

## Part 3 – Annual Financial Statements

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**REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2011**

**1. Report of the Audit Committee**

The Audit Committee is pleased to present its report for the financial year ending 31 March 2011.

**2. Audit committee members and attendance**

The Audit Committee consists of the members listed below. It is required to meet a minimum of four times per annum as per its approved Terms of Reference. During the year five meetings were held:

19 April 2010  
24 May 2010  
10 August 2010  
3 December 2010  
15 February 2011

<b>Member</b>	<b>Comment</b>	<b>Number of meetings attended</b>
Ms Z Abrams	Member appointed for three-year term with effect from 1 January 2011	1
Prof E Calitz	Member appointed for three-year term with effect from 1 January 2010; Chairperson	5
Ms B Daries	Member's term terminated on 30 November 2010	3
Dr L Kathan	Member's term terminated on 31 March 2011	4
Mr RI Kingwill	Member appointed for three-year term with effect from 1 January 2011.	1
Mr L Mdunyelwa	Member appointed for three-year term with effect from 1 October 2008	5
Ms P White	Member's term terminated on 30 November 2010	2

**3. Audit Committee responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter approved by Cabinet on 9th February 2011, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

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**REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2011**

**4. The effectiveness of internal control**

Management has the primary responsibility for the financial statements and the reporting process, including the system of internal accounting controls. The Audit Committee, in their oversight role, has reviewed and discussed the audited financial statements with management. In line with the PFMA and with cognisance to the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved through a risk-based Internal Audit Plan whereby Internal Audit assesses the adequacy of controls mitigating the strategic and operational risks faced by the Department, and the Audit Committee's monitoring of the implementation of corrective action by management.

Based on its review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa, the Audit Committee commends the Department on having achieved an unqualified audit opinion for the fourth year running. At the same time the Committee expresses its concern with the effectiveness of internal control in view of material deficiencies in internal control and non-compliance with certain laws and regulations, as identified by the Auditor-General. It should be pointed out, however, that the Department has been attending to various internal control shortcomings. Five of the seven internal audit reports issued during the year under review contained recommendations to improve controls and enhance efficiencies. The reports covered leave management, learning and teaching support material, performance information, interim financial statements and learner transport. The Department has accepted recommendations made. Proposed improvements require inter alia the development of automated systems to improve controls. To this end the Department has undertaken to investigate the most feasible and cost effective improvements that can be made through the use of automated systems.

The Department reported to the Audit Committee that all Annexure A matters reported in the previous year by the Auditor-General were addressed and the Audit Monitoring Team of the Department is monitoring the progress of addressing other Auditor-General findings and internal audit findings. The Department has undertaken to submit a comprehensive action plan to deal with internal control matters to the Committee.

**4.1 I.T. Systems**

The Auditor-General has found relevant processes to be in place and adequate and identified some minor weaknesses regarding monitoring of user accounts. The bigger issue remains the limited progress that has been made towards implementation of the turn-around strategy to address the IT related risks facing the Province.

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**REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2011**

**4.2     *The quality of in-year-monitoring and monthly/quarterly progress reports submitted in terms of the Public Finance Management Act (PFMA) and the Division of Revenue Act***

The Audit Committee continued to review the Department's in-year monitoring (IYM) and quarterly performance report (QPR) submissions and these have complied with the requirements of the PFMA and Division of Revenue Act as appropriate. Recommendations made to the Department are followed up at subsequent reviews. The quarterly reports for the first three quarters have been tabled at Audit Committee meetings during the year. The Audit Committee requested the Department to ensure the appropriate balance between output and input indicators.

**4.3     *Enterprise Risk Management (ERM)***

Further progress has been made with the implementation of The Enterprise Wide Risk Management (ERM) methodology and the identification of the key risks and mitigating controls implemented by the Department. The Audit Committee continued to review progress on a quarterly basis. During the year under review the ERM unit, which has been moved to the Department of the Premier, facilitated the identification of strategic risks which have been signed off by the Head of Department. ERM has adopted a revised methodology and the implementation plan for the year has been completed. The Audit Committee emphasised the importance of a proper alignment between strategic goals, risk factors and the key performance indicators. The Department has been asked to discuss its action plan for labour unrest with the Audit Committee in the next financial year.

Progress on forensic matters under investigation is reported to the Audit Committee at every meeting and progress has been satisfactory during the year. Many of the backlogs have been reduced since the improved staffing of the forensic investigation unit.

**5.       **Evaluation of Financial Statements****

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the Auditor-General's conclusions regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

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**REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2011**

The Department has shown good competence in its financial management, as confirmed by the unqualified audit report. The Department has to be commended for the mature manner of reprioritisation and adjustment planning in which the financial pressures were handled when retrospective remuneration adjustments for teachers caused unforeseen extra cost.

Based on the review and discussions referred to in the preceding paragraphs, the Audit Committee recommended to the SCOPA and the Department that the audited financial statements be included in Department's Annual Report for the fiscal year ended March 31, 2011.

**6. Internal audit**

In the previous year, the Audit Committee reported that the Shared Internal Audit Unit experienced challenges relating to capacity and change management which impacted on its ability to achieve its plan.

The Audit Committee agreed to a reduced coverage plan in the context of limited resources, which has been met and these reports were submitted quarterly to the Audit Committee. The Department's responses to the Internal Audit recommendations have been monitored as part of the review process.

This is the first year that the internal audit unit has operated with full functional capacity. Internal audit has reported on progress at all audit committee meetings and internal audit reports have been tabled and discussed with the Audit Committee and management. Except for two, all the reports were completed according to the three-year internal audit plan. These two reports took longer than expected due to the complex nature of the assignments but this delay should not disrupt the targets for the next year. The three year internal audit plan is being revised to be in alignment with the strategic risk profile of the department.

The Audit Committee is still concerned about the ability to meet the full required audit coverage in future and submits that there remains a need for additional capacity to support the improved outputs of the Internal Audit team.

**7. Auditor-General South Africa**

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

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**REPORT OF THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2011**

**8. Communication**

During the year the Head of Department and executive management have made a concerted effort to attend all audit committee meetings and have engaged openly and honestly in the meetings regarding matters affecting the Department. One on one meetings have also been held between the chairperson of the Audit Committee and the Head of Department before every Audit Committee meeting. After each meeting the Chairperson submits an informal report to the Head of Department to register as soon as possible any urgent matters which the Committee needs to convey.

**9. Appreciation**

The Department has engaged with the Audit Committee on terms that exhibit a commitment to improve corporate governance. This commitment should be further entrenched by the positive manner in which the Department responds to issues raised at audit committee meetings and by assurance providers. The Audit Committee wishes to express its appreciation to the Officials of the Department, the Auditor-General South Africa and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



**Estian Calitz  
Chairperson  
Audit Committee  
Western Cape Education Department  
12 August 2011**

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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

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**

- 1.1 The WCED shifted its focus from an input driven focus towards outcomes and output. Positive and encouraging results were experienced from the key output indicators. The matric results as well as the Grade 3 and Grade 6 results were both positive for the year under review. The strategy of ensuring the continued alignment of the budget to the strategic objectives of the department is designed to contribute to the improvements.

The continued emphasis of increased efficiencies enabled the department to deliver more textbooks to schools. Through careful planning the classroom expansion programme also resulted in more learners having access to quality education at less cost than usual. The continued focus on monitoring the attendance of our staff, especially at school level, will remain. Continued pressure on the department's budget will, however, continue but there is a determination to always seek efficiencies.

The financial pressure on schools remains and the department has managed to assist especially public ordinary schools to alleviate some of those pressures through its textbook provisioning programme and high school programme. The department is also assisting schools with challenges relating to their municipal service bills, etc.

The department has managed to spend 99,6% of the adjusted budget. The target set by Provincial Treasury is that departments should not under or overspend by 1%. The under expenditure amounted to R42 million.

*Reasons for under spending are as follows:*

- Upgrade on the Human Capital Leave Management Systems was delayed until the following financial year.
- Budget for Grade 3, 6 and 9 testing were under spent due to Provincial Treasury not claiming the full amount.
- Delays in the finalisation of the contract for the delivery of ECD educational material.

It should be noted that these are all committed projects and a request for roll-over of the under spent funds has been submitted to Provincial Treasury.

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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

*Virement:*

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

- Shifting of R36 338 000 from programme 1 to programme 2 due to settling of arrear municipal services accounts owed by public schools.
- Shifting of R18 554 000 from programme 2 to programme 4 due to capital expenditure under special schools
- Shifting of R15 235 000 from programme 4 to programme 2 due to settling of arrear municipal services accounts owed by public schools.
- Shifting of R558 000 from programme 6 to programme 2 due to settling of arrear municipal services accounts owed by public schools.
- Shifting of R10 214 000 from programme 8 to programme 2 due to settling of arrear municipal services accounts owed by public schools.

- 1.2 Irregular expenditure was incurred mainly due to tender procedures not having been followed for certain projects or where services were still required but the contract had ended. For the one project the department appointed a new project manager. The department also instituted a control whereby all programme managers have to submit a procurement plan for all goods and services to be procured for the new financial year.

**2. Service rendered by the department**

**2.1 Tariff policy**

The department charges fees for examination related services such as marking of scripts, copy of senior certificate, etc. The tariffs for these services are determined by the Department of Basic Education.

**2.2 Free Services**

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

**2.3 Inventories**

The inventory that existed at year-end consisted of work-in-progress (WIP) that related to construction contracts. WIP is defined as those construction contracts for which services have been rendered, but retention funds still have to be paid as agreed with the supplier in terms of contractual obligations. The amount for WIP for the year under review is R345,6 million.



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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

**3. Capacity constraints**

Schools are facing challenges in finding appropriate skills and properly qualified staff for certain subjects. Subjects like mathematics and science are facing critical shortages. The department does have a bursary scheme that partially addresses the challenge. However, the Department of Basic Education is also investigating possible solutions. For the interim the department provides a telematics broadcast programme to assist Grade 12 learners in those critical subjects. The placement of *Funza Lushaka* bursary holders, who do possess those skills, is receiving renewed focus. The department has developed a draft Mathematics and Science strategy, which could assist.

**4. Utilisation of donor funds**

The department did not receive any donor funds.

**5. Trading entities and public entities**

The department does not have any such entities.

**6. Organisations to who transfer payments have been made**

The educational institutions to which transfer payments are being made by the department are indicated in Annexure 1B of the Annual Financial Statements.

Transfer payments are made to educational institutions in terms of the relevant acts of Parliament that govern 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, 1996 (Act No 84 of 1996) as amended. Please refer to Annexure 1B for more detailed explanation for each type of entity.

The department strictly applies Section 38(i)(j) of the Public Finance Management Act, 1999 (Act No 1 of 1999) as amended (PFMA) where educational institutions that receive transfer payments have to prove that they are spending the funds for the purposes intended. Here the relevant institutions have to declare and sign a certificate as such before the next transfer payments are effected. Furthermore, in terms of the relevant legislation pertaining to that institution, they are also responsible to submit their audited financial statements by a due date for review and compliance. The Education District Offices pay particular attention to capacity building at school level and provide ongoing support. This process is being monitored on an ongoing basis.

**7. Public private partnerships (PPP)**

The department has not entered into any such arrangement.

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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

**8. Corporate governance arrangements**

Consistent with the King III Report, the internal audit followed a risk-based approach to assist management in achieving departmental objectives.

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

The strategic risk assessment was concluded. However, the strategic risk always received the attention of management. An operational risk assessment was concluded in the prior year and is currently being updated.

The department has an audit committee, which consists of independent members. It is currently in its seventh year of operation. The Audit Committee meets regularly and is in constant engagement with top management and the Executive Authority. The Internal Audit Unit, the Office of the Auditor-General and the Forensic Investigative Unit report directly to the Audit Committee as assurance providers.

The department does have a Risk Assessment Unit. The department developed a Risk Policy Framework in conjunction with the 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 should a fraud risk assessment be completed. The department, in conjunction with the Department of the Premier, has embarked on a fraud awareness campaign as part of a strategy to prevent fraud.

Annually, or as circumstances change, senior management has to complete and submit a declaration of conflict of interest. All bid committee members and all staff in Supply Chain Management also have to declare any conflict of interest. The department now also requires all bidders to declare relationships with the employer or its employees. The Audit Committee members are also compelled to submit a declaration of conflict of interest.

The safety of learners and educators at schools is a major challenge and the department has formed partnerships with other relevant provincial departments to deal with the issue. There appears to be some progress in terms of the programmes the department undertook to protect schools.

**9. Discontinued activities/activities to be discontinued**

None

**10. New/proposed activities**

None

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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

**11. 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.

**12. Events after the reporting date**

None

**13. Performance information**

Performance information is recorded on a quarterly basis and submitted to Provincial Treasury. To improve accountability and transparency, the department developed its own indicators in addition to those that are required by National Treasury.

The systems in place to monitor performance are mainly the Central Education Management Information System (CEMIS) to provide learner data, PERSAL to provide personnel numbers and related expenditure and the Basic Accounting System (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 reflected accurately and completely.

**14. SCOPA resolutions**

The SCOPA resolutions relating to the 2009/10 financial year have not yet been tabled.

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
SCOPA Report dated 25 March 2010	The Department may have to account for write-offs in terms of alleged fruitless and wasteful expenditure relating to infrastructure projects. The ultimate outcome of the matter cannot currently be determined, and no provision for any fruitless and wasteful expenditure that may result has been made in the financial statements. The loss due to the cancellation of the contracts is considered as fruitless and wasteful expenditure.	The WCED accepts the committee's recommendations. The department has included a note in the financial statements to the effect that an amount of R1,75 million has been identified as possible fruitless and wasteful expenditure, which is subject to finalisation.

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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
	Difficulties were experienced during the audit concerning delays or the unavailability of requested information. This is indicative of a situation where there is a lack of ongoing monitoring and supervision as well as a lack of effective control activities surrounding the availability of expected information. Contract and or tender documentation could be misplaced and a payment could be made that is not in line with the requirements of the contracts or bid information or tender documentation.	The WCED accepts the committee's recommendations. The department has implemented controls surrounding the collection of source documentation, which is also monitored on a monthly basis.
	SCOPA resolutions have not been substantially implemented. If corrective action is not taken in terms of SCOPA resolutions a re-occurrence of past errors and practices is more likely.	The WCED accepts the committee's recommendations. The department made significant progress in this regard.

**15. Prior modifications to audit reports**

The department has implemented a system for addressing the concerns and findings of the Auditor-General. The responsible managers are required to develop a plan of action, which is evaluated by a committee. Once the process of quality assurance is completed, implementation thereof is monitored. The progress in this regard is also reported to the Audit Committee.

Nature of non-compliance	Financial year in which it first arose	Progress made in clearing/ resolving the matter
HIV/Aids – Learner support material not distributed or utilised at certain schools	2009/10	All LTSM for Grade R to 7 and Grade 8 to 9 have been delivered to all public schools during February 2011.
HIV/Aids – Certain schools have not developed and adopted an integrated HIV/AIDS plan/policy.	2009/10	The National HIV/AIDS Policy is being used for all the schools. Circuit Team Managers, school principals and SGBs will receive training during the course of 2011/12 financial year.

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**REPORT OF THE ACCOUNTING OFFICER  
FOR THE YEAR ENDED 31 MARCH 2011**

**16. Exemptions and deviations received from the National Treasury**

None

**17. Interim Financial Statements**

The department prepared interim financial statements as required by Provincial Treasury. These were reviewed by them and all comments/recommendations were attended to where considered appropriate.

**18. Other**

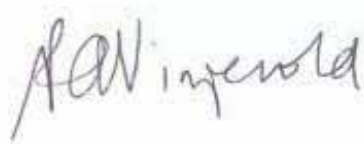
None

**19. Infrastructure matters: Magqwaka case**

The department had ongoing discussions with the Department of Transport and Public Works concerning the matter of Infrastructure. We are awaiting the final results of the legal process to account for any possible fruitless and wasteful expenditure that may result from this.

**20. Approval**

The Annual Financial Statements set out on pages 112 to 165 have been approved by the Accounting Officer.



**PA VINJEVOLD  
SUPERINTENDENT-GENERAL  
DATE: 31 MAY 2011**

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**REPORT OF THE AUDITOR-GENERAL  
FOR THE YEAR ENDED 31 MARCH 2011**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE  
NO. 5: WESTERN CAPE EDUCATION DEPARTMENT**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Western Cape Education Department (department), which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the 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 information as set out on pages 112 to 157.

**Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Framework prescribed by National Treasury and in a manner required by Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2010 (Act No. 1 of 2010) (DoRA) and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 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 International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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**REPORT OF THE AUDITOR-GENERAL  
FOR THE YEAR ENDED 31 MARCH 2011**

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by National Treasury and the requirements of the PFMA and DoRA.

**Emphasis of matter**

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

**Restatement of corresponding figures**

9. Expenditure for capital assets

As disclosed in note 7 to the financial statements the corresponding figures for 31 March 2010 have been restated by R38 338 000 as a result of an error discovered during 2011 in the financial statements of the department for the year ended 31 March 2010.

10. Capital commitments

As disclosed in note 19 to the financial statements the corresponding figures for 31 March 2010 have been restated by R1 066 549 000 as a result of an error discovered during 2011 in the financial statements of the department for the year ended 31 March 2010.

**Significant uncertainties**

11. Enquiries of management and the attorneys revealed that the department is a defendant in the following lawsuits:

- Twenty two claims for personal injuries

The outcome of these lawsuits cannot be determined at present and no provision has been made for any liability that may result, however this has been disclosed as a contingent liability in disclosure note 18 to the financial statements.

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**REPORT OF THE AUDITOR-GENERAL  
FOR THE YEAR ENDED 31 MARCH 2011**

**Additional matters**

12. I draw attention to the matters below. My opinion is not modified in respect of these matters:

**Material inconsistencies in other information included in the annual report**

13. No material inconsistencies between the draft annual report and financial statements were identified. The final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

**Unaudited supplementary schedules**

14. The supplementary information set out on pages 158 - 165 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

**Financial reporting framework**

15. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

16. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 8 to 93 and material non-compliance with laws and regulations applicable to the department.

**Predetermined objectives**

17. There are no material findings on the annual performance report.

**Compliance with laws and regulations**

**Monitoring of other remunerative work by employees**

18. The accounting officer did not maintain appropriate measures to ensure compliance with section 30(b) of the Public Service Act, 1994 (Proclamation 103 of 1994) and section 33(1) of the Employment of Educators Act, 1998 (Act No. 76 of 1998). These sections outline that no officer or employee shall perform or engage him or herself to perform remunerative work outside his or her employment in the public service, without permission granted by the relevant executing authority or an officer authorised by the said authority.



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**REPORT OF THE AUDITOR-GENERAL  
FOR THE YEAR ENDED 31 MARCH 2011**

Procurement and contract management

19. Goods and services with a transaction value of over R500 000 were not procured by means of a competitive bidding process as per the requirements of the National Treasury Regulations (TR) 16A6.1, TR 16A6.4 and National Treasury Practice Note 6 and 8 of 2007-08.
20. Goods and services with a transaction value between R10 000 and R500 000 were procured without inviting at least three written price quotations from prospective suppliers as per the requirements of TR 16A6.1 and National Treasury Practice Note 8 of 2007-08.
21. Awards made to suppliers were not based on preference points that were allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and its regulations and National Treasury Instruction Note of 15 September 2010.
22. Awards were made to suppliers who failed to provide written proof from the South African Revenue Service that their tax matters are in order as per the requirements of Preferential Procurement Regulations 16 and TR 16A9.1(d).

Expenditure management

23. The accounting officer did not take effective and appropriate steps to prevent and detect irregular expenditure reported in paragraphs 19 to 22 above and disclosed in note 24 to the financial statements as per the requirements of section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

**INTERNAL CONTROL**

24. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

**Leadership**

25. The accounting officer did not evaluate whether management has implemented effective internal controls to ensure that senior management has met its responsibilities. This is evident by the non-compliance matters identified relating to procurement and contract management and the monitoring of remunerative work.

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**REPORT OF THE AUDITOR-GENERAL  
FOR THE YEAR ENDED 31 MARCH 2011**

**Financial and performance management**

26. Management has not ensured that proper guidance is provided to all staff involved in the procurement process and that sufficient training has occurred to ensure compliance with supply chain management (SCM) regulations. This is especially important for staff not in the centralised SCM unit. Furthermore, the review and monitoring of compliance and monitoring of the daily and monthly procurement processes are not effective. The vacancies in the finance department can impact negatively on the required monitoring and review in this critical area.

**OTHER REPORTS**

**Investigations**

27. Indicators of possible fraudulent activities in the procurement process were identified during the audit and as a result have been referred to the forensic investigation unit for investigation.

**Performance audits**

28. Performance audits were conducted during the year under review on Early Childhood Development and Adult Basic Education and Training. These audits are currently in the reporting phase and the findings will be reported in separate reports.
29. A performance audit is being conducted on the Readiness of Government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The findings will be reported on in a separate report.

*Auditor-General*

Cape Town

31 July 2011



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

Appropriation per programme									
Programmes	2010/11							2009/10	
	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
<b>1. Administration</b>									
Current payment	408,562	(4,423)	(36,338)	367,801	353,656	14,145	96.2	346,388	346,358
Transfers and subsidies	46,562	15,054	-	61,616	61,615	1	100.0	40,566	40,564
Payment for capital assets	17,545	(7,893)	-	9,652	9,652	-	100.0	19,595	19,194
Payment for financial assets	3,733	(2,738)	-	995	995	-	100.0	9,489	9,489
	476,402	-	(36,338)	440,064	425,918	14,146	-	416,038	415,605
<b>2. Public Ordinary School Education</b>									
Current payment	8,770,434	14,010	62,345	8,846,789	8,843,246	3,543	100.0	7,882,324	7,877,592
Transfers and subsidies	521,413	(13,651)	-	507,762	507,762	-	100.0	518,767	513,983
Payment for capital assets	355,404	(359)	(18,554)	336,491	336,491	-	100.0	229,716	195,785
	9,647,251	-	43,791	9,691,042	9,687,499	3,543	-	8,630,807	8,587,360
<b>3. Independent School Subsidies</b>									
Transfers and subsidies	59,709	-	-	59,709	59,696	13	100.0	55,522	55,522
	59,709	-	-	59,709	59,696	13	-	55,522	55,522
<b>4. Public Special School Education</b>									
Current payment	578,379	(1,961)	(15,235)	561,183	559,188	1,995	99.6	490,034	490,034
Transfers and subsidies	107,345	1,961	12,002	121,308	121,308	-	100.0	106,446	104,246
Payment for capital assets	32,636	-	6,552	39,188	39,188	-	100.0	29,743	29,324
	718,360	-	3,319	721,679	719,684	1,995	-	626,223	623,604
<b>5. Further Education and Training</b>									
Current payment	281,091	(29,334)	-	251,757	251,685	72	100.0	212,675	212,675
Transfers and subsidies	165,952	29,334	-	195,286	195,286	-	100.0	156,242	156,242
	447,043	-	-	447,043	446,971	72	-	368,917	368,917
<b>6. Adult Basic Education and Training</b>									
Current payment	8,652	(929)	(558)	7,165	7,165	-	100.0	6,901	6,901
Transfers and subsidies	24,058	929	-	24,987	24,987	-	100.0	22,578	22,578
	32,710	-	(558)	32,152	32,152	-	-	29,479	29,479
<b>7. Early Childhood Development</b>									
Current payment	112,456	(5,903)	-	106,553	98,749	7,804	92.7	94,718	94,718
Transfers and subsidies	190,576	5,903	-	196,479	196,479	-	100.0	169,288	169,288
Payment for capital assets	62,554	-	-	62,554	50,667	11,887	81.0	28,614	24,614
	365,586	-	-	365,586	345,895	19,691	-	292,620	288,620
<b>8. Auxiliary and Associated Services</b>									
Current payment	156,119	(446)	(10,214)	145,459	144,408	1,051	99.3	141,851	141,851
Transfers and subsidies	94,907	408	-	95,315	93,357	1,958	97.9	102,123	102,123
Payment for capital assets	125	38	-	163	163	-	100.0	232	232
	251,151	-	(10,214)	240,937	237,928	3,009	-	244,206	244,206
<b>Subtotal</b>	<b>11,998,212</b>	<b>-</b>	<b>-</b>	<b>11,998,212</b>	<b>11,955,743</b>	<b>42,469</b>	<b>99.6</b>	<b>10,663,812</b>	<b>10,613,313</b>
<b>Total</b>	<b>11,998,212</b>	<b>-</b>	<b>-</b>	<b>11,998,212</b>	<b>11,955,743</b>	<b>42,469</b>	<b>99.6</b>	<b>10,663,812</b>	<b>10,613,313</b>
Add: Departmental receipts				-				3,056	
Actual amounts per Statement of Financial Performance (Total Revenue)				11,998,212				10,666,868	
Actual amounts per Statement of Financial Performance Expenditure					11,955,743				10,613,313.00

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

Appropriation per Economic classification									
Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	9,330,046	(85,529)	(45,587)	<b>9,198,930</b>	9,193,265	5,665	99.9	8,214,843	8,214,843
Goods and services	985,647	56,543	45,587	<b>1,087,777</b>	1,064,832	22,945	97.9	960,048	955,286
<b>Transfers &amp; subsidies</b>									
Departmental agencies & accounts	4,926	-	-	<b>4,926</b>	4,926	-	100.0	4,604	4,604
Universities & technikons	-	-	-	-	-	-	-	-	-
Non-profit institutions	1,139,761	18,209	12,002	<b>1,169,972</b>	1,168,002	1,970	99.8	1,103,748	1,096,762
Households	65,835	21,729	-	<b>87,564</b>	87,562	2	100.0	63,180	63,180
<b>Payment for capital assets</b>									
Buildings & other fixed structures	449,695	-	(12,002)	<b>437,693</b>	425,806	11,887	97.3	286,101	247,751
Machinery & equipment	9,320	(3,148)	-	<b>6,172</b>	6,172	-	100.0	12,389	11,988
Software & other intangible assets	9,249	(5,066)	-	<b>4,183</b>	4,183	-	100.0	9,410	9,410
<b>Payment for financial assets</b>	3,733	(2,738)	-	<b>995</b>	995	-	100.0	9,489	9,489
<b>Total</b>	<b>11,998,212</b>	-	-	<b>11,998,212</b>	<b>11,955,743</b>	<b>42,469</b>	<b>99.6</b>	<b>10,663,812</b>	<b>10,613,313</b>

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 1 – ADMINISTRATION  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per Sub-Programme	2010/11							2009/10	
	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
<b>1.1 Office of the MEC</b>									
Current payment	4,326	537	-	4,863	4,863	-	100.0	4,194	4,194
Transfers and subsidies	-	18	-	18	18	-	100.0	-	-
Payment for capital assets	-	5	-	5	5	-	100.0	6	6
<b>1.2 Corporate Services</b>									
Current payment	222,595	-	(21,058)	201,537	193,719	7,818	96.1	180,957	180,927
Transfers and subsidies	19,276	10,091	-	29,367	29,366	1	100.0	19,004	19,004
Payment for capital assets	4,929	(1,913)	-	3,016	3,016	-	100.0	8,726	8,325
Payment for financial assets	3,733	(2,738)	-	995	995	-	100.0	9,489	9,489
<b>1.3 Education Management</b>									
Current payment	156,962	(2,449)	(15,280)	139,233	132,906	6,327	95.5	135,502	135,502
Transfers and subsidies	12,792	4,179	-	16,971	16,971	-	100.0	12,488	12,486
Payment for capital assets	6,680	(2,455)	-	4,225	4,225	-	100.0	6,586	6,586
<b>1.4 Human Resource Development</b>									
Current payment	17,074	(2,386)	-	14,688	14,688	-	100.0	15,855	15,855
Transfers and subsidies	-	6	-	6	6	-	100.0	24	24
Payment for capital assets	176	451	-	627	627	-	100.0	(1)	(1)
<b>1.5 Education Management Information System (EMIS)</b>									
Current payment	7,605	(125)	-	7,480	7,480	-	100.0	9,880	9,880
Transfers and subsidies	14,494	760	-	15,254	15,254	-	100.0	9,050	9,050
Payment for capital assets	5,760	(3,981)	-	1,779	1,779	-	100.0	4,278	4,278
<b>Total</b>	<b>476,402</b>	<b>-</b>	<b>(36,338)</b>	<b>440,064</b>	<b>425,918</b>	<b>14,146</b>	<b>96.8</b>	<b>416,038</b>	<b>415,605</b>

Programme 1 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	281,057	-	(29,847)	251,210	248,289	2,921	98.8	228,456	228,456
Goods and services	127,505	(4,423)	(6,491)	116,591	105,367	11,224	90.4	117,932	117,902
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	44,390	8,823	-	53,213	53,213	-	100.0	37,010	37,008
Households	2,172	6,231	-	8,403	8,402	1	100.0	3,556	3,556
<b>Payment for capital assets</b>									
Machinery & equipment	8,296	(2,827)	-	5,469	5,469	-	100.0	10,308	9,907
Software & other intangible assets	9,249	(5,066)	-	4,183	4,183	-	100.0	9,287	9,287
<b>Payment for financial assets</b>									
	3,733	(2,738)	-	995	995	-	100.0	9,489	9,489
<b>Total</b>	<b>476,402</b>	<b>-</b>	<b>(36,338)</b>	<b>440,064</b>	<b>425,918</b>	<b>14,146</b>	<b>96.8</b>	<b>416,038</b>	<b>415,605</b>

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 2 – PUBLIC ORDINARY SCHOOL EDUCATION  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>2.1 Public Primary School</b>									
Current payment	4,989,313	-	53,453	5,042,766	5,042,766	-	100	4,438,676	4,438,676
Transfers and subsidies	328,042	(17,363)	-	310,679	310,679	-	100	323,898	319,114
Payment for capital assets	215,706	11,056	-	226,762	226,762	-	100	153,179	127,329
<b>2.2 Public Secondary schools</b>									
Current payment	3,122,797	8,459	8,892	3,140,148	3,140,148	-	100	2,908,682	2,908,682
Transfers and subsidies	167,348	12,547	-	179,895	179,895	-	100	173,771	173,771
Payment for capital assets	138,799	(11,056)	(18,554)	109,189	109,189	-	100	74,738	66,657
<b>2.3 Professional Services</b>									
Current payment	431,540	1,476	-	433,016	433,016	-	100	377,773	373,041
Transfers and subsidies	2,287	2,428	-	4,715	4,715	-	100	1,368	1,368
Payment for capital assets	743	(359)	-	384	384	-	100	1,799	1,799
<b>2.4 Human Resource Development</b>									
Current payment	59,302	7,249	-	66,551	66,551	-	100	55,274	55,274
Transfers and subsidies	17,900	(14,437)	-	3,463	3,463	-	100	3,898	3,898
Payment for capital assets	156	-	-	156	156	-	100	-	-
<b>2.5 National School Nutrition Programme</b>									
Current payment	167,482	(3,174)	-	164,308	160,765	3,543	98	101,919	101,919
Transfers and subsidies	5,836	3,174	-	9,010	9,010	-	100	15,832	15,832
<b>Total</b>	<b>9,647,251</b>	<b>-</b>	<b>43,791</b>	<b>9,691,042</b>	<b>9,687,499</b>	<b>3,543</b>	<b>100</b>	<b>8,630,807</b>	<b>8,587,360</b>

Programme 2 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	8,049,179	(51,465)	-	7,997,714	7,997,037	677	100.0	7,151,029	7,151,029
Goods and services	721,255	65,475	62,345	849,075	846,209	2,866	99.7	731,295	726,563
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	492,620	(29,326)	-	463,294	463,294	-	100.0	492,771	487,987
Households	28,793	15,675	-	44,468	44,468	-	100.0	25,996	25,996
<b>Payment for capital assets</b>									
Buildings & other fixed structures	354,505	-	(18,554)	335,951	335,951	-	100.0	227,744	193,813
Machinery & equipment	899	(359)	-	540	540	-	100.0	1,972	1,972
<b>Total</b>	<b>9,647,251</b>	<b>-</b>	<b>43,791</b>	<b>9,691,042</b>	<b>9,687,499</b>	<b>3,543</b>	<b>100.0</b>	<b>8,630,807</b>	<b>8,587,360</b>

