learner numbers is being authorised by head office and the delegation is limited.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

2. Service rendered by the department

2.1 Tariff policy

The department charges fees for examination related services such as marking of scripts, copy requests of senior certificates etc, of which tariffs are determined by the National Department of Education

2.2 Free Services

The department does not render any service which could have yielded significant revenue.

2.3 Inventories

The inventory that existed at year-end consisted of Work-in-progress that related to construction contracts. Work-in-progress is defined as those construction contracts for which services have been rendered, however, retention funds are still to be paid, as agreed to the supplier in terms of contractual obligations. The amount for WIP is R136,4 million for the year under review.

3. Capacity constraints

The department faces capacity constraints at various levels. With the review of the targets set and the spending of funds it is clear that service delivery is taking place. However, the proper planning of events and activities remains a challenge and the appointment of appropriate staff to deal with this in terms of the Re-design with effect from 1 October 2007 will address this issue.

Schools are facing challenges in finding appropriately skilled and properly qualified staff for certain subjects. Subjects like mathematics and science are facing critical shortages. The department has a bursary scheme in place that partially addresses the challenge. The National Department of Education are also investigating possible solutions.

The constant vacant posts at head office, especially in the transversal disciplines such as Human Resources Management, Supply Chain Management, and Financial Accounting remains a challenge. The training of existing staff and re-evaluation of job levels are existing initiatives that are under taken to address problem.

4. Utilisation of donor funds

The department did not receive any significant donor funds.

5. Organisations to whom transfer payments have been made

A list of entities to which transfer payments is being made is reported in annexure 1D of the Annual financial statements. The department has approximately 1900 institutions to which transfer payments are effected.

Transfer payments are made to educational institutions in terms of the relevant Act of Parliament that governs them. For example, transfer payments are made to public ordinary schools for norms and standards as set out in terms of the South African Schools Act. Please refer to annexure 1D for a more detailed explanation for each type of entity.

The department strictly applies Section 38(i)(j) of the PFMA where entities that receive transfer payments have to prove that they are spending the funds for the intended purpose. Here the relevant entities have to declare and sign a certificate before the next transfer payments are made. Then in terms of the relevant act pertaining to that entity they are also responsible for submitting their audited financial statements by a due date for review and compliance. This process is being monitored on an ongoing basis.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

6. 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.

Currently Provincial Treasury conducts the function of internal audit with the assistance of an outside service provider, the Sihluma Sonke Consortium. They have been tasked with doing the normal risk assessment for the 2007/08 financial year.

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

The department has 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.

Annually senior management has to complete and submit a declaration of 'No conflict of Interest'. All bid committee members and all staff in Supply Chain Management also have to declare any conflict of interest.

The safety of learners and educators at schools is a major challenge and the department has formed a partnership with other relevant provincial departments to deal with the issue.

The Integrated Safe Schools Strategy was developed by the WCED, the Department of Community Safety as well as the South African Police Service, and sets out clear processes and roles for each sector. This cooperative approach is working well, and generally ensures that learners are kept safe, that learner truancy is minimised and that substance abuse among learners is managed fairly effectively.

7. Discontinued activities/activities to be discontinued

None

8. New/proposed activities

None

9. Asset management

The department has achieved all the milestones as laid out in terms of the Asset Management reforms. The asset verification process is undertaken bi-annually to ensure continuous improvement. All assets have thus been captured on the asset register and the state/condition of each asset has been recorded.

10. Events after the reporting date

There are no significant events after the reporting date to report.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

11. Performance information

Performance information is recorded on a quarterly basis and submitted to Provincial Treasury. Certain performance information is not available and the department is in the process of identifying appropriate systems and procedures to record the relevant information.

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

The Quality Assurance directorate is responsible for the verification of the data submitted for performance information. This is necessary to ensure that performance information is accurately and completely reflected.

12. 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 the literacy programme 1991/92 – R21.949million and over-expenditure on the vote of former Administration: House of Representatives 1995/96 – R10.707million	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 3	Housing loan guarantees	The WCED accepts the committee's recommendations
Fourth Report: SCOPA, paragraph 12	Transfer payments	The WCED accepts the committee's recommendations
Fourth Report: SCOPA, paragraph 16	Qualification and experience of educators	The WCED accepts the committee's recommendations
Fourth Report: SCOPA, paragraph 21	Investment in infrastructure	The WCED accepts the committee's recommendation

13. Prior modifications to audit reports

Regarding the housing guarantees, the department did a follow-up with the various financial institutions. Persal was updated with the latest information received and the outstanding balances were adjusted accordingly. Correspondence is ongoing between the department and National Treasury regarding the amendment and acceptance of the Persal reports.

A new measure has been instituted where the relevant education institutions are required to complete a certificate to verify the applicable expenditure before the next transfer payment will occur.

The department has developed a strategy to deal with the concerns raised around the qualifications of educators and the related subjects they teach. A database is being developed and other systems data e.g. PERSAL are being utilised in this regard, especially for tracking Maths and Science information.

14. Other: Transactions from previous dispensation (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 unauthorised 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.

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008

On 7 February 2008 Minister Trevor Manuel, Minister of Finance, indicated in a letter to Ms Lynne Brown, Western Cape MEC for Finance, that the National Treasury is currently looking at drafting the necessary legislation as well as accounting rules to assist the province with the matter.

15. Approval

The Annual Financial Statements set out on pages 10 to 53 have been approved by the Accounting Officer.



RB Swartz
ACCOUNTING OFFICER
DATE: 2008.05.31

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO.5: WESTERN CAPE EDUCATION DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Education Department which comprise the appropriation statement, statement of financial position as at 31 March 2008, 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 10 to 53.

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 note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), Auditor-General audit circular 1 of 2007 and Division of Revenue Act, 2007 (Act No. 1 of 2007 (DoRA). 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) (PAA) 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 and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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 National Treasury as set out in accounting policy note 1.1.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Western Cape Education Department as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by National Treasury as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Treasury Regulations

10. A fraud prevention plan has not been implemented contrary to Treasury Regulations (TR) 3.2.1 and TR 29.1.1.

11. The risk management policy has not been implemented, contrary to TR 29.1.1.

Matters of governance

12. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The department had an audit committee in operation throughout the financial year.	✓	
• The audit committee operates in accordance with approved, written terms of reference.	✓	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	
Internal audit		
• The department had an internal audit function in operation throughout the financial year.	✓	
• The internal audit function operates in terms of an approved internal audit plan.	✓	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	✓	
Other matters of governance		
The annual financial statements were submitted for audit within legislated deadlines per section 40 of the PFMA	✓	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.	✓	
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information.		✓
The prior year's external audit recommendations have been substantially implemented.	✓	
SCOPA resolutions have been substantially implemented.	✓	

Investment in infrastructure

13. In paragraphs 6.5.1 (b) (ii) and 21 of the 2005/06 and 2006/07 audit reports 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 estimated that the loss owing to cancellation of the two contracts would amount to R12m 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 have now been completed, however, the accounts have not been finalised and an accurate value of the loss owing to the cancellation of the two contracts has still not been determined.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

14. I have reviewed the performance information as set out on pages 1 to 72.

Responsibility of the accounting officer for the performance information

15. 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

16. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Measurable objectives not consistent

Measurable objectives are materially inconsistent between annual report and budget

19. I draw attention to the fact that the measurable objectives reported in the annual report of the Western Cape Education Department are materially inconsistent when compared with the predetermined objectives as per the budget.

The following table reflects the material differences:

Budget 2007	Draft annual performance report (2007/08)
<u>Programme 8</u>	
To assist with the supply of qualified and competent <u>teachers</u>	To assist with the supply of qualified and competent <u>educators for the teaching profession</u>

Measurable objectives are materially inconsistent between annual report and annual performance plan

20. I draw attention to the fact that the measurable objectives reported in the annual report of the Western Cape Education Department are materially inconsistent when compared with the predetermined objectives as per the annual performance plan.