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 3 – INDEPENDENT SCHOOL SUBSIDIES  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>3.1 Primary Phase</b>									
Transfers and subsidies	25,488	(1,460)	-	24,028	24,015	13	99.9	22,610	22,610
<b>3.2 Secondary Phase</b>									
Transfers and subsidies	34,221	1,460	-	35,681	35,681	-	100.0	32,912	32,912
<b>Total</b>	<b>59,709</b>	<b>-</b>	<b>-</b>	<b>59,709</b>	<b>59,696</b>	<b>13</b>	<b>100.0</b>	<b>55,522</b>	<b>55,522</b>

Programme 3 Per Economic classification	2010/11							2009/10	
	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
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	59,709	-	-	59,709	59,696	13	100.0	55,522	55,522
<b>Total</b>	<b>59,709</b>	<b>-</b>	<b>-</b>	<b>59,709</b>	<b>59,696</b>	<b>13</b>	<b>100.0</b>	<b>55,522</b>	<b>55,522</b>

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 4 – PUBLIC SPECIAL SCHOOL EDUCATION  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>4.1 Schools</b>									
Current payment	578,379	(1,961)	(15,235)	561,183	559,191	1,992	99.6	490,034	490,034
Transfers and subsidies	107,343	1,963	12,002	121,308	121,308	-	100.0	106,446	104,246
Payment for capital assets	32,636	-	6,552	39,188	39,188	-	100.0	29,743	29,324
<b>4.2 Professional Services</b>									
Current payment	-	-	-	-	(3)	3	-	-	-
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
<b>4.3 Human Resource Development</b>									
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
<b>Total</b>	<b>718,360</b>	<b>-</b>	<b>3,319</b>	<b>721,679</b>	<b>719,684</b>	<b>1,995</b>	<b>99.7</b>	<b>626,223</b>	<b>623,604</b>

Programme 4 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	572,789	(4,290)	(15,235)	553,264	551,269	1,995	99.6	484,441	484,441
Goods and services	5,590	2,329	-	7,919	7,919	-	100.0	5,593	5,593
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	106,146	1,404	12,002	119,552	119,552	-	100.0	104,211	102,011
Households	1,199	557	-	1,756	1,756	-	100.0	2,235	2,235
<b>Payment for capital assets</b>									
Buildings & other fixed structures	32,636	-	6,552	39,188	39,188	-	100.0	29,743	29,324
<b>Total</b>	<b>718,360</b>	<b>-</b>	<b>3,319</b>	<b>721,679</b>	<b>719,684</b>	<b>1,995</b>	<b>99.7</b>	<b>626,223</b>	<b>623,604</b>



**WESTERN CAPE PROVINCE  
DEPARTMENT OF EDUCATION  
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**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 5 – FURTHER EDUCATION AND TRAINING  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>5.1 Public Institutions</b>									
Current payment	281,091	(29,334)	-	251,757	251,685	72	100.0	212,675	212,675
Transfers and subsidies	165,952	29,334	-	195,286	195,286	-	100.0	156,242	156,242
<b>Total</b>	<b>447,043</b>	<b>-</b>	<b>-</b>	<b>447,043</b>	<b>446,971</b>	<b>72</b>	<b>100.0</b>	<b>368,917</b>	<b>368,917</b>

Programme 5 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	281,091	(29,334)	-	251,757	251,685	72	100.0	212,670	212,670
Goods and services	-	-	-	-	-	-	-	5	5
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	135,791	29,251	-	165,042	165,042	-	100.0	126,988	126,988
Households	30,161	83	-	30,244	30,244	-	100.0	29,254	29,254
<b>Total</b>	<b>447,043</b>	<b>-</b>	<b>-</b>	<b>447,043</b>	<b>446,971</b>	<b>72</b>	<b>100.0</b>	<b>368,917</b>	<b>368,917</b>

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

**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 6 – ADULT BASIC EDUCATION AND TRAINING  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>6.1 Subsidies to private centres</b>									
Current payment	8,652	(929)	(558)	7,165	7,165	-	100.0	6,901	6,901
Transfers and subsidies	24,056	931	-	24,987	24,987	-	100.0	22,578	22,578
<b>6.2 Professional Services</b>									
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
<b>6.3 Human Resource Development</b>									
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
<b>Total</b>	<b>32,710</b>	<b>-</b>	<b>(558)</b>	<b>32,152</b>	<b>32,152</b>	<b>-</b>	<b>100.0</b>	<b>29,479</b>	<b>29,479</b>

Programme 6 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	7,332	(729)	(505)	6,098	6,098	-	100.0	6,621	6,621
Goods and services	1,320	(200)	(53)	1,067	1,067	-	100.0	280	280
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	24,058	929	-	24,987	24,987	-	100.0	22,578	22,578
<b>Total</b>	<b>32,710</b>	<b>-</b>	<b>(558)</b>	<b>32,152</b>	<b>32,152</b>	<b>-</b>	<b>100.0</b>	<b>29,479</b>	<b>29,479</b>

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**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 7 – EARLY CHILDHOOD DEVELOPMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>7.1 Grade R in Public Schools</b>									
Current payment	77,746	(5,887)	-	71,859	64,055	7,804	89.1	60,313	60,313
Transfers and subsidies	96,309	9,548	-	105,857	105,857	-	100.0	89,575	89,575
Payment for capital assets	62,554	-	-	62,554	50,667	11,887	81.0	28,614	24,614
<b>7.2 Grade R in Community Centres</b>									
Current payment	-	1	-	1	1	-	100.0	137	137
Transfers and subsidies	48,975	(3,688)	-	45,287	45,287	-	100.0	45,732	45,732
<b>7.3 Professional Services</b>									
Transfers and subsidies	1	(1)	-	-	-	-	-	-	-
<b>7.4 Human Resource Development</b>									
Current payment	34,710	(17)	-	34,693	34,693	-	100.0	34,268	34,268
Transfers and subsidies	45,291	44	-	45,335	45,335	-	100.0	33,981	33,981
<b>Total</b>	<b>365,586</b>	<b>-</b>	<b>-</b>	<b>365,586</b>	<b>345,895</b>	<b>19,691</b>	<b>94.6</b>	<b>292,620</b>	<b>288,620</b>

Programme 7 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	65,526	(4,478)	-	61,048	61,048	-	100.0	58,740	58,740
Goods and services	46,930	(1,425)	-	45,505	37,701	7,804	82.9	35,978	35,978
<b>Transfers &amp; subsidies</b>									
Non-profit institutions	189,320	6,720	-	196,040	196,040	-	100.0	169,154	169,154
Households	1,256	(817)	-	439	439	-	100.0	134	134
<b>Payment for capital assets</b>									
Buildings & other fixed structures	62,554	-	-	62,554	50,667	11,887	81.0	28,614	24,614
<b>Total</b>	<b>365,586</b>	<b>-</b>	<b>-</b>	<b>365,586</b>	<b>345,895</b>	<b>19,691</b>	<b>94.6</b>	<b>292,620</b>	<b>288,620</b>

**WESTERN CAPE PROVINCE  
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**APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**DETAIL PER PROGRAMME 8 – AUXILIARY AND ASSOCIATED SERVICES  
FOR THE YEAR ENDED 31 MARCH 2011**

Details per sub-programme	2010/11							2009/10	
	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
<b>8.1 Payments to SETA</b>									
Transfers and subsidies	4,926	-	-	4,926	4,926	-	100.0	4,604	4,604
<b>8.2 Conditional Grant Projects</b>									
Current payment	15,392	(408)	-	14,984	14,032	952	93.6	14,601	14,601
Transfers and subsidies	-	408	-	408	408	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	25	25
<b>8.3 External Examinations</b>									
Current payment	105,251	(38)	-	105,213	105,114	99	99.9	101,765	101,765
Transfers and subsidies	126	-	-	126	117	9	92.9	5	5
Payment for capital assets	125	38	-	163	163	-	100.0	144	144
<b>8.4 Teacher Training</b>									
Transfers and subsidies	2,128	-	-	2,128	2,128	-	100.0	2,000	2,000
<b>8.5 iKapa Elihlumayo</b>									
Current payment	35,476	-	(10,214)	25,262	25,262	-	100.0	25,485	25,485
Transfers and subsidies	87,727	-	-	87,727	85,778	1,949	97.8	95,514	95,514
Payment for capital assets	-	-	-	-	-	-	-	63	63
<b>Total</b>	<b>251,151</b>	<b>-</b>	<b>(10,214)</b>	<b>240,937</b>	<b>237,928</b>	<b>3,009</b>	<b>98.8</b>	<b>244,206</b>	<b>244,206</b>

Programme 8 Per Economic classification	2010/11							2009/10	
	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
<b>Current payments</b>									
Compensation of employees	73,072	4,767	-	77,839	77,839	-	100.0	72,886	72,886
Goods and services	83,047	(5,213)	(10,214)	67,620	66,569	1,051	98.4	68,965	68,965
<b>Transfers &amp; subsidies</b>									
Departmental agencies & accounts	4,926	-	-	4,926	4,926	-	100.0	4,604	4,604
Universities & technikons	-	-	-	-	-	-	-	-	-
Non-profit institutions	87,727	408	-	88,135	86,178	1,957	97.8	95,514	95,514
Households	2,254	-	-	2,254	2,253	1	100.0	2,005	2,005
<b>Payment for capital assets</b>									
Machinery & equipment	125	38	-	163	163	-	100.0	109	109
Software & other intangible assets	-	-	-	-	-	-	-	123	123
<b>Total</b>	<b>251,151</b>	<b>-</b>	<b>(10,214)</b>	<b>240,937</b>	<b>237,928</b>	<b>3,009</b>	<b>98.8</b>	<b>244,206</b>	<b>244,206</b>

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**NOTES TO THE APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-C) 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 the note to Financial transactions in assets and liabilities to the Annual Financial Statements.

**4. Explanations of material variances from Amounts Voted (after virement):**

4.1	Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
		R'000	R'000	R'000	%
	<b>Programme name</b>				
	Administration	440,064	425,918	14,146	3%
	Public ordinary school education	9,691,042	9,687,499	3,543	0%
	Independent school subsidies	59,709	59,696	13	0%
	Public special school education	721,679	719,684	1,995	0%
	Further education and training	447,043	446,971	72	0%
	Adult basic education and training	32,152	32,152	-	0%
	Early childhood development	365,586	345,895	19,691	5%
	Auxiliary and associated services	240,937	237,928	3,009	1%

Explanation of variance: The underspending on Administration is mainly due to delays in the upgrade of the Human Capital Leave Management System. Spending is to resume in the 2011/12 financial year. The underspending on Early Childhood Development is due to delays in the tender procedures for the purchasing of educational material as well as the construction of additional classrooms for Grade R at public ordinary schools.

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**NOTES TO THE APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

4.2	Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
		R'000	R'000	R'000	%
	<b>Per economic classification:</b>				
	<b>Current expenditure</b>				
	Compensation of employees	9,198,930	9,193,265	5,665	0%
	Goods and services	1,087,777	1,064,832	22,945	2%
	<b>Transfers and subsidies</b>				
	Departmental agencies and accounts	4,926	4,926	-	0%
	Non-profit institutions	1,169,972	1,168,002	1,970	0%
	Households	87,564	87,562	2	0%
	<b>Payments for capital assets</b>				
	Buildings and other fixed structures	437,693	425,806	11,887	3%
	Machinery and equipment	6,172	6,172	-	0%
	Software and other intangible assets	4,183	4,183	-	0%
	<b>Payments for financial assets</b>	995	995	-	0%

<p>Explanation of variance: The underspending on goods and services and buildings and other fixed structures is due to delays in the upgrade of the Human Capital Leave Management System, the tender procedures for the purchasing of educational material and the construction of additional classrooms for Grade R at public ordinary schools respectively.</p>
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**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2010/11 R'000	2009/10 R'000
<b>REVENUE</b>			
Annual appropriation	1	11,998,212	10,663,812
Departmental revenue	2	-	3,056
<b>TOTAL REVENUE</b>		<b>11,998,212</b>	<b>10,666,868</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	9,193,265	8,214,843
Goods and services	4	1,064,832	955,286
<b>Total current expenditure</b>		<b>10,258,097</b>	<b>9,170,129</b>
Transfers and subsidies	6	1,260,490	1,164,546
<b>Total transfers and subsidies</b>		<b>1,260,490</b>	<b>1,164,546</b>
<b>Expenditure for capital assets</b>			
Tangible capital assets	7	431,978	259,739
Software and other intangible assets	7	4,183	9,410
<b>Total expenditure for capital assets</b>		<b>436,161</b>	<b>269,149</b>
<b>Payments for financial assets</b>	5	995	9,489
<b>TOTAL EXPENDITURE</b>		<b>11,955,743</b>	<b>10,613,313</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>42,469</b>	<b>53,555</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds		42,469	50,499
Annual appropriation		11,998,212	10,663,812
Departmental revenue and NRF Receipts	13	-	3,056
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>42,469</b>	<b>53,555</b>

**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2011**

	Note	2010/11 R'000	2009/10 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>147,646</b>	<b>109,498</b>
Cash and cash equivalents	8	29,782	16,596
Prepayments and advances	9	10	3,274
Receivables	10	117,854	89,628
<b>Non-Current Assets</b>		<b>14,191</b>	<b>13,471</b>
Investments	11	14,191	13,471
<b>TOTAL ASSETS</b>		<b>161,837</b>	<b>122,969</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>90,396</b>	<b>72,015</b>
Voted funds to be surrendered to the Revenue Fund	12	42,469	50,498
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	(391)	1,493
Bank overdraft	14	46,912	13,838
Payables	15	1,406	6,186
<b>TOTAL LIABILITIES</b>		<b>90,396</b>	<b>72,015</b>
<b>NET ASSETS</b>		<b>71,441</b>	<b>50,954</b>
<b>Represented by:</b>			
Capitalisation reserve		14,191	13,471
Recoverable revenue		57,250	37,483
<b>TOTAL</b>		<b>71,441</b>	<b>50,954</b>



**WESTERN CAPE PROVINCE  
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**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2010/11 R'000	2009/10 R'000
<b>Capitalisation Reserves</b>			
Opening balance		13,471	12,506
Transfers:			
Movement in Operational Funds		720	965
Closing balance		<u>14,191</u>	<u>13,471</u>
<b>Recoverable revenue</b>			
Opening balance		37,483	37,546
Transfers		19,767	(63)
Debts recovered (included in departmental receipts)		-	(63)
Debts raised		19,767	-
Closing balance		<u>57,250</u>	<u>37,483</u>
<b>Total</b>		<u><u>71,441</u></u>	<u><u>50,954</u></u>

**WESTERN CAPE PROVINCE  
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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

	<i>Note</i>	<b>2010/11 R'000</b>	<b>2009/10 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>12,020,446</b>	<b>10,690,559</b>
Annual appropriated funds received	1.1	11,998,212	10,663,812
Departmental revenue received	2	22,234	26,747
Net increase in working capital		(29,742)	(41,866)
Surrendered to Revenue Fund		(74,616)	(45,106)
Current payments		(10,258,097)	(9,170,129)
Payments for financial assets		(995)	(9,489)
Transfers and subsidies paid		(1,260,490)	(1,164,546)
<b>Net cash flow available from operating activities</b>	16	<b>396,506</b>	<b>259,423</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(436,161)	(269,149)
Increase in investments		(720)	(965)
Decrease in other financial assets		-	818
<b>Net cash flows from investing activities</b>		<b>(436,881)</b>	<b>(269,296)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		-	-
Increase in net assets		20,487	902
<b>Net cash flows from financing activities</b>		<b>20,487</b>	<b>902</b>
Net decrease in cash and cash equivalents		(19,888)	(8,971)
Cash and cash equivalents at beginning of period		2,758	11,729
<b>Cash and cash equivalents at end of period</b>	17	<b>(17,130)</b>	<b>2,758</b>

**WESTERN CAPE PROVINCE  
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**ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

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 2010.

**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.

**WESTERN CAPE PROVINCE  
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**ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

**2. Revenue**

**2.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

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

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

**2.2 Departmental revenue**

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

**3. Expenditure**

**3.1 Compensation of employees**

**3.1.1 Salaries and wages**

Salaries and wages are expensed 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).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

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**ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

**3.1.2 Social contributions**

Employer contributions to post employment benefit plans in respect of current employees are expensed 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).

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 National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

**3.2 Goods and services**

Payments made during the year 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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

**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 Payments for financial assets**

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 an estimate is included in the disclosure notes to the financial statements amounts.

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

**3.5 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).

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**ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

**3.6 Unauthorised expenditure**

When confirmed 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 derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

**3.8 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.

**4. Assets**

**4.1 Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

**4.2 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 and are derecognised as and when the goods/services are received or the funds are utilised.

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

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**ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2011**

**4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.5 Investments**

Capitalised investments are shown at cost in the statement of financial position.

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

**4.6 Capital assets**

**4.6.1 Movable assets**

**Initial recognition**

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

All assets acquired prior to 1 April 2002 are included in the register at R1.

**Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

**4.6.2 Immovable assets**

**Initial recognition**

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 immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

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**Subsequent recognition**

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

**5. Liabilities**

**5.1 Payables**

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

**5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**5.3 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.

**5.4 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.

**5.5 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.

**5.6 Lease commitments**

**Finance lease**

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.



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**Operating lease**

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

**5.7 Impairment and other provisions**

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows/service potential flowing from the instrument.

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

**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 recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

**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. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

**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.

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**1. Annual Appropriation**

**1.1 Annual Appropriation**

	Final Appropriation 2010/11 R'000	Actual Funds Received 2010/11 R'000	Funds not requested/ not received 2010/11 R'000	Appropriation Received 2009/10 R'000
<b>Programmes</b>				
ADMINISTRATION	440,064	476,402	(36,338)	416,038
PUBLIC ORDINARY SCHOOL EDUCATION	9,691,042	9,647,251	43,791	8,630,807
INDEPENDENT SCHOOL SUBSIDIES	59,709	59,709	-	55,522
PUBLIC SPECIAL SCHOOL EDUCATION	721,679	718,360	3,319	626,223
FURTHER EDUCATION AND TRAINING	447,043	447,043	-	368,917
ADULT BASIC EDUCATION AND TRAINING	32,152	32,710	(558)	29,479
EARLY CHILDHOOD DEVELOPMENT	365,586	365,586	-	292,620
AUXILIARY AND ASSOCIATED SERVICES	240,937	251,151	(10,214)	244,206
<b>Total</b>	<b>11,998,212</b>	<b>11,998,212</b>	<b>-</b>	<b>10,663,812</b>
		<b>Note</b>	<b>2010/11 R'000</b>	<b>2009/10 R'000</b>

**1.2 Conditional grants\*\***

Total grants received	32	894,103	302,772
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(\*\* It should be noted that the Conditional grants are included in the amounts per the Final Appropriation in Note 1.1)

**2. Departmental Revenue**

Sales of goods and services other than capital assets	2.1	11,193	9,127
Fines, penalties and forfeits	2.2	511	383
Interest, dividends and rent on land	2.3	324	1,394
Transactions in financial assets and liabilities	2.4	10,206	15,843
<b>Total revenue collected</b>		<b>22,234</b>	<b>26,747</b>
Less: Own revenue included in appropriation	13	22,234	23,691
<b>Departmental revenue collected</b>		<b>-</b>	<b>3,056</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>2.1 Sales of goods and services other than capital assets</b>	2		
Sales of goods and services produced by the department		11,077	9,044
Sales by market establishment		11,077	9,044
Sales of scrap, waste and other used current goods		116	83
<b>Total</b>		<b>11,193</b>	<b>9,127</b>
<b>2.2 Fines, penalties and forfeits</b>	2		
Fines		511	383
<b>Total</b>		<b>511</b>	<b>383</b>
<b>2.3 Interest, dividends and rent on land</b>	2		
Interest		324	1,394
<b>Total</b>		<b>324</b>	<b>1,394</b>
<b>2.4 Transactions in financial assets and liabilities</b>	2		
Receivables		5,435	4,184
Other Receipts including Recoverable Revenue		4,771	11,659
<b>Total</b>		<b>10,206</b>	<b>15,843</b>
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		6,886,984	6,188,623
Performance award		21,239	20,289
Service Based		10,974	8,369
Compensative/circumstantial		79,512	80,898
Periodic payments		8,935	10,334
Other non-pensionable allowances		982,887	855,845
<b>Total</b>		<b>7,990,531</b>	<b>7,164,358</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>3.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		794,336	694,823
Medical		405,779	353,264
UIF		4	4
Bargaining council		668	462
Official unions and associations		1,947	1,932
<b>Total</b>		<b>1,202,734</b>	<b>1,050,485</b>
<b>Total compensation of employees</b>		<b>9,193,265</b>	<b>8,214,843</b>
<b>Average number of employees</b>		<b>40,737</b>	<b>40,558</b>
<b>4. Goods and services</b>			
Administrative fees		815	888
Advertising		4,307	4,638
Assets less than R5,000	4.1	23,692	13,660
Bursaries (employees)		26,106	24,276
Catering		7,276	6,018
Communication		11,589	12,468
Computer services	4.2	15,856	9,887
Consultants, contractors and agency/outsourced services	4.3	83,436	100,821
Entertainment		232	338
Audit cost – external	4.4	12,887	8,283
Fleet services		3	-
Inventory	4.5	402,498	361,364
Operating leases		19,315	17,931
Owned and leasehold property expenditure	4.6	219,105	151,523
Transport provided as part of the departmental activities		141,861	147,691
Travel and subsistence	4.7	46,497	47,176
Venues and facilities		16,759	17,786
Training and staff development		25,133	20,161
Other operating expenditure	4.8	7,465	10,377
<b>Total</b>		<b>1,064,832</b>	<b>955,286</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>4.1 Assets less than R5,000</b>	<b>4</b>		
<b>Tangible assets</b>		<b>22,136</b>	<b>12,763</b>
Machinery and equipment		22,136	12,763
<b>Intangible assets</b>		<b>1,556</b>	<b>897</b>
<b>Total</b>		<b>23,692</b>	<b>13,660</b>
<b>4.2 Computer services</b>	<b>4</b>		
SITA computer services		8,868	7,675
External computer service providers		6,988	2,212
<b>Total</b>		<b>15,856</b>	<b>9,887</b>
<b>4.3 Consultants, contractors and agency/outsourced services</b>	<b>4</b>		
Business and advisory services		28,941	34,755
Legal costs		4,602	6,469
Contractors		8,683	6,682
Agency and support/outsourced services		41,210	52,915
<b>Total</b>		<b>83,436</b>	<b>100,821</b>
<b>4.4 Audit cost – external</b>	<b>4</b>		
Regularity audits		9,456	7,883
Performance audits		2,952	328
Other audits		479	72
<b>Total</b>		<b>12,887</b>	<b>8,283</b>
<b>4.5 Inventory</b>	<b>4</b>		
Learning and teaching support material		212,441	228,395
Food and food supplies		155,257	97,793
Other consumable materials		729	460
Maintenance material		37	21
Stationery and printing		33,364	34,693
Medical supplies		670	2
<b>Total</b>		<b>402,498</b>	<b>361,364</b>

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	<b>Note</b>	<b>2010/11 R'000</b>	<b>2009/10 R'000</b>
<b>4.6 Property payments</b>	<b>4</b>		
Municipal services		94,306	17,594
Property maintenance and repairs		107,064	99,619
Other		17,735	34,310
<b>Total</b>		<b>219,105</b>	<b>151,523</b>
<b>4.7 Travel and subsistence</b>	<b>4</b>		
Local		46,400	46,620
Foreign		97	556
<b>Total</b>		<b>46,497</b>	<b>47,176</b>
<b>4.8 Other operating expenditure</b>	<b>4</b>		
Professional bodies, membership and subscription fees		663	665
Resettlement costs		1,473	1,796
Other		5,329	7,916
<b>Total</b>		<b>7,465</b>	<b>10,377</b>
<b>5. Payments for financial assets</b>			
Material losses through criminal conduct		<b>184</b>	<b>4,464</b>
Other material losses	5.1	184	4,464
Other material losses written off	5.2	20	187
Debts written off	5.3	791	4,838
<b>Total</b>		<b>995</b>	<b>9,489</b>
<b>5.1 Other material losses</b>	<b>5</b>		
<b>Nature of other material losses</b>			
<b>Incident</b>	<b>Disciplinary Steps taken/ Criminal proceedings</b>		
GG Accidents		184	406
VLS 00726 Overtrans		-	3,677
Laser Repair Specialist		-	343
VLS 05489 VMS Nazo		-	38
<b>Total</b>		<b>184</b>	<b>4,464</b>

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	<b>Note</b>	<b>2010/11 R'000</b>	<b>2009/10 R'000</b>
<b>5.2 Other material losses written off</b>	<b>5</b>		
<b>Nature of losses</b>			
Claims against the state		20	100
Irregular expenditure		-	87
<b>Total</b>		<b>20</b>	<b>187</b>
<b>5.3 Debts written off</b>	<b>5</b>		
<b>Nature of debts written off</b>			
Employee tax		90	7
State guarantees		-	47
Salary overpayments		418	779
Bursaries		86	400
Interest on debts		185	514
Other		12	26
Ex departments - mopping-up		-	3,065
<b>Total</b>		<b>791</b>	<b>4,838</b>
<b>5.4 Assets written off</b>			
<b>Nature of write-off</b>			
Furniture & equipment		877	138
Computer equipment		7,273	3,723
<b>Total</b>		<b>8,150</b>	<b>3,861</b>
<b>6. Transfers and Subsidies</b>			
Departmental agencies and accounts	ANNEXURE 1A	4,926	4,604
Non-profit institutions	ANNEXURE 1B	1,168,002	1,096,762
Households	ANNEXURE 1C	87,562	63,180
<b>Total</b>		<b>1,260,490</b>	<b>1,164,546</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>7. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>431,978</b>	<b>259,739</b>
Buildings and other fixed structures	31	425,806	247,751
Machinery and equipment	29	6,172	11,988
<b>Software and other intangible assets</b>		<b>4,183</b>	<b>9,410</b>
Capitalised development costs	30	1,400	-
Computer software	30	2,783	9,410
<b>Total</b>		<b>436,161</b>	<b>269,149</b>

The comparatives i.r.o. Note 7 have been restated as a result of the reclassification of the expenditure for the reporting year.

**7.1 Analysis of funds utilised to acquire capital assets - 2010/11**

	Voted Funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>431,978</b>	<b>-</b>	<b>431,978</b>
Buildings and other fixed structures	425,806	-	425,806
Machinery and equipment	6,172	-	6,172
<b>Software and other intangible assets</b>	<b>4,183</b>	<b>-</b>	<b>4,183</b>
Capitalised development costs	1,400	-	1,400
Computer software	2,783	-	2,783
<b>Total</b>	<b>436,161</b>	<b>-</b>	<b>436,161</b>

**7.2 Analysis of funds utilised to acquire capital assets - 2009/10**

	Voted Funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>221,401</b>	<b>-</b>	<b>221,401</b>
Buildings and other fixed structures	209,413	-	209,413
Machinery and equipment	11,988	-	11,988
<b>Software and other intangible assets</b>	<b>9,410</b>	<b>-</b>	<b>9,410</b>
Computer software	9,410	-	9,410
<b>Total</b>	<b>230,811</b>	<b>-</b>	<b>230,811</b>



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		Note	2010/11 R'000	2009/10 R'000			
8.	<b>Cash and Cash Equivalents</b>						
	Cash with commercial banks (Local)		29,782	16,596			
	<b>Total</b>		<b>29,782</b>	<b>16,596</b>			
9.	<b>Prepayments and Advances</b>						
	Travel and subsistence		10	28			
	Advances paid to other entities		-	3,246			
	<b>Total</b>		<b>10</b>	<b>3,274</b>			
		2010/11					
		Less than one year	One to three years	Older than three years	Total	2009/10	
	Note	R'000	R'000	R'000	R'000	R'000	
10.	<b>Receivables</b>						
	Claims recoverable	10.1 Annex 3	23,513	513	-	24,026	12,459
	Staff debt	10.2	18,266	7,298	9,050	34,614	21,559
	Other debtors	10.3	13,287	22,856	23,071	59,214	55,610
	<b>Total</b>		<b>55,066</b>	<b>30,667</b>	<b>32,121</b>	<b>117,854</b>	<b>89,628</b>
		Note	2010/11 R'000	2009/10 R'000			
10.1	<b>Claims recoverable</b>	10					
	National departments		818	799			
	Provincial departments		322	11,660			
	Private enterprises		140	-			
	Households and non-profit institutions		22,746	-			
	<b>Total</b>		<b>24,026</b>	<b>12,459</b>			
10.2	<b>Staff debt</b>	10					
	Salary overpayments		2,491	6,227			
	Debt account		32,123	15,332			
	<b>Total</b>		<b>34,614</b>	<b>21,559</b>			
10.3	<b>Other debtors</b>	10					
	Breach of contract		13,284	15,072			
	Ex employees		39,968	29,853			
	State guarantees		910	984			
	Criminal acts		1,524	1,839			
	Miscellaneous		2,177	2,094			
	Clearing accounts		1,351	5,768			
	<b>Total</b>		<b>59,214</b>	<b>55,610</b>			

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2010/11 R'000	2009/10 R'000
<b>11. Investments</b>			
<b>Non-Current</b>			
Sir David Harris Trust		-	1
JL Bisset Fund		417	399
Graham Civil Service Bursary Fund		43	44
Royal Reception Fund		32	33
School Building Fund		13,699	12,994
<b>Total</b>		<b>14,191</b>	<b>13,471</b>
<b>Analysis of non-current investments</b>			
Opening balance		13,471	12,506
Additions in cash		720	965
<b>Closing balance</b>		<b>14,191</b>	<b>13,471</b>
<b>12. Voted Funds to be Surrendered to the Revenue Fund</b>			
Opening balance		50,498	13,657
Transfer from statement of financial performance		42,469	50,499
Paid during the year		(50,498)	(13,658)
<b>Closing balance</b>		<b>42,469</b>	<b>50,498</b>
<b>13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		1,493	6,194
Transfer from Statement of Financial Performance		-	3,056
Own revenue included in appropriation		22,234	23,691
Paid during the year		(24,118)	(31,448)
<b>Closing balance</b>		<b>(391)</b>	<b>1,493</b>
<b>14. Bank Overdraft</b>			
Consolidated Paymaster General Account		46,912	13,838
<b>Total</b>		<b>46,912</b>	<b>13,838</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2010/11 R'000	2009/10 R'000
<b>15. Payables - current</b>			
Amounts owing to other entities	Annex 4	87	277
Clearing accounts	15.1	1,220	5,888
Other payables	15.2	99	21
<b>Total</b>		<b>1,406</b>	<b>6,186</b>
<b>15.1 Clearing accounts</b>	15		
Sal: pension debt		31	614
Sal: ACB recalls		372	886
Sal: income tax		675	3,029
Sal: pension fund		24	203
Salary reversal control		-	876
Salary: medical aid		56	137
Other deduction accounts		62	109
Sal: tax debt		-	34
<b>Total</b>		<b>1,220</b>	<b>5,888</b>
<b>15.2 Other payables</b>	15		
Miscellaneous		99	21
<b>Total</b>		<b>99</b>	<b>21</b>
<b>16. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		42,469	53,555
Add back non cash/cash movements not deemed operating activities		354,037	205,868
Increase in receivables – current		(28,226)	(14,849)
Decrease in prepayments and advances		3,264	(3,221)
Increase in payables – current		(4,780)	(23,796)
Expenditure on capital assets		436,151	269,149
Surrenders to Revenue Fund		(74,616)	(45,106)
Own revenue included in appropriation		22,234	23,691
<b>Net cash flow generated by operating activities</b>		<b>396,506</b>	<b>259,423</b>
<b>17. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		(46,912)	(13,838)
Cash with commercial banks (Local)		29,782	16,596
<b>Total</b>		<b>(17,130)</b>	<b>2,758</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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		Note	2010/11 R'000	2009/10 R'000
<b>18. Contingent liabilities and contingent assets</b>				
<b>Contingent liabilities</b>				
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annex 2A	974	2,358
Claims against the department		Annex 2B	64,746	34,815
Other departments (interdepartmental unconfirmed balances)		Annex 4	45	1,632
Other		Annex 2B	33,415	-
<b>Total</b>			<b>99,180</b>	<b>38,805</b>

	Note	2010/11 R'000	2009/10 R'000
<b>19. Commitments</b>			
<b>Current expenditure</b>		<b>1,135,461</b>	<b>520,137</b>
Approved and contracted		779,622	199,781
Approved but not yet contracted		355,839	320,356
<b>Capital Expenditure (including transfers)</b>		<b>1,887,920</b>	<b>1,303,125</b>
Approved and contracted		454,681	265,688
Approved but not yet contracted		1,433,239	1,037,437
<b>Total Commitments</b>		<b>3,023,381</b>	<b>1,823,262</b>

The comparatives (2009/10 Commitments) have been restated in order to include the budgeted figures i.r.o. the MTEF.