The following table reflects the material differences:

Performance measure	Target as per annual performance plan 2007/08-2009/10	Target as per draft annual performance report.
PM202: Percentage of learners in public ordinary schools with special needs (i / a)	4.2%	No target set

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

21. No target was set in the annual performance plan and no outputs reported in the annual report for the following performance measure:
- PM211: Percentage of learner days lost due to learner absenteeism in public ordinary schools. No target was set and no actual output reported.

22. The following performance measures were identified in the annual performance plan, but no target was set and no actual output was indicated in the annual report:

- PPM201: Endorsement rate in Grade 12 examinations
- PPM202: Pass rate in Grade 12 for mathematics and science
- PPM203: Number of schools achieving less than 60% in Grade 12

Lack of sufficient appropriate audit evidence

23. I was unable to obtain sufficient appropriate audit evidence in relation to the performance information of the Western Cape Education Department, as the system used to generate information on the target outputs was not adequate for purposes of evaluation. Details are as follows:

- PM206: Expenditure on maintenance as a percentage of the value of school infrastructure - the valuation of R15 052 800 000 (R15 billion) for the replacement value of all immovable school infrastructure made by the quantity surveyors.
- PM219, "Pass ratio in Grade 12 examinations" – the total of 33,783 for number of learners passing Senior Certificate examinations.

APPRECIATION

24. The assistance rendered by the staff of the Western Cape Education Department during the audit is sincerely appreciated.

Auditor-General

Cape Town
31 July 2008



AUDITOR - GENERAL

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement for the year ended 31 March 2008

Appropriation per Programme

Programme	2007/08							2006/07	
	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	334,715	-	(10,375)	324,340	324,340	-	100.0	258,678	254,379
Transfers and subsidies	19,466	-	6,309	25,775	25,775	-	100.0	23,189	22,731
Payment for capital assets	6,039	-	5,316	11,355	11,355	-	100.0	10,604	10,604
2. Public ordinary school education									
Current payment	5,673,766	-	(24,576)	5,649,190	5,625,189	24,001	99.6	5,196,231	5,067,372
Transfers and subsidies	434,200	-	21,444	455,644	455,517	127	100.0	331,826	332,292
Payment for capital assets	188,247	-	(21,445)	166,802	141,277	25,525	84.7	265,213	223,986
3. Independent school subsidies									
Transfers and subsidies	39,541	-	171	39,712	39,713	(1)	100.0	34,259	34,259
4. Public special school education									
Current payment	344,380	-	10,206	354,586	354,586	-	100.0	312,222	312,419
Transfers and subsidies	79,466	-	273	79,739	79,739	-	100.0	76,687	76,489
Payment for capital assets	-	-	-	-	-	-	-	203	204
5. Further education and training									
Current payment	161,049	-	8,002	169,051	169,049	2	100.0	140,045	140,010
Transfers and subsidies	148,588	-	(409)	148,179	148,179	-	100.0	131,004	131,038
6. Adult basic education and training									
Current payment	7,272	-	(451)	6,821	6,585	236	96.5	6,195	6,163
Transfers and subsidies	18,784	-	451	19,235	19,236	(1)	100.0	17,376	17,376
7. Early childhood development									
Current payment	95,974	-	3,820	99,794	99,794	-	100.0	49,391	44,411
Transfers and subsidies	68,830	-	(3,820)	65,010	42,465	22,545	65.3	51,352	45,784
8. Auxiliary and associated services									
Current payment	101,962	-	(1,390)	100,572	88,070	12,502	87.6	93,225	87,197
Transfers and subsidies	100,367	-	6,524	106,891	106,892	(1)	100.0	113,559	113,557
Payment for capital assets	86	-	(50)	36	36	-	100.0	4,602	91
Total	7,822,732	-	-	7,822,732	7,737,797	84,935	98.9	7,115,861	6,920,362

Reconciliation with Statement of Financial Performance

Add:

Departmental revenue

Actual amounts per Statement of Financial Performance (Total Revenue)

Actual amounts per Statement of Financial Performance (Total Expenditure)

4,637	-
7,827,369	-
7,737,797	

2,014	-
7,117,875	-
6,920,362	

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement for the year ended 31 March 2008

Appropriation per Economic classification

Economic classification	2007/08							2006/07	
	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	5,919,781	-	(209)	5,919,572	5,904,035	15,537	99.7	5,374,650	5,253,453
Goods and services	796,140	-	(26,628)	769,512	748,308	21,204	97.2	679,135	657,411
Financial transactions in assets and liabilities	3,197	-	12,073	15,270	15,270	-	100.0	2,202	1,087
Transfers & subsidies									
Provinces & municipalities	-	-	1	1	1	-	100.0	3,493	3,330
Departmental agencies & accounts	3,944	-	-	3,944	3,944	-	100.0	3,756	3,756
Non-profit institutions	854,303	-	29,854	884,157	862,037	22,120	97.5	748,370	746,628
Households	50,995	-	1,088	52,083	51,534	549	98.9	23,633	19,812
Payment for capital assets									
Buildings & other fixed structures	187,481	-	(21,847)	165,634	140,109	25,525	84.6	262,103	220,878
Machinery & equipment	6,869	-	5,559	12,428	12,428	-	100.0	18,490	13,978
Software & other intangible assets	22	-	109	131	131	-	100.0	29	29
Total	7,822,732	-	-	7,822,732	7,737,797	84,935	98.9	7,115,861	6,920,362

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

Detail per programme 1 – Administration for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	3,541	-	287	3,828	3,829	(1)	100.0	3,402	3,402
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payment for capital assets	-	-	-	-	-	-	-	41	41
1.2 Corporate services									
Current payment	173,729	-	(3,466)	170,263	170,261	2	100.0	124,953	122,354
Transfers and subsidies	8,175	-	1,058	9,233	9,233	-	100.0	2,761	2,762
Payment for capital assets	507	-	6,650	7,157	7,158	(1)	100.0	3,526	3,526
1.3 Education Management									
Current payment	127,303	-	(4,218)	123,085	123,084	1	100.0	103,924	103,911
Transfers and subsidies	11,284	-	4,746	16,030	16,030	-	100.0	19,965	19,964
Payment for capital assets	5,202	-	(1,509)	3,693	3,692	1	100.0	6,403	6,403
1.4 Human resource development									
Current payment	15,352	-	(3,169)	12,183	12,184	(1)	100.0	11,036	9,783
Transfers and subsidies	-	-	10	10	10	-	100.0	458	1
Payment for capital assets	-	-	21	21	21	-	100.0	523	523
1.5 Education management information systems									
Current payment	14,790	-	191	14,981	14,982	(1)	100.0	15,363	14,929
Transfers and subsidies	7	-	495	502	502	-	100.0	3	2
Payment for capital assets	330	-	154	484	484	-	100.0	111	111
Total	360,220	-	1,250	361,470	361,470	-	100.0	292,471	287,714

Economic classification	2007/08							2006/07	
	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	170,629	-	290	170,919	170,919	-	100.0	140,651	140,652
Goods and services	160,889	-	(22,738)	138,151	138,151	-	100.0	115,825	112,640
Financial transactions in assets and liabilities	3,197	-	12,073	15,270	15,270	-	100.0	2,202	1,087
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	86	85
Non-profit institutions	13,893	-	4,831	18,724	18,724	-	100.0	19,937	19,741
Households	5,573	-	1,478	7,051	7,051	-	100.0	3,166	2,905
Payments for capital assets									
Machinery & equipment	6,017	-	5,207	11,224	11,224	-	100.0	10,588	10,588
Software & other intangible assets	22	-	109	131	131	-	100.0	16	16
Total	360,220	-	1,250	361,470	361,470	-	100.0	292,471	287,714