<b>20. Accruals</b>				
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	10,672	7,753	18,425	22,076
Transfers and subsidies	185	4,016	4,201	23,205
Capital assets	8,204	1,764	9,968	1,413
<b>Total</b>	<b>19,061</b>	<b>13,533</b>	<b>32,594</b>	<b>46,694</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>Listed by programme level</b>			
Administration		7,472	10,637
Public Ordinary School Education		18,372	12,762
Independent School Subsidies		3,160	-
Public Special School Education		1,151	6,793
Adult Basic Education and Training		2	121
Early Childhood Development		2,078	11,836
Auxiliary and Associated Services		359	4,545
<b>Total</b>		<b>32,594</b>	<b>46,694</b>
Confirmed balances with departments	Annex 4	5,362	383
<b>Total</b>		<b>5,362</b>	<b>383</b>
<b>21. Employee benefits</b>			
Leave entitlement		95,314	87,838
Service bonus (Thirteenth cheque)		275,387	246,631
Capped leave commitments		1,001,703	973,608
Other		40	20,016
<b>Total</b>		<b>1,372,444</b>	<b>1,328,093</b>

1. The negative leave credits i.r.o. future leave taken as per the detail report, is as follows:

- current leave cycle R1,014 million
- capped leave R2,463 million

**22. Lease Commitments**

**22.1 Operating leases expenditure**

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures	Machinery and equipment R'000	Total R'000
<b>2010/11</b>					
Not later than 1 year	-	-	-	15,413	15,413
Later than 1 year and not later than 5 years	-	-	-	43,623	43,623
Later than five years	-	-	-	9,683	9,683
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,719</b>	<b>68,719</b>
<b>2009/10</b>					
Not later than 1 year	-	-	-	13,733	13,733
Later than 1 year and not later than 5 years	-	-	-	36,638	36,638
Later than five years	-	-	-	7,171	7,171
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,542</b>	<b>57,542</b>

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	Note	2010/11 R'000	2009/10 R'000		
22.2 Finance leases expenditure					
2010/11	Specialised military assets R'000	Land R'000	Buildings & other fixed structures	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	299	299
Later than 1 year and not later than 5 years	-	-	-	102	102
<b>Total lease commitments</b>	-	-	-	<b>401</b>	<b>401</b>
LESS: finance costs	-	-	-	18	18
<b>Total present value of lease liabilities</b>	-	-	-	<b>383</b>	<b>383</b>
2009/10					
Not later than 1 year	-	-	-	32	32
<b>Total lease commitments</b>	-	-	-	<b>32</b>	<b>32</b>
LESS: finance costs	-	-	-	1	1
<b>Total present value of lease liabilities</b>	-	-	-	<b>31</b>	<b>31</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>23. Receivables for departmental revenue</b>			
Transactions in financial assets and liabilities		26,925	-
<b>Total</b>		<b>26,925</b>	<b>-</b>
<b>23.1 Analysis of receivables for departmental revenue</b>			
Opening balance		-	-
Less: Amounts received		-	-
Add: Amounts recognised		26,925	-
Less: Amounts written-off/reversed as irrecoverable		-	-
<b>Closing balance</b>		<b>26,925</b>	<b>-</b>

Debts, comprising both employee debts and ex-employee debts, to the value of R25,671 million were identified due to employees having taken incapacity leave without the necessary approval in terms of the Policy on Incapacity Leave and Ill-Health Retirement (PILIR). A backlog of such cases had built up as the WCED was awaiting the outcome of the decisions on the applications for incapacity leave and ill-health retirement by the Health Risk Manager appointed to administer the PILIR. The WCED could only proceed with the processing of debts after receipt of the decisions where the applications for temporary incapacity leave had been refused by the Health Risk Manager. Debts due to payments to employees, transferred to other departments, made after termination of service amounting to R1,254 million were identified to be recovered from the recipient departments.

<b>24. Irregular expenditure</b>			
<b>24.1 Reconciliation of irregular expenditure</b>			
Opening balance		2,740	2,361
Add: Irregular expenditure - relating to prior year		10,397	70
Add: Irregular expenditure - relating to current year		8,346	760
Less: Amounts condoned		(4,522)	(364)
Less: Amounts recoverable (not condoned)		-	(87)
<b>Irregular expenditure awaiting condonation</b>		<b>16,961</b>	<b>2,740</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		6,098	470
Prior years		10,863	2,270
<b>Total</b>		<b>16,961</b>	<b>2,740</b>

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	2010/11 R'000
<b>24.2 Details of irregular expenditure - current year</b>	
<b>Incident</b>	
Business Connexion	1,879
Venues & facilities Overberg District Office	6
Sechaba Protection Services	409
Golden Arrow Bus Services	48
Development of Skills Schools	162
HIV AIDS Programme Conditional Grants (Current year)	1,635
HIV AIDS Programme Conditional Grants (Previous years)	8,512
D Andrews (HIV Conditional Grants)	7
Quotes accepted without justification	91
Goods & services not procured through competitive bidding	4,329
Procurement deliberately split into segments	308
Insufficient quotes obtained	971
Insufficient quotes obtained	68
Tender awarded to persons in the service of the auditee	12
Quotes accepted without declaration of interests	292
Incorrect calculation of overtime	14
	<u><u>18,743</u></u>
<b>24.3 Details of irregular expenditure condoned</b>	
<b>Incident</b>	
Business Connexion	1,879
Sechaba Protection Services	409
Golden Arrow Bus Services -	48
Development of Skills Schools -	162
HIV AIDS Programme Conditional -	1,635
Tender Irregularities -	10
Tender Irregularities Districts -	379
Overberg & Winelands	
	<u><u>4,522</u></u>



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**2010/11  
R'000**

**24.4 Details of irregular expenditure under investigation**

**Incident**

VLS 05633 Venues & Facilities Overberg District Office	6
D Andrews (HIV Conditional Grants)	7
Quotes accepted without justification	91
Goods & services not procured through competitive bidding	4,329
Procurement deliberately split into segments	308
Insufficient quotes obtained	971
Insufficient quotes obtained	68
Tender awarded to persons in the service of the auditee	12
Quotes accepted without declaration of interests	292
Incorrect calculation of overtime	14
	<b>6,098</b>

**25.2 Analysis of awaiting condonement per economic classification**

Current	108	645
<b>Total</b>	<b>108</b>	<b>645</b>

**Exceeding of contract values**

In the Accounting Officer's Report for the year ended 2009/10, regarding the construction of certain schools, i.e. Delft Secondary School, Mfuleni Primary School, Kalkfontein Primary School, Du Noon-Inkwenkwezi Primary School it was reported that in circumstances where the contractor exceeded the contract value to complete the contracts, the excess may be considered to be fruitless and wasteful expenditure. The conservative amount of possible fruitless and wasteful expenditure is estimated to be R1,75 million. However, this is subject to a possible claim receivable from guarantor. The court date for StateAttorney claim is 2012. Claim against the contractor is subject to the outcome of the guarantee claim.

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	Note	2010/11 R'000	2009/10 R'000
<b>26. Related party transactions</b>			
<b>Payments made</b>			
GG Vehicle Expenditure		34 397	27 555
<b>Total</b>		<b>34 397</b>	<b>27 555</b>

*Other*

1. In terms of the definition for related parties, public ordinary schools are regarded as related parties and the transactions thereto are disclosed under Annexure 1B.
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 & Public Works (DTPW)
    - The department occupied buildings operated by the Western Cape DTPW free of charge.
    - The department makes use of 531 GG vehicles of Government Motor Transport based on daily and kilometre tariffs as approved by the Provincial Treasury. The expenditure incurred by the department in this respect is reflected under payments made for goods & services above.
  - 2.2 The Western Cape Education Department received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province i.r.o. the following service areas:
    - Information and Communication Technology
    - Organisational Development
    - Provincial Training (transversal)
    - Enterprise Risk Management
    - Internal Audit
    - Forensic Investigations
    - Legal Services

	No. of Individuals	2010/11 R'000	2009/10 R'000
<b>27. Key management personnel</b>			
Political office bearers (provide detail below)	1	1,492	1,355
Officials:			
Level 15 to 16	4	4,585	5,228
Level 14 (incl CFO if at a lower level)	9	7,473	8,011
Family members of key management personnel	10	3,396	2,783
<b>Total</b>		<b>16,946</b>	<b>17,377</b>

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	Note	2010/11 R'000	2009/10 R'000
<b>28. Impairment and other provisions</b>			
<b>Other provisions</b>			
<i>Potential irrecoverable debts</i>			
Staff debt		9 050	2 776
Other debtors		23 071	20 254
<b>Total</b>		<b>32 121</b>	<b>23 030</b>

**29. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Opening R'000	Current Year R'000	Additions R'000	Disposals R'000	Closing R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>58,274</b>	<b>-</b>	<b>6,250</b>	<b>9,200</b>	<b>55,324</b>
Transport assets	52	-	-	-	52
Computer equipment	40,617	-	4,390	7,925	37,082
Furniture and office equipment	13,629	-	1,860	1,275	14,214
Other machinery and equipment	3,976	-	-	-	3,976
	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>58,274</b>	<b>-</b>	<b>6,250</b>	<b>9,200</b>	<b>55,324</b>

**29.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>6,172</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>6,250</b>
Computer equipment	4,312	78	-	-	4,390
Furniture and office equipment	1,860	-	-	-	1,860
	-	-	-	-	-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>6,172</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>6,250</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**29.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	-	9,200	9,200	-
Computer equipment	-	7,925	7,925	-
Furniture and office equipment	-	1,275	1,275	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	9,200	9,200	-

**29.3 Movement for 2009/10**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>52,819</b>	<b>12,107</b>	<b>6,652</b>	<b>58,274</b>
Transport assets	13	220	181	52
Computer equipment	37,799	6,962	4,144	40,617
Furniture and office equipment	11,791	4,165	2,327	13,629
Other machinery and equipment	3,216	760	-	3,976
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>52,819</b>	<b>12,107</b>	<b>6,652</b>	<b>58,274</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**29.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1,305	-	22,783	-	24,088
Curr Year Adjustments to Prior Yr Balances	-	-	-	14	-	14
Additions	-	1,556	-	22,148	-	23,704
Disposals	-	1,516	-	23,601	-	25,117
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>1,345</b>	<b>-</b>	<b>21,344</b>	<b>-</b>	<b>22,689</b>
Number of minor assets at cost	-	308	-	33,162	-	33,470
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>308</b>	<b>-</b>	<b>33,162</b>	<b>-</b>	<b>33,470</b>

**29.5 MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	-	1,305	-	22,783	-	24,088
<b>TOTAL</b>	<b>-</b>	<b>1,305</b>	<b>-</b>	<b>22,783</b>	<b>-</b>	<b>24,088</b>
Number of minor assets at cost	-	295	-	36,314	-	36,609
<b>TOTAL</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>36,314</b>	<b>-</b>	<b>36,609</b>

**30. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2011**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>CAPITALISED DEVELOPMENT COSTS</b>	3,791	-	-	-	3,791
<b>COMPUTER SOFTWARE</b>	12,227	-	2,783	-	15,010
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>16,018</b>	<b>-</b>	<b>2,783</b>	<b>-</b>	<b>18,801</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**30.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Cash R'000	Non-cash R'000	(Development work-in- progress current costs ) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
CAPITALISED DEVELOPMENT COSTS	1,400	-	(1,400)	-	-
COMPUTER SOFTWARE	2,783	-	-	-	2,783
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>4,183</b>	<b>-</b>	<b>(1,400)</b>	<b>-</b>	<b>2,783</b>

**30.2 Movement for 2009/10**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2010**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
CAPITALISED DEVELOPMENT COSTS	-	3,791	-	3,791
COMPUTER SOFTWARE	2,817	9,410	-	12,227
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2,817</b>	<b>13,201</b>	<b>-</b>	<b>16,018</b>

**31. Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2011**

	Opening balance R'000	Curr year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	599,901	599,901	-
Non-residential buildings	-	-	599,901	599,901	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>599,901</b>	<b>599,901</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**31.1 Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2011**

	Cash	Non-cash lease payments)	(Capital work-in-progress current costs and finance received prior year)	Received current, not paid (Paid current year, received prior year)	Total
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>425,806</b>	<b>519,744</b>	<b>(345,649)</b>	<b>-</b>	<b>599,901</b>
Non-residential buildings	425,806	519,744	(345,649)	-	599,901
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>425,806</b>	<b>519,744</b>	<b>(345,649)</b>	<b>-</b>	<b>599,901</b>

**31.2 Disposals**

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>-</b>	<b>599,901</b>	<b>599,901</b>	<b>-</b>
Non-residential buildings	-	599,901	599,901	-
<b>TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>599,901</b>	<b>599,901</b>	<b>-</b>

**31.3 Movement for 2009/10**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2010**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>-</b>	<b>560,600</b>	<b>560,600</b>	<b>-</b>
Non-residential buildings	-	560,600	560,600	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>560,600</b>	<b>560,600</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**32. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2009/10
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
HIV/AIDS	15,392	-	-	-	15,392	15,392	14,440	94	14,626	14,626
National School Nutrition Programme	173,318	-	-	-	173,318	173,318	169,775	98	117,751	117,751
FET Grant	446,512	-	-	531	447,043	447,043	446,971	100	-	-
Provincial Infrastructure Grant	255,062	-	-	-	255,062	255,062	255,062	100	170,395	169,976
Technical Secondary Schools Recapitalisation Grant	3,288	-	-	-	3,288	3,288	3,253	99	-	-
<b>Total</b>	<b>893,572</b>	<b>-</b>	<b>-</b>	<b>531</b>	<b>894,103</b>	<b>894,103</b>	<b>889,501</b>		<b>302,772</b>	<b>302,353</b>



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1A  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ACCOUNT	TRANSFER ALLOCATION				Transfer		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
SETA	4,926	-	-	4,926	4,926	100	4,604
<b>Total</b>	<b>4,926</b>	<b>-</b>	<b>-</b>	<b>4,926</b>	<b>4,926</b>		<b>4,604</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted appropriation Act	Roll Overs	Adjustments	Total available	Actual Transfer	% of Available funds transferred	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Public Ordinary Schools	624,737	-	-	624,737	602,685	96	604,506
Independent Schools	59,709	-	-	59,709	59,696	100	55,522
Schools for Learners with Special Education Needs	106,146	-	-	106,146	119,552	113	115,014
Further Education and Training Colleges	135,791	-	29,251	165,042	165,042	100	163,969
ABET: Private Centres	24,058	-	-	24,058	24,987	104	22,578
ECD: Gr-R-Public Schools	140,344	-	10,409	150,753	150,753	100	89,441
ECD: Gr-R-Community Centres	48,975	-	(3,688)	45,287	45,287	100	45,732
<b>Total</b>	<b>1,139,760</b>	<b>-</b>	<b>35,972</b>	<b>1,175,732</b>	<b>1,168,002</b>		<b>1,096,762</b>

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**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employees Soc	1 713	-	(1 686)	27	27	100	146
Benefits: Injury on Duty							
Employees Soc	8 144	-	24 586	32 730	32 730	100	27 766
Benefits: Leave Gratuity							
Employees Soc Benefits: Retirement benefit	8 545	-	(8 292)	253	253	100	561
Employees Soc	-	-	3 070	3 070	3 070	100	2 113
Benefits: Severance package							
Bursaries (non-employee)	47 433	-	(1 713)	45 720	45 720	100	32 101
Claims against the State	-	-	5 744	5 744	5 744	100	449
Act of grace	-	-	18	18	18	-	44
<b>Total</b>	<b>65 835</b>	<b>-</b>	<b>21 727</b>	<b>87 562</b>	<b>87 562</b>		<b>63 180</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1D**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
	R'000	R'000
<b>Paid in cash</b>		
Sponsorship for expenses to WCED Soccer Club	-	8
<b>Subtotal</b>	-	8
<b>Remissions, refunds and payments made as an act of grace</b>		
CM Roos - Compensation for advisory service to MEC for Education	18	-
Parow East Primary School - Funeral costs for S Dziba	-	23
<b>Subtotal</b>	18	23
<b>Total</b>	18	31