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

Detail per programme 2 – Public ordinary school education for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	3,230,907	-	(56,953)	3,173,954	3,166,584	7,370	99.8	2,951,607	2,819,522
Transfers and subsidies	223,651	-	18,174	241,825	262,150	(20,325)	108.4	173,501	182,005
Payment for capital assets	122,411	-	(23,052)	99,359	74,368	24,991	74.8	118,025	118,023
2.2 Public Secondary schools									
Current payment	2,132,477	-	56,625	2,189,102	2,189,103	(1)	100.0	2,023,373	2,022,613
Transfers and subsidies	195,573	-	(1,598)	193,975	173,523	20,452	89.5	121,841	120,336
Payment for capital assets	64,287	-	1,598	65,885	65,885	-	100.0	144,074	102,849
2.3 Professional services									
Current payment	232,132	-	(24,190)	207,942	196,241	11,701	94.4	165,340	170,341
Transfers and subsidies	14,831	-	4,821	19,652	19,652	-	100.0	31,461	26,409
Payment for capital assets	1,474	-	(2)	1,472	948	524	64.4	2,490	2,490
2.4 Human resource development									
Current payment	25,386	-	(23)	25,363	20,431	4,932	80.6	13,235	13,093
Transfers and subsidies	-	-	7	7	7	-	100.0	10	11
Payment for capital assets	-	-	16	16	16	-	100.0	-	-
2.5 National school nutrition programme									
Current payment	52,864	-	(35)	52,829	52,830	(1)	100.0	42,676	41,803
Transfers and subsidies	145	-	40	185	185	-	100.0	5,013	3,531
Payment for capital assets	75	-	(5)	70	60	10	85.7	624	624
Total	6,296,213	-	(24,577)	6,271,636	6,221,983	49,653	99.2	5,793,270	5,623,650

Economic classification	2007/08							2006/07	
	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	5,130,264	-	(23,484)	5,106,780	5,091,264	15,516	99.7	4,694,019	4,573,712
Goods and services	543,502	-	(1,092)	542,410	533,925	8,485	98.4	502,212	493,660
Transfers & subsidies									
Provinces & municipalities	-	-	1	1	1	-	100.0	3,094	2,926
Non-profit institutions	419,212	-	21,443	440,655	440,655	-	100.0	312,306	315,638
Households	14,988	-	-	14,988	14,861	127	99.2	16,426	13,728
Payments for capital assets									
Buildings & other fixed structures	187,481	-	(21,847)	165,634	140,109	25,525	84.6	262,078	220,853
Machinery & equipment	766	-	402	1,168	1,168	-	100.0	3,122	3,120
Software and other intangible assets	-	-	-	-	-	-	-	13	13
Total	6,296,213	-	(24,577)	6,271,636	6,221,983	49,653	99.2	5,793,270	5,623,650

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

Detail per programme 3 – Independent school subsidies for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	22,327	-	(3,284)	19,043	19,042	1	100.0	15,902	15,902
3.2 Secondary phase									
Transfers and subsidies	17,214	-	3,455	20,669	20,671	(2)	100.0	18,357	18,357
Total	39,541	-	171	39,712	39,713	(1)	100.0	34,259	34,259

Economic Classification	2007/08							2006/07	
	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	39,541	-	171	39,712	39,713	(1)	100.0	34,259	34,259
Total	39,541	-	171	39,712	39,713	(1)	100.0	34,259	34,259

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

Detail per programme 4 – Public special school education for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	344,380	-	10,160	354,540	354,540	-	100.0	312,222	312,419
Transfers and subsidies	79,464	-	275	79,739	79,739	-	100.0	76,685	76,489
Payments for capital assets	-	-	-	-	-	-	100.0	203	204
4.2 Professional services									
Current payment	-	-	46	46	46	-	100.0	-	-
Total	423,846	-	10,479	434,325	434,325	-	100.0	389,112	389,112

Economic classification	2007/08							2006/07	
	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	339,364	-	9,859	349,223	349,223	-	100.0	307,469	307,469
Goods and services	5,016	-	347	5,363	5,363	-	100.0	4,753	4,950
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	190	190
Non-profit institutions	78,444	-	575	79,019	79,019	-	100.0	75,450	75,448
Households	1,022	-	(302)	720	720	-	100.0	1,047	851
Payments for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	25	25
Machinery and equipment	-	-	-	-	-	-	-	178	179
Total	423,846	-	10,479	434,325	434,325	-	100.0	389,112	389,112

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

**Detail per programme 5 – Further education and training colleges
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	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	161,049	-	8,002	169,051	169,049	2	100.0	140,045	140,010
Transfers and subsidies	68,586	-	(409)	68,177	68,179	(2)	100.0	61,002	61,038
5.2 Professional services									
Transfers and subsidies	1	-	-	1	-	1	-	1	-
5.3 Human resource development									
Transfers and subsidies	1	-	-	1	-	1	-	1	-
5.4 Conditional grant									
Transfers and subsidies	80,000	-	-	80,000	80,000	-	100.0	70,000	70,000
Total	309,637	-	7,593	317,230	317,228	2	100.0	271,049	271,048

Economic Classification	2007/08							2006/07	
	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	161,049	-	8,002	169,051	169,049	2	100.0	139,993	139,993
Goods and services	-	-	-	-	-	-	-	52	17
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	87	87
Non-profit institutions	122,119	-	(753)	121,366	121,366	-	100.0	130,561	130,688
Households	26,469	-	344	26,813	26,813	-	100.0	356	263
Total	309,637	-	7,593	317,230	317,228	2	100.0	271,049	271,048

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

**Detail per programme 6 – Adult basic education and training
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	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	7,272	-	(451)	6,821	6,585	236	96.5	6,195	6,163
Transfers and subsidies	18,782	-	451	19,233	19,236	(3)	100.0	17,374	17,376
6.2 Professional services									
Transfers and subsidies	1	-	-	1	-	1	-	1	-
6.3 Human resource development									
Transfers and subsidies	1	-	-	1	-	1	-	1	-
Total	26,056	-	-	26,056	25,821	235	99.1	23,571	23,539

Economic Classification	2007/08							2006/07	
	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	6,994	-	(451)	6,543	6,524	19	99.7	5,948	5,916
Goods and services	278	-	-	278	61	217	21.9	247	247
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	3	3
Non-profit institutions	18,784	-	446	19,230	19,231	(1)	100.0	17,373	17,373
Households	-	-	5	5	5	-	100.0	-	-
Total	26,056	-	-	26,056	25,821	235	99.1	23,571	23,539

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

Detail per programme 7 – Early childhood development for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	47,701	-	(1,184)	46,517	46,519	(2)	100.0	45,450	44,402
Transfers and subsidies	7,207	-	16,656	23,863	23,863	-	100.0	22,500	22,500
7.2 Grade R in community centres									
Current payment	6,219	-	4,578	10,797	10,797	-	100.0	3,000	9
Transfers and subsidies	61,522	-	(20,376)	41,146	18,602	22,544	45.2	23,851	23,284
7.3 Professional services									
Transfers and subsidies	1	-	-	1	-	1	-	1	-
7.4 Human resource development									
Current payment	42,054	-	426	42,480	42,478	2	100.0	941	-
Transfers and subsidies	100	-	(100)	-	-	-	-	5,000	-
Total	164,804	-	-	164,804	142,259	22,545	86.3	100,743	90,195

Economic Classification	2007/08							2006/07	
	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	69,158	-	491	69,649	69,649	-	100.0	45,249	44,390
Goods and services	26,816	-	3,329	30,145	30,145	-	100.0	4,142	21
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	21	28
Non-profit institutions	67,760	-	(3,329)	64,431	42,309	22,122	65.7	50,621	45,619
Households	1,070	-	(491)	579	156	423	26.9	710	137
Total	164,804	-	-	164,804	142,259	22,545	86.3	100,743	90,195

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Appropriation Statement

Detail per programme 8 – Auxiliary and associated services for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	3,944	-	-	3,944	3,944	-	100.0	3,756	3,756
8.2 Conditional grant projects									
Current payment	12,925	-	86	13,011	13,001	10	99.9	11,833	11,833
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payments for capital assets	86	-	(86)	-	-	-	-	37	37
8.3 External examinations									
Current payment	66,068	-	5,039	71,107	64,388	6,719	90.6	63,001	63,001
Transfers and subsidies	59	-	(41)	18	18	-	100.0	70	69
Payments for capital assets	-	-	36	36	36	-	100.0	53	54
8.4 Teacher training									
Transfers and subsidies	1,814	-	95	1,909	1,909	-	100.0	1,868	1,868
8.5 iKapa Elihlumayo									
Current payment	22,969	-	(6,515)	16,454	10,681	5,773	64.9	18,391	12,363
Transfers and subsidies	94,550	-	6,470	101,020	101,021	(1)	100.0	107,863	107,862
Payments for capital assets	-	-	-	-	-	-	-	4,512	-
Total	202,415	-	5,084	207,499	194,998	12,501	94.0	211,386	200,845

Economic Classification	2007/08							2006/07	
	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	42,323	-	5,084	47,407	47,407	-	100.0	41,321	41,321
Goods and services	59,639	-	(6,474)	53,165	40,663	12,502	76.5	51,904	45,876
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	12	11
Departmental agencies & accounts	3,944	-	-	3,944	3,944	-	100.0	3,756	3,756
Non-profit institutions	94,550	-	6,470	101,020	101,020	-	100.0	107,863	107,862
Households	1,873	-	54	1,927	1,928	(1)	100.1	1,928	1,928
Payments for capital assets									
Machinery & equipment	86	-	(50)	36	36	-	100.0	4,602	91
Total	202,415	-	5,084	207,499	194,998	12,501	94.0	211,386	200,845

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Appropriation Statement for the year ended 31 March 2008

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 Function (theft and losses)) to the Annual Financial Statements.
4. **Explanations of material variances from Amounts Voted (after Virement):**
- 4.1 **Per programme:**

Programme name	Final appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	361,470	361,470	-	0.0
Public ordinary school education	6,271,636	6,221,983	49,653	0.8
Explanation of variance: The underspending is mainly due the delays in assigning a contract for the installation of CCTV's at schools at risk. There is also an underspending in the capital budget due to delays in procuring land for the building of new schools.				
Independent school subsidies	39,712	39,713	(1)	0.0
Public special school education	434,325	434,325	-	0.0
Further education and training colleges	317,230	317,228	2	0.0
Adult basic education and training	26,056	25,821	235	0.9
Early childhood development	164,804	142,259	22,545	13.7
Explanation of variance: The underspending is due to delays in the verification of learner numbers to be subsidised as well as the late submission of claims for subsidies.				
Auxiliary and associated services	207,499	194,998	12,501	6.0
Explanation of variance: The underspending is due to delays in the refurbishment of a school that is transformed from an ordinary school to a school of skill. There is also an underspending due to the postponement of the February/March supplementary examination.				

Programme name	Final appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
4.2 Per economic classification				
Current Expenditure				
Compensation of employees	5,919,572	5,904,035	15,537	0.3
Goods and services	769,512	748,308	21,204	2.8
Financial transactions in assets and liabilities	15,270	15,270	-	-
Transfers and subsidies				
Provinces and municipalities	1	1	-	-
Departmental agencies and accounts	3,944	3,944	-	-
Non-profit institutions	884,157	862,037	22,120	2.5
Households	52,083	51,534	549	1.1
Payments for capital assets				
Building and other fixed structures	165,634	140,109	25,525	15.4
Machinery and equipment	12,428	12,428	-	-
Software and other intangible assets	131	131	-	-

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Statement of Financial Performance for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1.	7,822,732	7,115,861
Departmental revenue	2.	4,637	2,014
TOTAL REVENUE		7,827,369	7,117,875
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	5,904,035	5,253,453
Goods and services	4.	748,308	657,411
Financial transactions in assets and liabilities	5.	15,270	1,087
Total current expenditure		6,667,613	5,911,951
Transfers and subsidies	6.	917,516	773,526
Expenditure for capital assets			
Buildings and other fixed structures	7.	140,109	220,878
Machinery and equipment	7.	12,428	13,978
Software and other intangible assets	7.	131	29
Total expenditure for capital assets		152,668	234,885
TOTAL EXPENDITURE		7,737,797	6,920,362
SURPLUS		89,572	197,513
Add back fruitless and wasteful expenditure	8.	47	14
SURPLUS FOR THE YEAR		89,619	197,527
Reconciliation of Surplus for the year			
Voted Funds to be surrendered to the revenue fund	14.	84,982	195,513
Departmental revenue	15.	4,637	2,014
SURPLUS FOR THE YEAR		89,619	197,527

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Statement of Financial Position at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		190,683	320,211
Fruitless and wasteful expenditure	8.	-	708
Cash and cash equivalents	9.	117,106	244,742
Prepayments and advances	11.	1,481	430
Receivables	12.	72,096	74,331
Non-current assets		12,008	11,008
Investments	13.	11,190	10,190
Other financial assets	10.	818	818
TOTAL ASSETS		202,691	331,219
LIABILITIES			
Current liabilities		156,060	284,483
Voted funds to be surrendered to the Revenue Fund	14.	84,982	195,513
Departmental revenue to be surrendered to the Revenue Fund	15.	3,351	(214)
Bank overdraft	16.	52,421	47,471
Payables	17.	15,306	41,713
Non-current liabilities			
TOTAL LIABILITIES		156,060	284,483
NET ASSETS		46,631	46,736
Represented by:			
Capitalisation Reserves		11,191	10,301
Recoverable revenue		35,440	36,435
TOTAL		46,631	46,736

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Statement of Changes in Net Assets for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
Capitalisation Reserves			
Opening balance		10,301	9,546
Transfers		890	755
Closing balance		<u>11,191</u>	<u>10,301</u>
 Recoverable Revenue			
Opening balance		36,435	41,177
Transfers		(995)	(4,742)
Debts written off	5.4	-	(1,593)
Debts recovered (included in departmental revenue)		(995)	(3,149)
Closing balance		<u>35,440</u>	<u>36,435</u>
TOTAL		<u><u>46,631</u></u>	<u><u>46,736</u></u>

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Cash Flow Statement for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7,854,124	7,139,516
Annual appropriated funds received	1.1	7,822,732	7,115,861
Departmental revenue received	2.	31,392	23,655
Net (increase)/decrease in working capital		(24,515)	12,510
Surrendered to revenue fund		(223,340)	(77,582)
Current payments		(6,667,566)	(5,911,951)
Transfers and subsidies paid		(917,516)	(773,526)
Net cash flow available from operating activities	18.	21,187	388,967
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(152,668)	(234,885)
Increase in investments		(1,000)	(755)
Increase in other financial assets		-	(818)
Net cash flows from investing activities		(153,668)	(236,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		(105)	(3,987)
Decrease in non-current payables		-	(26,035)
Net cash flows from financing activities		(105)	(30,022)
Net (decrease)/increase in cash and cash equivalents		(132,586)	122,487
Cash and cash equivalents at beginning of period		197,271	74,784
Cash and cash equivalents at end of period	19.	64,685	197,271

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

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 1 of 2007.

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 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.

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 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

Unexpended statutory appropriations 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.

2.3 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.

2.3.1 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.

2.3.2 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.

2.3.3 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.

2.3.4 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.

2.3.5 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.

2.3.6 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.

2.3.7 Transfers received (including gifts, donations and sponsorships)

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 an annexure to the financial statements.

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for 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.

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 or Position.

3.1.2 Post 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 (i.e. social contributions) to the fund are expensed when the final authorisation for 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 final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 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 final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-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 or Position.