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**ANNEXURE 2A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31/03/2011	Guaranteed interest for year ended 31/03/2011	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		-	85	38	85	-	38	-	-
0003 - NEDBANK LIMITED		-	20	-	-	-	20	-	-
0004 - FIRSTRAND BANK LIMITED: FIRST NA		-	1,346	-	1,119	-	227	-	-
0010 - NEDBANK LTD INCORPORATING B O E		-	11	-	-	-	11	-	-
0017 - ABSA		-	571	207	307	-	471	-	-
0041 - OLD MUTUAL FINANCE LIMITED		-	49	-	49	-	-	-	-
0052 - PEOPLES BANK LIMITED (FORMER FBC		-	37	-	24	-	13	-	-
0053 - NEDBANK LIMITED INCORPORATING NB		-	30	-	30	-	-	-	-
0055 - OLD MUTUAL BANK DIV. OF NEDBANK		-	36	-	15	-	21	-	-
0444 - BOE BANK LIMITED		-	16	-	-	-	16	-	-
0516 - GREEN START HOME LOANS (PTY)LTD		-	90	-	-	-	90	-	-
0530 - NATIONAL HOUSING FINANCE CORPORATION		-	67	-	-	-	67	-	-
			2,358	245	1,629		974		

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2B**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of liability	Opening balance 1 April 2010 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31 March 2011 R'000
<b>Claims against the department</b>					
Various	34,815	41,382	11,451	-	64,746
<b>Subtotal</b>	<b>34,815</b>	<b>41,382</b>	<b>11,451</b>	<b>-</b>	<b>64,746</b>
<b>Other</b>					
Municipal accounts	-	33,415	-	-	33,415
<b>Subtotal</b>	<b>-</b>	<b>33,415</b>	<b>-</b>	<b>-</b>	<b>33,415</b>
<b>Total</b>	<b>34,815</b>	<b>74,797</b>	<b>11,451</b>	<b>-</b>	<b>98,161</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**ANNEXURE 3  
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Department of Education: Northern Cape (CED & SED)	-	-	92	76	92	76
Department of Education: Eastern Cape (EED)	-	-	562	380	562	380
Gauteng Education (JED)	-	-	-	74	-	74
NAT: Statistics SA (DSS)	-	-	-	64	-	64
Department of Community Safety (WSL)	-	-	22	11	22	11
Department of Health (WHW)	-	-	10	312	10	312
Cultural Affairs (WAC)	-	-	-	1	-	1
Department of the Premier (WAM)	-	-	11	35	11	35
Department of Social Development (WSS)	-	-	1	-	1	-
Department of Transport & Public Works (WWK)	-	-	260	87	260	87
NAT: Justice & Const Dev (DJC)	-	-	-	8	-	8
Independent Electoral Council (IEC)	-	-	-	46	-	46
Department of Water Affairs (WWA)	-	-	18	-	18	-
Department of Defence (DDF)	-	-	21	23	21	23
Department of Education: North West (NWED)	-	-	16	18	16	18
Department of Education: Free State (FED)	-	-	35	-	35	-
Department of Health: Free State (SHW)	-	-	92	-	92	-
	-	-	<b>1,140</b>	<b>1,135</b>	<b>1,140</b>	<b>1,135</b>
<b>Other Government Entities</b>						
Cape Teachers Professional Assoc. (CTPA)	-	-	99	99	99	99
Die Burger	-	-	41	-	41	-
Various Schools	-	-	22,636	11,115	22,636	11,115
Government Employees Pension Fund (GEPF)	-	-	110	110	110	110
	-	-	<b>22,886</b>	<b>11,324</b>	<b>22,886</b>	<b>11,324</b>
<b>Total</b>	-	-	<b>24,026</b>	<b>12,459</b>	<b>24,026</b>	<b>12,459</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4  
INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Public Works Department Free State	23	-	-	-	23	-
Eastern Cape Education Department	-	-	45	-	45	-
WC Department of the Premier	88	-	-	48	88	48
WC Dept. of Justice & Constitutional Development	1,712	-	-	-	1,712	-
WC Dept. of Transport & Public Works	3,509	350	-	-	3,509	350
WC Dept. of Community Safety	30	-	-	-	30	-
WC Department of Social Development	-	-	-	4	-	4
National SAPS	-	1	-	-	-	1
Free State Education Dept.	-	15	-	-	-	15
National Treasury	-	-	-	1,580	-	1,580
Eastern Cape Department of Health	-	17	-	-	-	17
	<b>5,362</b>	<b>383</b>	<b>45</b>	<b>1,632</b>	<b>5,407</b>	<b>2,015</b>



## Part 4 – Human Resource Management

### 4.1 SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

**Table 4.1.1: Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2010 to 31 March 2011**

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Providing access to information and advice primarily on service benefits and salary matters via a Call Centre and a Walk-in Centre	Principals, teachers, public servants, members of the public	Principals, teachers, public servants, members of the public. The ultimate beneficiary of these services is the learner.	<p>Ensure “dropped” call rate of no more than 10%</p> <p>Reduce the call waiting time to 20 seconds</p> <p>E-mails received and processed</p> <p>Feedback box on website</p> <p>Use computer based monitoring and evaluation system to inform service delivery improvement (mapping of types of queries, statistics and turnaround time)</p> <p>Informed trained staff to deal with queries</p>	<p>The Client Services Call Centre took 139 225 calls in 2010/11, compared to 140 2578 in 2009/10.</p> <p>Dropped call rate was 7.49%.</p> <p>Reduced average call waiting time from 39 to 37 seconds.</p> <p>E-mails received and processed.</p> <p>Feedback box on website.</p> <p>Use of Call Centre automation software and Excel to capture data on client calls, visits and query types.</p> <p>Informed, trained staff to deal with queries.</p>

**Table 4.1.2: Consultation arrangements with customers, 1 April 2010 to 31 March 2011**

Type of arrangement	Actual customers	Potential customers	Actual achievements
Customer Satisfaction Survey	Principals and teachers were surveyed	<p>Teachers</p> <p>Public Service Staff</p> <p>Employee parties (Unions)</p> <p>Other departments</p> <p>Learners</p> <p>Parents</p> <p>General Public</p> <p>Service providers</p> <p>NGOs</p> <p>Private institutions</p>	Survey conducted with an indication of significant service delivery improvements since the first survey in 2009. Business processes identified for attention.

**Table 4.1.3: Service delivery access strategy, 1 April 2010 to 31 March 2011**

Access strategy	Actual achievements
<p>Advocacy regarding Client Services</p> <p>To increase the number of staff during peak times</p> <p>Quicker responses to requests by clients</p> <p>To right wrongs by remedies, improvements in services and making amends.</p>	<p>When warranted, additional staff is allocated to the Client Services to meet increased demand.</p> <p>The customer satisfaction report gave the WCED information about delivery problems and steps were taken to address these.</p>

**Table 4.1.4: Service information tool, 1 April 2010 to 31 March 2011**

Types of information tool	Actual achievements
<p>The Call Centre is advertised in all WCED communiqués</p> <p>The Call Centre software generates data on productivity automatically to enable management to analyse trends and to take appropriate action as required to ensure optimum service delivery.</p> <p>Communication protocol directs employees to use the Client Services for enquiries.</p> <p>The WCED web site is designed to provide information for learners, parents, teachers, school managers, partners in education and the general public.</p> <p>The WCED publishes a newspaper, <i>WCEDnews</i>, to facilitate communication</p> <p>The WCED communicates via letters directly to schools</p>	<p>Education institutions and remote service sites receive circulars and information via electronic mail.</p> <p>The number of visits to the WCED web site increased by 23% from 864 021 in 2009 to 1 063 741 in 2010, thereby exceeding 1 million for the first time. The web site is a key source of reference for the broad education community and the general public.</p> <p><i>WCEDnews</i> includes reports on key developments and items of interest to teachers and WCED officials. This supplements official notices, including circulars.</p> <p>The Head of Education communicated directly to schools via letters sent by email.</p>

## 4.2. Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.2.1) and by salary bands (Table 5.2.2). In particular, these tables provide the amount spent on personnel costs in each of the programmes or salary bands within the department.

### Programmes

Programme	Programme designation
Programme 1	Administration
Programme 2	Public Ordinary School Education
Programme 3	Independent School Education
Programme 4	Public Special School Education
Programme 5	Further Education and Training Colleges
Programme 6	Adult Basic Education and Training
Programme 7	Early Childhood Development
Programme 8	Auxiliary and Associated Services

**Table 4.2.1: Personnel costs by programme, 2010/11**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as a % of total expenditure	Number of employees	Average personnel cost per employee
1	425,918	248,290	10,572	0	2.08%	944	263.02
2	9,687,499	7,997,037	40,773	0	66.89%	35,376	226.06
3	59,696	-	0	0	-	-	-
4	719,684	551,269	0	0	4.61%	2,726	202.23
5	446,971	251,685	0	0	2.11%	1,030	244.35
6	0	*927	0	0	0.01%	12	*77.25
	32,152	**5,171	0	0	0.04%	-	-
7	345,895	61,048	0	0	0.51%	237	257.59
8	0	***26,089	0	0	0.22%	104	***250.86
	237,928	****51,749	0	0	0.43%	-	-
<b>Totals</b>	<b>11,955,743</b>	<b>9,193,265</b>	<b>51,345</b>	<b>0</b>	<b>76.89%</b>	<b>40,429</b>	<b>227.43</b>

\* The personnel expenditure in respect of Programme 6 (Adult Basic Education and Training) amounting to R927 000 is for the 12 full-time permanently employed employees. The indicated average personnel cost is therefore only for the fulltime employees.

\*\* The amount of R5,171 m reflects the amount for the expenditure pertaining to 49 educators appointed on a per-hourly basis for tuition at ABET-centres.

\*\*\* The personnel expenditure for Programme 8 (Auxiliary and Associated Services) amounting to R26,089m, for the 104 full-time permanently employed employees. The indicated average personnel cost is therefore only for the full-time employees.

\*\*\*\* The amount of R51,749m reflects the amount for the expenditure on Examiners/Moderators/Markers and temporary administrative support staff (for the 2010-Matric examinations).

**Table 4.2.2: Personnel costs by salary bands, 2010/11**

Salary levels	Personnel expenditure (R'000)	% of total personnel cost	Number of employees*	Average personnel cost per employee (R'000)
1-2	280,213	3.95%	3,250	86.22
3-5	607,609	8.57%	4,957	122.58
6-8	5,353,717	75.56%	23,810	224.85
9-12	2,902,180	40.96%	8,354	347.40
13-16	41,152	0.58%	##52	654.76
<b>Total</b>	<b># 9,184,872</b>	<b>100.00%</b>	<b>40,423</b>	<b>176.49</b>

Note:

# The total personnel expenditure in tables 2.1 and 2.2 differs because some personnel related payments are made directly on BAS.

## The total number of employees indicated in tables 2.1 and 2.2 above includes both public service staff and educators. The number of employees in the band 13 – 16 includes the 6 CEOs attached to the Further Education and Training Colleges.

**Table 4.2.3: Salaries, Overtime, Home Owners' Allowance and Medical Assistance by programme, 2010/11**

Programme	Salaries		Overtime		Home owners' allowance		Medical assistance	
	Amount (R'000)	Salaries as a % personnel cost	Amount (R'000)	Over-time as a % personnel cost	Amount (R'000)	HOA as a % personnel cost	Amount (R'000)	Medical assistance as a % personnel cost
Programme 1	188,004	2.65%	916	0.01%	5,254	0.07%	10,437	0.15%
Programme 2	6,020,871	84.97%	60	0.00%	149,784	2.11%	354,112	5.00%
Programme 3	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Programme 4	407,931	5.76%	82	0.00%	12,008	0.17%	24,601	0.35%
Programme 5	184,182	2.60%	0	0.00%	4,318	0.06%	10,292	0.15%
Programme 6	1,517	0.02%	0	0.00%	44	0.00%	39	0.00%
Programme 7	45,787	0.65%	0	0.00%	911	0.01%	2,718	0.04%
Programme 8	38,072	0.54%	670	0.01%	1,148	0.02%	2,648	0.04%
<b>Total</b>	<b>6,886,364</b>	<b>97.19%</b>	<b>1,728</b>	<b>0.02%</b>	<b>173,467</b>	<b>2.45%</b>	<b>404,847</b>	<b>5.71%</b>

**Table 4.2.4: Salaries, Overtime, Home Owners' Allowance and Medical Assistance by salary bands, 2010/11**

Salary levels	Salaries		Overtime		Home owners' allowance		Medical assistance	
	Amount (R'000)	Salaries as a % personnel cost	Amount (R'000)	Overtime as a % personnel cost	Amount (R'000)	HOA as a % personnel cost	Amount (R'000)	Medical assistance as a % personnel cost
1-2	188,735	2.664%	42	0.001%	10,516	0.148%	12,907	0.182%
3-5	443,591	6.260%	513	0.007%	19,350	0.273%	31,459	0.444%
6-8	4,033,201	56.919%	993	0.014%	98,248	1.387%	248,492	3.507%
9-12	2,196,580	31.000%	180	0.003%	45,353	0.640%	111,362	1.572%
13-16	24,257	0.342%	-	0.000%	-	0.000%	627	0.009%
<b>Total</b>	<b>6,886,364</b>	<b>97.185%</b>	<b>1,728</b>	<b>0.024%</b>	<b>173,467</b>	<b>2.448%</b>	<b>404,847</b>	<b>5.713%</b>

### 4.3. Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented by programme (Table 5.3.1) and by salary band (Table 5.3.2).

The vacancy rate reflects the percentage of posts that are not filled on the approved post establishment.

**Table 4.3.1: Employment and vacancies by programme, as on 31 March 2011**

Personnel group	Programme	Number of posts		Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment	Total number of employees
		Funded	Unfunded			(A-B)/A*100	
All personnel	Programme 1	890	147	939	0%	5	944
	Programme 2	35 379	467	35 137	1%	239	35 376
	Programme 4	2 791	14	2 670	4%	56	2 726
	Programme 5	1 217	143	1 029	15%	1	1 030
	Programme 6	13	0	11	15%	1	12
	Programme 7	15	0	237	0%	0	237
	Programme 8	109	27	103	6%	1	104
	<b>Total</b>	<b>40 414</b>	<b>798</b>	<b>40 126</b>	<b>1%</b>	<b>303</b>	<b>40 429</b>
Educators	Programme 1	111	18	124	0%	1	125
	Programme 2	28 430	109	28 538	0%	157	28 695
	Programme 4	1 741	0	1 743	0%	25	1 768
	Programme 5	884	0	839	5%	1	840
	Programme 6	4	0	4	0%	0	4
	Programme 7**	15	0	<b>237</b>	0%	0	237
	Programme 8***	1	0	<b>2</b>	0%	1	3
	<b>Total</b>	<b>31 186</b>	<b>127</b>	<b>31 487</b>	<b>0%</b>	<b>185</b>	<b>31 672</b>
Public service personnel	Programme 1	779	129	815	0%	4	819
	Programme 2	6 949	358	6 599	5%	82	6 681
	Programme 4	1 050	14	927	12%	31	958
	Programme 5	333	143	190	43%	0	190
	Programme 6	9	0	7	22%	1	8
	Programme 7	0	0	0	0%	0	0
	Programme 8	108	27	101	6%	0	101
	<b>Total</b>	<b>9 228</b>	<b>671</b>	<b>8 639</b>	<b>6%</b>	<b>118</b>	<b>8 757</b>

Note:

\* In the case of educators additional to the establishment, the figures of only those educators who were duly identified as additional in terms of collective agreements are indicated.

\*\* Programme 7: Posts of educator: pre-primary are abolished as they become vacant. The WCED adopted a policy according to which the posts are replaced by a subsidy payment in an effort to create more learning sites for pre-primary learners (Early Childhood Development), especially in disadvantaged communities. 237 educators in Program 7 are Pre-Primary Personnel - these personnel are all carried in additional posts.

\*\*\* 2 educators in Program 8 who are personnel responsible for the HIV project are all carried in additional posts. 1 permanent educator is marked as additional.

The number of vacancies in respect of educators does not mean that the institution has fewer educators than the number of educators to which they are entitled. It merely indicates that the educator posts are not filled in a permanent capacity. In each case where the post is not permanently filled, a contract appointment is made to ensure that all educational institutions have the required number of educators to which they are entitled.