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 final authorisation for 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 R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

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

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for 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.

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 final authorisation for 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 final authorisation for payment is effected on the system (by no later than 31 March of each year).

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.

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

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

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

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

Receivables outstanding at year-end are carried in the statement of financial position at cost.

4.5 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 loss is included in the disclosure notes.

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 should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

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 29 and 30 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

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

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of position at cost.

5.4 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.

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

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.

5.7 Accruals

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.

5.8 Employee benefits

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 or the statement of financial position.

5.9 Lease commitments

Lease 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.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 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.

7.2 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.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2008

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Voted funds)*.

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2006/07
	R'000	R'000	R'000	R'000
Administration	361,470	360,220	1,250	292,471
Public ordinary school education	6,271,636	6,296,213	(24,577)	5,793,270
Independent school subsidies	39,712	39,541	171	34,259
Public special school education	434,325	423,846	10,479	389,112
Further education and training colleges	317,230	309,637	7,593	271,049
Adult basic education and training	26,056	26,056	-	23,571
Early childhood development	164,804	164,804	-	100,743
Auxiliary and associated services	207,499	202,415	5,084	211,386
Total	7,822,732	7,822,732	-	7,115,861

	Note	2007/08 R'000	2006/07 R'000
1.2 Conditional grants*			
Total grants received	Annex 1 A	226,358	257,012
Provincial grants included in total grants received		-	-

2. Departmental revenue

Description

Sales of goods and services other than capital assets	2.1	9,048	8,539
Fines, penalties and forfeits		361	350
Interest, dividends and rent on land	2.2	1,524	1,561
Financial transactions in assets and liabilities	2.3	20,459	13,205
Total revenue collected		31,392	23,655
Less: Departmental revenue budgeted	15.	26,755	21,641
Total		4,637	2,014

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	8,997	8,516
Other sales	8,997	8,516
Sales of scrap, waste and other used current goods	51	23
Total	9,048	8,539

2.2 Interest, dividends and rent on land

Interest	1,524	1,561
Total	1,524	1,561

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
2.3 Financial transactions in assets and liabilities			
Nature of recovery			
Receivables		4,083	3,942
Other receipts including recoverable revenue		16,376	9,263
Total		20,459	13,205
3. Compensation of employees			
3.1 Salaries and Wages			
Basic salary		4,467,496	4,081,112
Performance award		11,011	5,985
Service based		7,432	9,188
Compensative/circumstantial		50,366	41,040
Periodic payments		4,305	2,573
Other non-pensionable allowances		571,682	414,988
Total		5,112,292	4,554,886
3.2 Social contributions			
3.2.1 Employer contributions			
Pension		506,676	464,546
Medical		283,205	233,048
Bargaining council		442	430
Official unions and associations		1,420	543
Total		791,743	698,567
Total compensation of employees		5,904,035	5,253,453
Average number of employees		39,618	38,263
4. Goods and services			
Advertising		11,760	2,446
Attendance fees (including registration fees)		62	178
Bank charges and card fees		608	996
Bursaries (employees)		9,204	1,462
Communication		10,838	9,724
Computer services		12,748	2,257
Consultants, contractors and special services		61,763	40,197
Courier and delivery services		4,441	3,515
Tracing agents & debt collections		247	302
Entertainment		197	190
External audit fees	4.1	5,580	6,136

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
4. Goods and services (continued)			
Equipment less than R5 000		20,668	4,200
Freight service		44	-
Inventory	4.2	305,908	272,320
Legal fees		2,372	2,137
Maintenance, repairs and running cost		73,162	112,665
Operating leases		8,428	11,268
Plant flowers and other decorations		51	46
Printing and publications		15,193	9,652
Professional bodies and membership fees		686	5,559
Resettlement costs		1,824	426
Subscriptions		644	471
Owned and leasehold property expenditure		18,607	15,956
Translations and transcriptions		752	500
Transport provided as part of the departmental activities		107,411	93,660
Travel and subsistence	4.	44,179	38,197
Venues and facilities		19,802	16,718
Protective, special clothing & uniforms		225	167
Training & staff development		10,904	6,066
Total		748,308	657,411
4.1 External audit fees			
Regulatory audits		4,013	4,379
Performance audits		1,077	1,294
Other audits		490	463
Total		5,580	6,136
4.2 Inventory			
Domestic consumables		130	191
Learning and teaching support material		239,867	216,860
Food and food supplies		49,642	38,992
Other consumables		2	25
Stationery and printing		16,267	16,252
Total Inventory		305,908	272,320
4.3 Travel and subsistence			
Local		42,536	37,052
Foreign		1,643	1,145
Total travel and subsistence		44,179	38,197

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct:		385	152
Other material losses	5.1	385	152
Other material losses written off	5.2	184	-
Debts written off	5.3	14,701	935
Total		15,270	1,087
5.1 Other material losses			
Nature of other material losses			
Incident			
Disciplinary steps taken/ criminal proceedings			
GG-accidents		385	144
Total		385	144
5.2 Other material losses written off			
Nature of losses			
Claims against the state		103	8
Fruitless & wasteful expenditure		81	-
Total		184	8
5.3 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Employee tax		5,551	4
State guarantees		16	62
Salary overpayments		590	245
Bursaries		227	1
Interest on debts		267	99
Other		1,817	524
Trading account loss 1996/97		1,536	-
Claims recoverable		4,697	-
Total		14,701	935
5.4 Irrecoverable amounts written off			
Receivables written off		-	1,593
Salary debt		-	123
Bursary debts		-	1,241
Other		-	229
Total		-	1,593

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
6. Transfers and subsidies			
Provinces and municipalities	Annex 1B	1	3,330
Departmental agencies and accounts	Annex 1C	3,944	3,756
Non-profit institutions	Annex 1D	862,037	746,628
Households	Annex 1E	51,534	19,812
Total		917,516	773,526
7. Expenditure for capital assets			
Buildings and other fixed structures	29.	140,109	220,878
Machinery and equipment	29.	12,428	13,978
Software and other intangible assets		131	29
Computer software	30.	131	29
Total		152,668	234,885
8. Fruitless and wasteful expenditure			
8.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		708	694
Fruitless and wasteful expenditure – current year		47	14
Current expenditure		47	14
Amounts condoned		674	-
Current expenditure		674	-
Transfer to receivables for recovery (not condoned)		81	-
Fruitless and wasteful expenditure awaiting condonement		-	708
8.2 Analysis of current fruitless and wasteful expenditure			
Incident	Disciplinary steps taken/ criminal proceedings		
VLS 03224	Written off – no official could be held responsible	-	
VLS 04716	Written off – no official could be held responsible	-	
VLS 04868	Written off – no official could be held responsible	-	
VLS 04869	Written off – no official could be held responsible	-	
VLS 04871	Written off – no official could be held responsible	-	
VLS 04956	Written off – no official could be held responsible	-	
VLS 04915	Written off – no official could be held responsible	-	
VLS 04967	Written off – no official could be held responsible	-	
VLS 04923	Written off – no official could be held responsible	-	
VLS 05089	Written off – no official could be held responsible	-	
VLS 05147	Written off – no official could be held responsible	-	
VLS 05094	In process (R19.71)	-	

WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000			
9. Cash and cash equivalents						
Cash with commercial banks (Local)		117,106	244,742			
Total		117,106	244,742			
10. Other financial assets						
Non-current						
Local						
Ex Departments: Mopping up		818	818			
Total non-current other financial assets		818	818			
11. Prepayments and advances						
Travel and subsistence		362	381			
Advances paid to other entities		1,119	49			
Total		1,481	430			
12. Receivables						
	Note	Less than one year	One to three years	Older than three years	Total	Total
Households and non profit institutions	12.1	2,587	5,731	611	8,929	12,788
Staff debtors	12.2	5,367	7,793	4,018	17,178	18,208
Other debtors	12.3	3,671	9,946	30,489	44,106	36,698
Intergovernmental receivables	Annex 3	1,669	214	-	1,883	6,637
Total		13,294	23,684	35,118	72,096	74,331
	Note	2007/08 R'000	2006/07 R'000			
12.1 Households and non-profit institutions						
Salary deductions: housing		1,998	1,709			
Miscellaneous		313	106			
Disallowances: Damages & Losses		3,616	4,650			
Salary: Income Tax		20	1,230			
Disallowance: Miscellaneous		628	2,168			
Salary: ACB recalls		2,354	1,389			
Suspense: CPRS Trading Acc Loss		-	1,536			
Total		8,929	12,788			