**Table 4.3.2: Employment and vacancies by salary bands, as on 31 March 2011**

Personnel group	Salary band	Number of posts		Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment	Total number of employees
		Funded	Unfunded			(A-B)/A*100	
All personnel	Lower skilled (levels 1-2)	3 215	162	3 208	0%	42	3 250
	Skilled (levels 3-5)	4 517	247	4 927	0%	30	4 957
	Highly skilled production (levels 6-8)	24 279	193	23 662	3%	148	23 810
	Highly skilled supervision (levels 9-12)	8 349	196	8 275	1%	79	8 354
	Senior management (levels 13-16)	54	0	54	0%	4	58
	<b>Total</b>	<b>40 414</b>	<b>798</b>	<b>40 126</b>	<b>1%</b>	<b>303</b>	<b>40 429</b>
Educators**	Lower skilled (levels 1-2)	0	0	0	0%	0	0
	Skilled (levels 3-5)	0	0	1 105	0%	1	1 106
	Highly skilled production (levels 6-8)	23 057	4	22 340	3%	105	22 445
	Highly skilled supervision (levels 9-12)	8 129	123	8 042	1%	79	8 121
	Senior management (levels 13-16)	0	0	0	0%	0	0
	<b>Total</b>	<b>31 186</b>	<b>127</b>	<b>31 487</b>	<b>0%</b>	<b>185</b>	<b>31 672</b>
Public service personnel	Lower skilled (levels 1-2)	3 215	162	3 208	0%	42	3 250
	Skilled (levels 3-5)	4 517	247	3 822	15%	29	3 851
	Highly skilled production (levels 6-8)	1 222	189	1 322	0%	43	1 365
	Highly skilled supervision (levels 9-12)	220	73	233	0%	0	233
	Senior management (levels 13-16)	54	0	54	0%	4	58
	<b>Total</b>	<b>9 228</b>	<b>671</b>	<b>8 639</b>	<b>6%</b>	<b>118</b>	<b>8 757</b>

Note:

\* In the case of educators additional to the establishment, the figures of only those educators who were duly identified as additional in terms of collective agreements are indicated. The matching and placement of additional employees into vacant substantive posts is an ongoing process and is guided by the applicable collective agreements. In a further effort to promote the redeployment of additional employees, vacant posts are also regularly advertised in departmental vacancy lists. The WCED developed a number of policy measures to ensure the optimal utilisation of the services of additional staff members.

\*\* All educator posts are created for the appointment of qualified educators (at least Matric plus 3 years training) at the minimum of salary levels 6-7. The reality is that the WCED does have under-qualified and unqualified educators in the system. These are the 1105 educators who are remunerated at salary levels 3 - 5 because they do not meet the minimum post requirements to be paid at salary levels 6-7. These educators are all appointed against approved posts indicated in the salary band 6-8 in this table.

#### 4.4. Job evaluation

The Public Service Regulations, 1999 introduced job evaluation, as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 5.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 4.4.1: Job Evaluation, 1 April 2010 to 31 March 2011**

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
			B/A*100		D/B*100		F/B*100
Lower skilled (levels 1-2)	3 215	0	0	0	0.00	0	0
Skilled (levels 3-5)	4 517	25	1	25	100.00	0	0
Highly skilled production (levels 6-8)	1 222	0	0	0	0.00	0	0
Highly skilled supervision (levels 9-12)	220	1	0	1	100.00	0	0
Senior management service band A	36	5	14	0	0.00	0	0
Senior management service band B	8	2	25	0	0.00	0	0
Senior management service band C	3	1	33	0	0.00	0	0
Senior management service band D	1	0	0	0	0.00	0	0
<b>Total</b>	<b>9 222</b>	<b>34</b>	<b>0.37</b>	<b>26</b>	<b>76.47</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011**

Beneficiaries	African	Asian	Coloured	White	Total
Female	308	4	767	165	1 244
Male	91	0	156	9	256
<b>Total</b>	<b>399</b>	<b>4</b>	<b>923</b>	<b>174</b>	<b>1 500</b>
<b>Employees with a disability</b>					<b>0</b>

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 4.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)**

Major Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation in 2010/2011				0
Percentage of total employment				0

**Table 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)**

Total number of employees whose salaries exceeded the grades determined by job evaluation in 2010/ 2011	0
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#### 4.5. Employment changes

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.5.1) and by critical occupations (Table 5.5.2). (These "critical occupations" should be the same as those listed in Table 5.3.3).

**Table 4.5.1: Annual turnover rates by salary band, 1 April 2010 to 31 March 2011**

Personnel groups	Salary band	Number of employees per band as on 1 April 2010	Appoint-ments into the depart-ment	Transfers into the depart-ment	Appoint-ments and transfers into the depart-ment	Termina-tions out of the depart-ment	Transfers out of the depart-ment	Termina-tions and transfers out of the depart-ment	Turn-over rate
All personnel	Lower skilled (levels 1-2)	3 232	2 674	0	2 674	2 529	0	145	4%
	Skilled (levels 3-5)	5 138	5 746	2	5 748	5 209	8	531	10%
	Highly skilled produc-tion (levels 6-8)	24 674	10 403a	36	10 439	10 746	51	-358	-1%
	Highly skilled super-vision (levels 9-12)	7 720	562	9	571	845	8	-282	-4%
	Senior management service band A	38	1	1	2	4	1	-3	-8%
	Senior management service band B	9	0	0	0	0	0	0	0%
	Senior management service band C	4	0	0	0	0	1	-1	-25%
	Senior management service band D	1	0	0	0	0	0	0	0%
	<b>Total</b>	<b>40 816</b>	<b>19 386</b>	<b>48</b>	<b>19 434</b>	<b>19 333</b>	<b>69</b>	<b>32</b>	<b>0.08%</b>
Educators	Lower skilled (levels 1-2)	0	0	0	0	0	0	0	0%
	Skilled (levels 3-5)	1 231	3 617	1	3 618	2 981	0	637	52%
	Highly skilled produc-tion (levels 6-8)	23 247	10 130	31	10 161	10 431	32	-302	-1%
	Highly skilled super-vision (levels 9-12)	7 487	443	5	448	724	5	-281	-4%
	<b>Total</b>	<b>31 965</b>	<b>14 190</b>	<b>37</b>	<b>14 227</b>	<b>14 136</b>	<b>37</b>	<b>54</b>	<b>0.17%</b>



Personnel groups	Salary band	Number of employees per band as on 1 April 2010	Appoint-ments into the depart-ment	Transfers into the depart-ment	Appoint-ments and transfers into the depart-ment	Termina-tions out of the depart-ment	Transfers out of the depart-ment	Termina-tions and transfers out of the depart-ment	Turn-over rate
Public service	Lower skilled (levels 1-2)	3 232	2 674		2 674	2 529	0	145	4%
	Skilled (levels 3-5)	3 907	2 129	1	2 130	2 228	8	-106	-3%
	Highly skilled produc-tion (levels 6-8)	1 427	273	5	278	315	19	-56	-4%
	Highly skilled super-vision (levels 9-12)	233	119	4	123	121	3	-1	0%
	Senior management service band A	38	1	1	2	4	1	-3	-8%
	Senior management service band B	9	0	0	0	0	0	0	0%
	Senior management service band C	4	0	0	0	0	1	-1	-25%
	Senior management service band D	1	0	0	0	0	0	0	0%
	<b>Total</b>	<b>8 851</b>	<b>5 196</b>	<b>11</b>	<b>5 207</b>	<b>5197</b>	<b>32</b>	<b>-22</b>	<b>-0.25%</b>

**Table 4.5.2: Reasons why staff left the employ of the department, 1 April 2010 to 31 March 2011**

Personnel groups	Termination type	Number of personnel	% of total terminations
All personnel	Death	117	1%
	Resignation	594	3%
	Contract expiry	17 938	92%
	Transfer	70	0%
	Dismissal: operational	2	0%
	Dismissal: ill health	66	0%
	Dismissal: misconduct	75	0%
	Dismissal: incapacity	1	0%
	Retirement	529	3%
	Other:	0	0%
	Conversion appointment	10	0%
	<b>Total</b>	<b>19 402</b>	<b>100%</b>
Educators	Death	81	1%
	Resignation	499	4%
	Contract expiry	13 123	93%
	Transfer	37	0%
	Dismissal: operational	2	0%
	Dismissal: ill health	45	0%
	Dismissal: misconduct	41	0%
	Dismissal: incapacity	0	0%
	Retirement	340	2%
	Other:	0	0%
	Conversion appointment	5	0%
	<b>Total</b>	<b>14 173</b>	<b>100%</b>

Personnel groups	Termination type	Number of personnel	% of total terminations
Public service	Death	36	1%
	Resignation	95	2%
	Contract expiry	4 815	92%
	Transfer	33	1%
	Dismissal: operational	0	0%
	Dismissal: ill health	21	0%
	Dismissal: misconduct	34	1%
	Dismissal: incapacity	1	0%
	Retirement	189	4%
	Other:	0	0%
	Conversion appointment	5	0%
	<b>Total</b>	<b>5 229</b>	<b>100%</b>

Note: The "Expiry of Contract" number may seem to be high. The high figure is because the WCED has a policy whereby employees are appointed on contract for short periods. These posts are regularly advertised within the framework of applicable collective agreements with a view to the permanent filling thereof at the earliest opportunity. Furthermore it must also be borne in mind that substitute educators are appointed in the place of educators who utilise leave or are seconded and the shortest period of appointment in respect of an educator is two weeks.

**Table 4.5.3: Granting of employee initiated severance packages by salary band, 1 April 2010 to 31 March 2011**

Personnel group	Salary band	Number of packages instated
All personnel	Lower skilled (levels 1-2)	0
	Skilled (levels 3-5)	0
	Highly skilled production (levels 6-8)	1
	Highly skilled supervision (levels 9-12)	0
	Senior management service band A	3
	Senior management service band B	0
	Senior management service band C	0
	Senior management service band D	0
	<b>Total</b>	<b>4</b>
Educators	Lower skilled (levels 1-2)	0
	Skilled (levels 3-5)	0
	Highly skilled production (levels 6-8)	1
	Highly skilled supervision (levels 9-12)	0
	<b>Total</b>	<b>1</b>
Public Service	Lower skilled (levels 1-2)	0
	Skilled (levels 3-5)	0
	Highly skilled production (levels 6-8)	0
	Highly skilled supervision (levels 9-12)	0
	Senior management service band A	3
	Senior management service band B	0
	Senior management service band C	0
	Senior management service band D	0
	<b>Total</b>	<b>3</b>

**Table 4.5.4: Reasons why staff resigned from the Public Service, 1 April 2010 to 31 March 2011**

Personnel groups	Resignation reasons	Number of personnel	% of total terminations
All personnel	Age	1	0.01%
	Bad health	3	0.02%
	Better remuneration	44	0.23%
	Contract expired	1	0.01%
	Domestic problems	3	0.02%
	Emigration	4	0.02%
	Further studies	4	0.02%
	Marriage	2	0.01%
	Nature of work	7	0.04%
	No reason provided	18 834	97.42%
	Other Education Departments	2	0.01%
	Other occupation	24	0.12%
	Own business	2	0.01%
	Personal grievances	2	0.01%
	Reorganisation	4	0.02%
	Resigning of position	393	2.03%
	Translation nature of appointment	1	0.01%
	Translation permanent	1	0.01%
	Transport problem	1	0.01%
	<b>Total</b>	<b>19 333</b>	<b>100%</b>
Educators	Age	1	0.01%
	Bad health	1	0.01%
	Better remuneration	40	0.28%
	Contract expired	1	0.01%
	Domestic problems	2	0.01%
	Emigration	4	0.03%
	Further studies	2	0.01%
	Marriage	2	0.01%
	Nature of work	4	0.03%
	No reason provided	13 716	97.03%
	Other Education Departments	2	0.01%
	Other occupation	17	0.12%
	Own business	2	0.01%
	Personal grievances	2	0.01%
	Reorganisation	1	0.01%
	Resigning of position	337	2.38%
	Translation nature of appointment	0	0.00%
	Translation permanent	1	0.01%
	Transport problem	1	0.01%
	<b>Total</b>	<b>14 136</b>	<b>100%</b>

Personnel groups	Resignation reasons	Number of personnel	% of total terminations
Public Service	Age	0	0.00%
	Bad health	2	0.04%
	Better remuneration	4	0.08%
	Contract expired	0	0.00%
	Domestic problems	1	0.02%
	Emigration	0	0.00%
	Further studies	2	0.04%
	Marriage	0	0.00%
	Nature of work	3	0.06%
	No reason provided	5 118	98.48%
	Other Education Departments	0	0.00%
	Other occupation	7	0.13%
	Own business	0	0.00%
	Personal grievances	0	0.00%
	Reorganisation	3	0.06%
	Resigning of position	56	1.08%
	Translation nature of appointment	1	0.02%
	Translation permanent	0	0.00%
	Transport problem	0	0.00%
	<b>Total</b>	<b>5 197</b>	<b>100%</b>

**Table 4.5.5: Different age groups of staff who resigned from the Public Service, 1 April 2010 to 31 March 2011**

Personnel groups	Termination type	Resignations all staff	All staff
All personnel	Age 19<	0	0.00%
	Ages 20 to 24	25	4.21%
	Ages 25 to 29	81	13.64%
	Ages 30 to 34	49	8.25%
	Ages 35 to 39	87	14.65%
	Ages 40 to 44	138	23.23%
	Ages 45 to 49	107	18.01%
	Ages 50 to 54	66	11.11%
	Ages 55 to 59	26	4.38%
	Ages 60 to 64	12	2.02%
	Age 65>	3	0.51%
	<b>Total</b>	<b>594</b>	<b>100%</b>

Personnel groups	Termination Type	Resignations all staff	All staff
Educators	Age 19<	0	0.00%
	Ages 20 to 24	23	4.61%
	Ages 25 to 29	65	13.03%
	Ages 30 to 34	37	7.41%
	Ages 35 to 39	82	16.43%
	Ages 40 to 44	117	23.45%
	Ages 45 to 49	90	18.04%
	Ages 50 to 54	53	10.62%
	Ages 55 to 59	20	4.01%
	Ages 60 to 64	10	2.00%
	Age 65>	2	0.40%
	<b>Total</b>	<b>499</b>	<b>100%</b>
Public Service	Age 19<	0	0.00%
	Ages 20 to 24	2	2.11%
	Ages 25 to 29	16	16.84%
	Ages 30 to 34	12	12.63%
	Ages 35 to 39	5	5.26%
	Ages 40 to 44	21	22.11%
	Ages 45 to 49	17	17.89%
	Ages 50 to 54	13	13.68%
	Ages 55 to 59	6	6.32%
	Ages 60 to 64	2	2.11%
	Age 65>	1	1.05%
	<b>Total</b>	<b>95</b>	<b>100%</b>

**Table 4.5.6: Promotions by salary band, 1 April 2010 to 31 March 2011**

Personnel group	Salary band	Employees on 1 April 2010	Promotion to another salary level	Salary level promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progression s as a % of employees by salary band	OSD'S	OSD'S as a % of employees by salary band
All personnel	Lower skilled (levels 1-2)	3 232	0	0.00%	1 394	0.00%	0	0.00%
	Skilled (levels 3-5)	5 138	1 492	29.04%	1 441	0.45%	23	0.45%
	Highly skilled production (levels 6-8)	24 674	459	1.86%	16 373	2.44%	602	2.44%
	Highly skilled supervision (levels 9-12)	7 720	1 095	14.18%	6 252	2.22%	171	2.22%
	Senior Management (levels 13-16)	52	4	7.69%	41	0.00%	0	0.00%
	<b>Total</b>	<b>40 816</b>	<b>3 050</b>	<b>7.47%</b>	<b>25 501</b>	<b>1.95%</b>	<b>796**</b>	<b>1.95%</b>
Educators	Lower skilled (levels 1-2)	0	0	0.00%	0	0.00%	0	0.00%
	Skilled (levels 3-5)	1 231	1	0.08%	77	1.87%	23	1.87%
	Highly skilled production (levels 6-8)	23 247	451	1.94%	15 561	2.59%	602	2.59%
	Highly skilled supervision (levels 9-12)*	7 487	1 076	14.37%	6 129	2.28%	171	2.28%
	Senior management (levels 13-16)	0	0	0.00%	0	0.00%	0	0.00%
	<b>Total</b>	<b>31 965</b>	<b>1 528</b>	<b>4.78%</b>	<b>21 767</b>	<b>2.49%</b>	<b>796</b>	<b>2.49%</b>
Public service	Lower skilled (levels 1-2)	3 232	0	0.00%	1 394	0.00%	0	0.00%
	Skilled (levels 3-5)	3 907	1 491	38.16%	1 364	0.00%	0	0.00%
	Highly skilled production (levels 6-8)	1 427	8	0.56%	812	0.00%	0	0.00%
	Highly skilled supervision (levels 9-12)	233	19	8.15%	123	0.00%	0	0.00%
	Senior management (levels 13-16)	52	4	7.69%	41	0.00%	0	0.00%
	<b>Total</b>	<b>8 851</b>	<b>1 522</b>	<b>17.20%</b>	<b>3 734</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

**Note:**

\* Notch progression, recognition of experience, senior and master teachers and REVQ 10-12 to salary level of REVQ 13 are included under promotions, progression within the same salary level and notch progression by salary band.