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
12.2 Staff debtors			
Salary overpayments		7,043	8,852
Debt account		10,048	9,356
Irregular expenditure: dept vote		87	-
Total		17,178	18,208
12.3 Other debtors			
Breach of contract		20,820	23,133
Ex employees		17,259	8,150
State guarantees		1,202	1,171
Criminal acts		2,020	2,024
Miscellaneous		2,805	2,220
Total		44,106	36,698
13. Investments			
Non-Current			
Shares and other equity			
Sir David Harris Trust		6	9
JL Bisset Fund		341	313
Graham Civil Service Bursary Fund		43	42
Royal Reception Fund		34	34
School Building Fund		10,766	9,792
Total non-current		11,190	10,190
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		195,513	55,415
Transfer from Statement of Financial Performance		84,982	195,513
Paid during the year		(195,513)	(55,415)
Closing balance		84,982	195,513
15. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		(214)	(1,702)
Transfer from Statement of Financial Performance		4,637	2,014
Departmental revenue budgeted		26,755	21,641
Paid during the year		(27,827)	(22,167)
Closing balance		3,351	(214)
16. Bank overdraft			
Consolidated Paymaster General Account		52,421	47,471
Total		52,421	47,471

**WESTERN CAPE EDUCATION DEPARTMENT
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Notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
17. Payables – current			
Description		2007/08	2006/07
	Note	Total	Total
		R'000	R'000
Clearing accounts	17.1	13,466	41,713
Other payables	17.2	1,840	-
Total		15,306	41,713
17.1 Clearing accounts			
Description			
Disallowance miscellaneous		480	2,392
Sal: ACB recalls		7,570	-
Other (former WCCE & ABC recalls)		-	4,558
Advances from Western Cape		-	5,152
Ex Depts Mopping-up: Trading Account Capital		-	26,958
Salary deduction: income tax		1,959	-
Salary deduction: pension fund		756	-
Salary reversal control		596	-
Other deduction accounts		2,105	2,653
Total		13,466	41,713
17.2 Other payables			
Description			
Housing loan guarantees		1,265	-
Miscellaneous		575	-
Total		1,840	-
18. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		89,619	197,527
Add back non cash/cash movements not deemed operating activities		(68,432)	191,440
Decrease in receivables – current		2,235	(6,395)
Decrease in prepayments and advances		(1,051)	2,055
Decrease in payables – current		(26,407)	17,544
Expenditure on capital assets		152,668	234,885
Surrenders to Revenue Fund		(223,340)	(77,582)
Other non cash items		26,755	21,641
Net cash flow generated by operating activities		21,187	388,967
19. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		(52,421)	(47,471)
Cash with commercial banks - Local		117,106	244,742
Total		64,685	197,271

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

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

		Note	2007/08 R'000	2006/07 R'000
20. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	7,322	65,390
Claims against the department		Annex 2B	25,836	26,409
Other departments (interdepartmental unconfirmed balances)		Annex 4	4,254	2,573
Total			37,412	94,372
21. Commitments				
Current expenditure				
Approved and contracted			280,511	275,729
Approved but not yet contracted			42,931	5,423
			323,442	281,152
Capital expenditure				
Approved and contracted			64,275	113,770
Approved but not yet contracted			119,672	33,582
			183,947	147,352
Total Commitments			507,389	428,504
22. Accruals				
Listed by economic classification				
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Compensation of employees	158	41,111	41,269	115
Goods and services	4,773	7,404	12,177	8,534
Transfers and subsidies	143	781	924	5,029
Buildings and other fixed structures	533	291	824	3,774
Software and other intangible assets	-	-	-	124
Other	-	-	-	12
Total	5,607	49,587	55,194	17,588

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000		
22.	(Continued)				
	Listed by programme level				
	Programme 1	11,266	2,562		
	Programme 2	40,515	10,970		
	Programme 4	2,117	13		
	Programme 5	28	49		
	Programme 6	5	-		
	Programme 7	336	19		
	Programme 8	1,027	3,975		
	Total	55,194	17,588		
	Confirmed balances with other departments	Annex 4 1,393	115		
	Confirmed balances with other government entities	Annex 5 -	-		
	Total	1,393	115		
23.	Employee benefits				
	Leave entitlement	78,763	47,958		
	Thirteenth cheque	178,109	174,102		
	Performance awards	99	-		
	Capped leave commitments	815,692	791,511		
	Total	1,072,663	1,013,571		
24.	Lease Commitments				
		Land	Buildings and other fixed structures	Machinery and equipment	Total
		R'000	R'000	R'000	R'000
24.1	Operating leases				
	2007/08				
	Not later than 1 year	-	-	1,185	1,185
	Later than 1 year and not later than 5 Years	-	-	272	272
	Total present value of lease liabilities	-	-	1,457	1,457
	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

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
24.2 Finance leases				
2007/08				
Not later than 1 year	-	-	11	11
Total present value of lease liabilities	-	-	11	11

	Note	2007/08 R'000	2006/07 R'000
25. Irregular expenditure			
25.1 Reconciliation of irregular expenditure			
Opening Balance		4,612	1,578
Irregular expenditure – current year		3,490	3,034
Less: Amount condoned		2,903	-
Current expenditure		2,903	-
Irregular expenditure awaiting condonement		5,199	4,612
Analysis of awaiting condonement per classification			
Current expenditure		5,199	4,612
		5,199	4,612
Analysis of awaiting condonement per age classification			
Current		3,313	3,034
Prior years		1,886	1,578
Total		5,199	4,612

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
25.2 Irregular expenditure			
Incident	Disciplinary steps taken/ criminal proceedings		
Prior years			
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	Condoned	-	22
VLS 04833 Schools Choral Eisteddfod	Condoned	-	31
VLS 04843 I Can Communications	Investigation in progress	-	178
Adult Basic Education And Training	Condoned	-	477
B/WCED 452/06	Condoned	-	83
B/WCED 638/08	Condoned	-	461
13/2/8/17/2/1/T066	Condoned	-	98
13/2/8/17/2/1/T509	Condoned	-	248
13/2/8/17/2/1/T063	Condoned	-	1,306
VLS 05145 Language Career Expo	Condoned	2	-
VLS 05088 Therapeutic Services	Investigation in progress	10	-
VLS 05138 Tutor Fees	Investigation in progress	87	-
12/2/8/17/1/2/J3/111 S Chilwan	Condoned	175	-
13/2/8/17/1/2/J/089 DJ Adams	Investigation in	201	-
13/2/8/17/1/2/J/205 CR Rhode	Investigation in progress	24	-
13/2/8/17/1/2/J5/349 D Smith	Investigation in progress	21	-
13/2/8/17/1/2/J5/360 E Alakster	Investigation in progress	58	-
13/2/8/17/1/2/J7/081 M Jameson	Investigation in progress	49	-
13/1/8/17/1/2/J7/524 Waboomsheuwl NGK PS	Investigation in progress	24	-
13/2/8/17/1/2/J5/173 Liebenberg PS	Investigation in progress	27	-
13/2/17/1/2/J3/308	Investigation in progress	18	-
13/2/8/17/1/2/J3/443 F Dollie	Investigation in progress	13	-
13/2/8/17/1/2/J6/050 A Williams	Investigation in progress	12	-
13/2/8/17/1/2/J7/514 JJ Jafta	Investigation in progress	29	-
13/2/8/17/1/2/J7/397 JAP Dreyer	Investigation in progress	29	-
13/2/8/17/1/2/J7/516 S Nagia	Investigation in progress	82	-
13/2/8/17/1/2/J7/143 PJ Jones	Investigation in progress	37	-
13/2/8/17/1/2/J7/306 DFS Vergotine	Investigation in progress	312	-
13/2/8/17/1/2/J7/243 JG Gaffely	Investigation in progress	116	-
13/2/8/17/1/2/J7/244 JG Gaffely	Investigation in progress	3	-
13/2/8/17/1/2/J7/255 JG Gaffely	Investigation in progress	14	-
13/2/8/17/1/2/J3/365 F Dollie	Investigation in progress	45	-

**WESTERN CAPE EDUCATION DEPARTMENT
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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

		2007/08 R'000	2006/07 R'000
25.2 Irregular expenditure (continued)			
Incident	Disciplinary steps taken/ criminal proceedings		
Prior years			
13/2/8/17/1/2/J7/031 J Wentzel	Investigation in progress	19	-
13/2/8/17/1/2/J6/518 JJ Ahrends	Investigation in progress	17	-
13/2/8/17/1/2/J6/049 JB Singh	Investigation in progress	47	-
13/2/8/17/1/2/J6/160 DSG Klink	Investigation in progress	18	-
13/2/8/17/1/2/J3/225 Benjamins Bus Service	Investigation in progress	26	-
13/2/8/17/1/2/J3/224 PS Munniks	Investigation in progress	35	-
13/2/8/17/1/2/J5/390 CP Cloete	Investigation in progress	82	-
13/2/8/17/1/2/J7/307 A Williams	Investigation in progress	18	-
13/2/8/17/1/2/J7/447 W Buys	Investigation in progress	11	-
13/2/8/17/1/2/J7/263 E Ndinisa	Investigation in progress	20	-
13/2/8/17/1/2/J7/259 W Buys	Investigation in progress	11	-
13/2/8/17/1/2/J7/275 S Nagia	Investigation in progress	13	-
13/2/8/17/1/2/J7/310 A Windum	Investigation in progress	18	-
13/2/8/17/1/2/J7/274	Investigation in progress	71	-
13/2/8/17/1/2/J7/444	Investigation in progress	108	-
13/2/8/17/1/2/J7/445	Investigation in progress	24	-
3/1/4/10/2VLS5177 Lastrea Trading	Investigation in progress	165	-
9/1/1/1/1/965Makhetha Mclachlan Ebrahim Joubert & Olivier Consulting	Investigation in progress	1,190	-
Vukuzenzele Consulting		209	-
Total		3,490	3,034

26. Related party transactions

1.	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.
2.	During the year the department received services from the following related parties that are related to the department as indicated:
2.1	The Western Cape Department of Transport and Public Works The department occupied a building operated by the Western Cape Department of Transport and Public Works free of charge.
2.2	The Western Cape Department of the Premier The Department used IT related infrastructure provided by the Western Cape Education Department of the Premier free of charge.

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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

27. Key management personnel

Description	No. of Individuals		
Political Office Bearers (MEC)	1	844	792
Level 15 to 16	6	4,605	3,259
Level 14	8	3,924	3,654
Family members of key management personnel	12	2,122	-
Total		11,495	7,705
	Note	2007/08	2006/07
		R'000	R'000

28. Provisions

Potential irrecoverable debts

Staff debtors	4,018	857
Other debtors	30,489	26,707
Claims recoverable	-	3,244
Total	34,507	30,808

The amounts i.r.o. the potential irrecoverable debts are based on the debts older than 3 years as indicated in Note 12 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.

29. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	Cost	Cost	Cost	Cost	Cost
FIXED STRUCTURES	-	-	40,785	40,785	-
Non-residential buildings	-	-	40,785	40,785	-
MACHINERY AND EQUIPMENT	35,266	(88)	12,586	2,872	44,892
Transport assets	13	-	478	478	13
Computer equipment	26,676	(88)	10,818	2,369	35,037
Furniture and Office equipment	8,577	-	1,290	25	9,842
TOTAL TANGIBLE ASSETS	35,266	(88)	53,371	43,657	44,892

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Disclosure notes to the Annual Financial Statements for the year ended 31 March 2008

29.1 ADDITIONS TO TANGIBLE CAPITAL ASSET PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	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	140,109	37,053	(136,377)	-	40,785
Non-residential buildings	140,109	37,053	(136,377)	-	40,785
MACHINERY AND EQUIPMENT	12,428	158	-	-	12,586
Transport assets	478	-	-	-	478
Computer equipment	10,772	46	-	-	10,818
Furniture and Office equipment	1,178	112	-	-	1,290
TOTAL	152,537	37,211	(136,377)	-	53,371

29.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Sold (cash)	Non-cash	Total	Cash Received
	Cost	Fair Value	Cost	Actual
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES		40,785	40,785	-
Non-residential buildings	-	40,785	40,785	-
MACHINERY AND EQUIPMENT	-	2,872	2,872	
Transport assets	-	478	478	-
Computer equipment	-	2,369	2,369	-
Furniture and Office equipment		25	25	-
TOTAL	-	43,657	43,657	-

29.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions	Disposals	Closing Balance
	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	27,052	13,984	5,770	35,266
Transport assets	-	815	802	13
Computer equipment	23,976	7,565	4,865	26,676
Furniture and Office equipment	3,076	5,512	11	8,577
Other machinery and equipment	-	92	92	-
TOTAL TANGIBLE ASSETS	27,052	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 2008

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	159	-	131	-	290
TOTAL INTANGIBLE ASSETS	159	-	131	-	290

30.1 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
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	131	-	-	-	131
TOTAL	131				131

30.2 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions	Disposals	Closing balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	130	29	-	159
TOTAL INTANGIBLE ASSETS	130	29	-	159

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2008

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

NAME OF DEPARTMENT:	GRANT ALLOCATION					SPENT			2006/07	
	Division of Revenue Act	Roll Overs	DORA adjust-ments	Other adjust-ments	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	13,011	-	-	-	13,011	13,011	13,001	99.9	11,870	11,872
National school nutrition programme	50,729	2,355	-	-	53,084	53,084	53,075	100.0	48,313	45,958
FET Grant	80,000	-	-	-	80,000	80,000	80,000	100.0	70,000	70,000
Provincial infrastructure grant	80,263	-	-	-	80,263	80,263	125,642	156.5	126,829	126,706
Total	224,003	2,355	-	-	226,358	226,358	271,718		257,012	254,536

**Annexure 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

Name of Municipality	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds trans-ferred	Amount received by municipi-ality	Amount spent by municipi-ality	% 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	-	-	1	1	1	100.0	1	1	100.0	2,140
Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	440
Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	56
Eden District Municipality	-	-	-	-	-	-	-	-	-	433
Overberg District Municipality	-	-	-	-	-	-	-	-	-	141
West Coast District Municipality	-	-	-	-	-	-	-	-	-	120
	-	-	1	1	1		1	1		3,330
RCS levies										

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2008

Annexure 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departments/ Agency/Account	TRANSFER ALLOCATION				TRANSFER		2006/07
	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
SETA	3,944	-	-	3,944	3,944	100.0	3,756
Total	3,944	-	-	3,944	3,944		3,756

Annexure 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

Non Profit Organisation	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	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	521,655	-	32,744	554,399	554,399	100.0	440,106
Independent schools	39,541	-	171	39,712	39,713	100.0	34,259
Schools for learners with special education needs	78,444	-	575	79,019	79,019	100.0	75,450
Further education and training colleges	128,119	-	(753)	127,366	127,366	100.0	130,561
ABET: Private centres	18,784	-	446	19,230	19,231	100.0	17,373
ECD: Gr-R-Public schools	6,237	-	17,481	23,718	23,718	100.0	22,501
ECD: Gr-R-Community centres	61,523	-	(20,810)	40,713	18,591	45.7	28,120
Total	854,303	-	29,854	884,157	862,037		748,370

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2008

Annexure 1E

STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

Households	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	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 Soc Benefits (leave gratuity)	19,993	-	1,058	21,051	21,098	100.2	16,007
Claims Against State	1,648	-	-	1,648	2,072	125.7	1,929
Staff debt write-off – Bursary	-	-	-	-	-	-	3
Bursaries (non-employees)	29,354	-	-	29,354	28,334	96.5	1,868
Act of grace/ <i>Ex gratia</i> payments	-	-	30	30	30	100.0	5
Total	50,995	-	1,088	52,083	51,534		19,812

Annexure 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2008

Name of Organisation	Nature of gift, donation or sponsorship	2007/08 R'000	2006/07 R'000
Received in kind			
Nashua WC	Office Equipment	101	13
Public Service Commission	Office furniture – miscellaneous items	44	-
Total		145	13

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 2008

Nature of gift, donation or sponsorship	2007/08 R'000	2006/07 R'000
Paid in cash		
SA Scout Association: Attendance of the 2007 World Scout Jamboree	80	-
Subtotal	80	-
Remissions, refunds, and payments made as an act of grace		
Medical costs: Deon Slabbert, burn victim at Goudini High School	30	5
Subtotal	30	5
Total	110	5

**WESTERN CAPE EDUCATION DEPARTMENT
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Annexures to the Annual Financial Statements for the year ended 31 March 2008

Annexure 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 - LOCAL

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 01/04/2007	Guarantee drawdowns during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing Balance 31/03/2008	Guaranteed interest outstanding 31/3/2008	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	-	-	8,187	-	6,993	-	1,194	-	-
0002 - Nedbank Limited (Former Cape of GH)	-	-	275	-	275	-	-	-	-
0003 - Nedbank Limited	-	-	3,363	-	3,302	-	61	-	-
0004 - Firststrand Bank Ltd: First Na	-	-	4,557	-	3,943	-	614	-	-
0010 - Nedbank Ltd Incorporating BOE	-	-	102	-	3	-	99	-	-
0017 - ABSA	-	-	31,795	20	28,716	-	3,099	-	-
0041 - Old Mutual Finance Ltd	-	-	312	-	263	-	49	-	-
0052 - Peoples Bank Limited (Former FBC)	-	-	283	-	194	-	89	-	-
0053 - Nedbank Limited Incorporating NB	-	-	4,301	-	4,123	-	178	-	-
0054 - First Rand Bank Ltd (FNB - Former)	-	-	5,616	21	4,074	-	1,563	-	16
0055 - Old Mutual Bank div. of Nedbank	-	-	3,389	-	3,121	-	268	-	-
0071 - GBS Mutual Bank	-	-	15	-	15	-	-	-	-
0280 - Albaraka Bank	-	-	33	-	33	-	-	-	-
0281 - Nedbank Limited Incorporating BO	-	-	30	-	30	-	-	-	-
0444 - BOE Bank Limited	-	-	126	-	110	-	16	-	-
0512 - SA Home Loans (Pty) Ltd	-	-	20	-	20	-	-	-	-
0516 - Green Start Home Loans (Pty) Ltd	-	-	74	-	49	-	25	-	-
0530 - National Housing Finance Corpora	-	-	634	-	567	-	67	-	-
Spes Bona Bank	-	-	3	-	3	-	-	-	-
Santam	-	-	14	-	14	-	-	-	-
Provincial Building Society	-	-	10	-	10	-	-	-	-
Old Mutual (Perm)	-	-	1,267	-	1,267	-	-	-	-
Future Bank	-	-	6	-	6	-	-	-	-
Fidelity	-	-	62	-	62	-	-	-	-
EP Bank	-	-	33	-	33	-	-	-	-
Community Bank	-	-	62	-	62	-	-	-	-
Cash Bank	-	-	19	-	19	-	-	-	-
BOE Boland	-	-	427	-	427	-	-	-	-
Other	-	-	375	-	375	-	-	-	-
Total	-	-	65,390	41	58,109	-	7,322	-	16

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Annexures to the Annual Financial Statements for the year ended 31 March 2008

Annexure 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008

Nature of Liability	Opening Balance 01/04/2007	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing Balance 31/03/2008
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Various	26,409	3,454	4,027	-	25,836
Total	26,409	3,454	4,027	-	25,836

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Annexures to the Annual Financial Statements for the year ended 31 March 2008

**Annexure 3
INTER-GOVERNMENTAL RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department of Education	-	-	104	180	104	180
Department of Education Gauteng	-	-	-	50	-	50
Miscellaneous (Salary Claims 0061)	-	-	-	3,316	-	3,316
Northern Cape Education (0067)	-	-	-	200	-	200
Eastern Cape Education Department (EED)	-	-	14	82	14	82
National Department of Labour (DLB)	-	-	214	214	214	214
ELRC (Electoral Labour Resolution Council)	-	-	-	408	-	408
S.A. Police Services	-	-	-	63	-	63
S.A. Defense	-	-	-	19	-	19
SADTU (South African Democratic Teachers Union)	-	-	463	1,830	463	1,830
CTPA (Cape Teachers Professional Ass.)	-	-	41	220	41	220
Public Allied Workers Union S.A.	-	-	-	14	-	14
Cape Metropolitan Council	-	-	-	18	-	18
WC Dept. Social Services (WSS)	-	-	149	46	149	46
WC Department Local Gov & Housing (WHA)	-	-	-	54	-	54
WC Dept. Community Safety (WSL)	4	-	-	52	4	52
WC Dept. of Agriculture (WLA)	-	-	-	46	-	46
Dept. Health (WHW)	-	-	-	9	-	9
Cultural Affairs (WAC)	-	-	-	13	-	13
Dept of the Premier (WAM)	2	-	-	213	2	213
Clanwilliam Secondary (WED)	-	-	160	431	160	431
WC Provincial Treasury (WFE)	1	-	-	37	1	37
Unallocated credit balances	-	-	-	(878)	-	(878)
NAPTOSA (Nat Admin & Prof Teachers of SA)	-	-	99	-	99	-
WC Dept. of Transport & Public Works	-	-	600	-	600	-
Dept. of Land Affairs (DLA)	-	-	23	-	23	-
NC Dept. of Justice (DJC)	9	-	-	-	9	-
Total	16	-	1,867	6,637	1,883	6,637

**WESTERN CAPE EDUCATION DEPARTMENT
VOTE 5**

Annexures to the Annual Financial Statements for the year ended 31 March 2008

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

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Western Cape Dept. of Transport, Roads & Public Works	21	-	4,179	2,555	4,200	2,555
National Dept. of Justice & Constitutional Development	472	1	-	-	472	1
Free State Education Dept.	-	26	-	18	-	44
Western Cape Dept. of Health	7	58	-	-	7	58
WC Dept. of Community Safety	-	30	-	-	-	30
WC Provincial Treasury	819	-	-	-	819	-
WC Dept. of Agriculture	22	-	-	-	22	-
National Dept. of Labour	-	-	17	-	17	-
National Dept. of Land Affairs	-	-	12	-	12	-
WC Dept. of Social Development	8	-	-	-	8	-
National Dept. of Education	-	-	3	-	3	-
Northern Cape Dept. of Health	-	-	13	-	13	-
National SAPS	-	-	11	-	11	-
WC Dept. of Home Affairs	-	-	9	-	9	-
Kwazulu Natal Education Dept.	-	-	10	-	10	-
WC Dept. of Local Government & Housing	44	-	-	-	44	-
Total	1,393	115	4,254	2,573	5,647	2,688