\*\* The 796 OSD cases refer to FET College lecturers. The OSD cases for 2009/2010 reporting period amounted to 24 952.

#### 4.6. Employment equity

The following table provides a summary profile of the total workforce per occupational level. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational bands, on 31 March 2011**

Occupational levels	Male				Female				Foreigner		Grand total
	A	C	I	W	A	C	I	W	M	F	
Top management (levels 15-16)		1		1		1		1			4
Senior management (levels 13-14)	5	17	2	10	7	5	1	1			48
Professionally qualified and experienced specialists and mid-management (levels 9-12)	366	2 625	34	1 106	559	2 143	32	1 481	3	5	8 354
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 6-8)	1 414	4 252	23	868	4 278	9 395	55	3 432	66	27	23 810
Semi-skilled and discretionary decision making (levels 3-5)	343	1 215	1	125	536	2 213	9	440	48	27	4 957
Unskilled and defined decision making (levels 1-2)	483	1 186	3	16	322	1 194		43	3		3 250
<b>Grand total</b>	<b>2 611</b>	<b>9 296</b>	<b>63</b>	<b>2 126</b>	<b>5 702</b>	<b>14 951</b>	<b>97</b>	<b>5 398</b>	<b>120</b>	<b>59</b>	<b>40 423</b>

**Table 4.6.2: Total number of employees (with disabilities only) in each of the following occupational bands, on 31 March 2011**

Occupational levels	Male				Female				Foreigner		Grand total
	A	C	I	W	A	C	I	W	M	F	
Top management (levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (levels 9-12)	1	2	0	2	0	1	0	5	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 6-8)	2	3	0	3	1	2	0	1	0	0	12
Semi-skilled and discretionary decision making (levels 3-5)		2	0	2		1	0	0	0	0	5
Unskilled and defined decision making (levels 1-2)	2	2	0		1	3	0	0	0	0	8
<b>Grand total</b>	<b>5</b>	<b>9</b>	<b>0</b>	<b>7</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>36</b>

**Table 4.6.3: Recruitment, 1 April 2010 to 31 March 2011**

Occupational levels	Male				Female				Foreigners		Grand total
	B	C	I	W	B	C	I	W	M	F	
Top management (levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (levels 13-14)	0	1	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (levels 9-12)	33	142	6	83	44	159	0	92	2	1	562
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 6-8)	485	2 107	17	386	2 057	3 610	26	1 480	166	69	10 403
Semi-skilled and discretionary decision making (levels 3-5)	354	759	11	139	824	2 707	19	570	249	114	5 746
Unskilled and defined decision making (levels 1-2)	371	1 053	6	18	237	932		46	11		2 674
<b>Grand total</b>	<b>1 243</b>	<b>4 062</b>	<b>40</b>	<b>626</b>	<b>3 162</b>	<b>7 408</b>	<b>45</b>	<b>2 188</b>	<b>428</b>	<b>184</b>	<b>19 386</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0

**Table 4.6.4: Promotions (Including where scale and notch changed), 1 April 2010 to 31 March 2011**

Occupational levels	Male				Female				Foreigners		Grand total
	B	C	I	W	B	C	I	W	M	F	
Top management (levels 15-16)	0	1	0	1	0	1	0	0	0	0	3
Senior management (levels 13-14)	5	14	1	10	6	4	1	1	0	0	42
Professionally qualified and experienced specialists and mid-management (levels 9-12)	300	2 360	31	994	472	1 979	31	1 347	1	3	7 518
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 6-8)	1 150	3 203	13	616	3 275	6 735	39	2 383	7	13	17 434
Semi-skilled and discretionary decision making (levels 3-5)	168	742	0	70	359	1 331	4	277	1	4	2 956
Unskilled and defined decision making (levels 1-2)	137	532	1	6	115	584	0	19	0	0	1 394
<b>Grand total</b>	<b>1 760</b>	<b>6 852</b>	<b>46</b>	<b>1 697</b>	<b>4 227</b>	<b>10 634</b>	<b>75</b>	<b>4 027</b>	<b>9</b>	<b>20</b>	<b>29 347</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0



**Table 4.6.5: Terminations, 1 April 2010 to 31 March 2011**

Occupational bands	Male				Female				Foreigner		Grand Total
	B	C	I	W	B	C	I	W	M	F	
Top management (levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (levels 13-14)	0	2	0	2	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management (levels 9-12)	36	238	10	129	1	57	218	2	152	1	844
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 6-8)	537	2 206	13	380	0	2 082	3 749	32	1 499	175	10 673
Semi-skilled and discretionary decision making (levels 3-5)	329	693	12	105	0	722	2 591	15	406	236	5 109
Unskilled and defined decision making (levels 1-2)	344	1 003	6	15	0	236	874		44	7	2 529
<b>Grand total</b>	<b>1 246</b>	<b>4 142</b>	<b>41</b>	<b>631</b>	<b>1</b>	<b>3 097</b>	<b>7 432</b>	<b>49</b>	<b>2 101</b>	<b>419</b>	<b>19 159</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0

**Table 4.6.6: Disciplinary action, 1 April 2010 to 31 March 2011**

Disciplinary action	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.6.7: Skills development, 1 April 2010 to 31 March 2011**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	511	1571	20	359	514	1 658	31	550	5 214
Professionals	385	871	6	419	679	1 473	22	806	4 661
Clerks	85	154	-	6	237	398	-	74	954
Elementary occupation	58	129	5	17	9	41	-	12	271
<b>Total</b>	<b>1 039</b>	<b>2 725</b>	<b>31</b>	<b>801</b>	<b>1 439</b>	<b>3 570</b>	<b>53</b>	<b>1 442</b>	<b>11 100</b>

Note: This report has been compiled according to the ETPDSETA and PSETA requirements, which necessitates the use of codes from the "Organising Framework for Occupations", that do not include occupational levels. It is only during the financial year 2011/2012 that amendments may be made to include occupational levels as well.

#### 4.7. Signing of performance agreements by SMS members

**Table 4.7.1: Signing of Performance Agreements by SMS Members, as on 30 September 2010**

SMS level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed performance agreements per level	Signed performance agreements as % of SMS members per level	Number of SMS who received performance bonuses
Director-General/ Head of Department	1	1	1	100%	0
Salary level 16, but not HOD	0	0	0	0	0
Salary level 15	4	4	4	100%	0
Salary level 14	9	9	9	100%	2
Salary level 13	37	34	34	100%	8
<b>Total</b>	<b>51</b>	<b>48</b>	<b>48</b>	<b>100%</b>	<b>10</b>

**Table 4.7.2: Disciplinary steps taken against SMS Members for not having concluded performance agreements on 30 September 2010**

Reason for not concluding performance agreements
Not applicable (100% compliance)

**Table 4.7.3: Reasons for not having concluded performance agreements with all SMS on 30 September 2010**

Disciplinary steps taken against SMS members for not having concluded performance agreements
Not applicable (100% compliance)

#### 4.8. Filling of SMS posts

**Table 4.8.1: SMS post information, on 31 March 2011**

SMS level	Number of SMS posts per level		Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
	Funded	Unfunded				
Head of Department	1		1	100%	0	0.00%
Salary level 15	3	1	3	100%	0	0.00%
Salary level 14	8	1	9	113%	0	0.00%
Salary level 13	36	0	41	114%	0	0.00%
<b>Total</b>	<b>48</b>	<b>2</b>	<b>54</b>	<b>113%</b>	<b>0</b>	<b>0.00%</b>

**Table 4.8.2: SMS post information, on 30 September 2010**

SMS Level	Number of SMS posts per level		Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
	Funded	Unfunded				
Head of Department	1		1	100%	0	0.00%
Salary level 15	3	1	3	100%	0	0.00%
Salary level 14	8	1	9	100%	0	0.00%
Salary level 13	37	1	33	92%	5	13.51%
<b>Total</b>	<b>49</b>	<b>3</b>	<b>46</b>	<b>96%</b>	<b>5</b>	<b>10.20%</b>

**Table 4.8.3: Advertising and filling of SMS posts, as on 31 March 2011**

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary level 15	0	0	0
Salary level 14	0	0	0
Salary level 13	6	5	0
<b>Total</b>	<b>6</b>	<b>5</b>	<b>0</b>

Note: One post of Director was re-advertised

**Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS – advertised within 6 months and filled within 12 months after becoming vacant**

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	
Salary level 15	
Salary level 14	
Salary level 13	

**Table 4.8.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

Not applicable
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#### 4.9. Performance rewards

To encourage good performance, the department has granted the following performance rewards allocated to personnel for the performance period 2009/10, but paid in the financial year 2010/11. The information is presented by race, gender, and disability (Table 5.9.1), salary bands (Table 5.9.2) and critical occupations (Table 5.9.3).

**Table 4.9.1: Performance rewards by race, gender, and disability, 1 April 2010 to 31 March 2011**

Personnel group	Race and gender	Beneficiary profile			Cost (R'000)	
		Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
Public service	<b>African</b>	<b>76</b>	<b>1 687</b>	<b>4.51%</b>	<b>319,931</b>	<b>4,209</b>
	Male	35	811	4.32%	135,717	3,877
	Female	41	876	4.68%	184,213	4,493
	<b>Coloured</b>	<b>694</b>	<b>6 193</b>	<b>11.21%</b>	<b>3,469,011</b>	<b>4,998</b>
	Male	268	2664	10.06%	1,379,733	5,148
	Female	426	3529	12.07%	2,089,278	4,904
	<b>Indian</b>	<b>3</b>	<b>28</b>	<b>10.71%</b>	<b>41,711</b>	<b>13,903</b>
	Male	0	12	0.00%	0.00	0.00
	Female	3	16	18.75%	41,711	13,903
	<b>White</b>	<b>215</b>	<b>920</b>	<b>23.37%</b>	<b>1,541,392</b>	<b>7,169</b>
	Male	<b>38</b>	<b>194</b>	<b>19.59%</b>	<b>365,864</b>	<b>9,628</b>
	Female	<b>177</b>	<b>726</b>	<b>24.38%</b>	<b>1,175,528</b>	<b>6,641</b>
	<b>Disabled</b>	<b>2</b>	<b>23</b>	<b>8.70%</b>	<b>9,306</b>	<b>4,653</b>
	<b>Total</b>	<b>990</b>	<b>8 851</b>	<b>11.19%</b>	<b>5,381,354</b>	<b>5,435</b>

**Note:** Educators do not receive performance rewards.

**Table 4.9.2: Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011**

Salary bands	Beneficiary profile			Cost (R'000)		
	Number of beneficiaries = A	Total number of employees in group = B	% of total within group = C	Cost (R'000) = D	Average cost per employee = E	Total cost as a % of the total personnel expenditure
Lower skilled (levels 1-2)	173	3 232	5%	448,549	2,592	0.16%
Skilled (levels 3-5)	292	3 907	7%	1,001,586	3,430	0.16%
Highly skilled production (levels 6-8)	467	1 427	33%	2,963,904	6,346	0.06%
Highly skilled supervision (levels 9-12)	49	233	21%	695,666	14,197	0.02%
<b>Total</b>	<b>981</b>	<b>8 799</b>	<b>11%</b>	<b>5,109,707</b>	<b>5,208</b>	<b>0.06%</b>

**Note:** Educators do not receive performance rewards.

**Table 4.9.3: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2010 to 31 March 2011**

Salary band	Beneficiary profile			Cost (R'000)		
	Number of beneficiaries = A	Total number of employees in group = B	% of total within band = C	Cost (R'000) = D	Average cost per employee = E	Total cost as a % of the total personnel expenditure
Band A (salary level 13)	8	37	22%	239,533.74	29,941.72	0.58%
Band B (salary level 14)	2	9	22%	32,112.60	16,056.30	0.08%
Band C (salary level 15)	0	4	0%	0.00	0.00	0.00
Band D (salary level 16)	0	1	0%	0.00	0.00	0.00
<b>Total</b>	<b>10</b>	<b>51</b>	<b>20%</b>	<b>271,646.34</b>	<b>27,164.63</b>	<b>0.66%</b>

**Note:** Educators do not receive performance rewards.

#### 4.10. Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**Table 4.10.1: Foreign workers by salary band, 1 April 2010 to 31 March 2011**

Personnel group	Salary band	1 April 2010		31 March 2011		Change	
		Number	% of total	Number	% of total	Number	% of total
All personnel	Lower skilled (Levels 1-2)	1	1%	3	2%	2	17%
	Skilled (Levels 3-5)	90	47%	75	42%	-15	-125%
	Highly skilled production (levels 6-8)	94	49%	94	52%	0	0%
	Highly skilled supervision (levels 9-12)	7	4%	8	4%	1	8%
	Senior Management (levels 13 - 16)	0	0%	0	0%	0	0%
	<b>Total</b>	<b>192</b>	<b>100%</b>	<b>180</b>	<b>100%</b>	<b>-12</b>	<b>-100%</b>

**Table 4.10.2: Foreign workers by major occupation, 1 April 2010 to 31 March 2011**

Major Occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% of total
Administrative office workers	6	3%	9	5%	3	25%
Elementary occupations	3	2%	3	2%	0	0%
Professionals and managers	183	95%	168	93%	-15	-125%
<b>Total</b>	<b>192</b>	<b>100%</b>	<b>180</b>	<b>168</b>	<b>-12</b>	<b>-100%</b>

#### 4.11. Leave utilisation for the period 1 January 2010 to 31 December 2010

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 5.11.1) and disability leave (Table 5.11.2). In both cases, the estimated cost of the leave is also provided.

**Table 4.11.1: Sick leave, 1 January 2010 to 31 December 2010**

Personnel group	Salary band	Total days	Days with medical certification	% days with medical certification	Number of employees using sick leave	Number of employees on 31 December 2010	% of total employees using sick leave	Average days per (sick) employee	Average days per (all) employee	Estimated cost (R'000) on 261 days
<b>All personnel</b>	Lower skilled (levels 1-2)	17 168	14 477	84%	1 998	3 242	8%	9	5	R 3,757
	Skilled (levels 3-5)	26 832	21 874	82%	3 170	5 110	12%	8	5	R 8,941
	Highly skilled production (levels 6-8)	142 706	111 500	78%	16 755	24 913	63%	9	6	R 93,317
	Highly skilled supervision (levels 9-12)	37 470	30 388	81%	4 493	7 752	17%	8	5	R 37,885
	Senior management (levels 13-16)	155	119	77%	32	49	0%	5	3	R 262
	<b>Total</b>	<b>224 331</b>	<b>178 358</b>	<b>80%</b>	<b>26 448</b>	<b>41 066</b>	<b>100%</b>	<b>8</b>	<b>5</b>	<b>R 144,589</b>
<b>Educators</b>	Lower skilled (levels 1-2)	0	0	0%	0	0	0%	0	0	0
	Skilled (levels 3-5)	3 857	2 789	72%	616	1 244	3%	6	3	R 1,458
	Highly skilled production (levels 6-8)	132 012	102 865	78%	15 708	23 536	76%	8	6	R 87,295
	Highly skilled supervision (levels 9-12)	36 286	29 446	81%	4 341	7 514	21%	8	5	R 36,641
	<b>Total</b>	<b>172 155</b>	<b>135 100</b>	<b>78%</b>	<b>20 665</b>	<b>32 294</b>	<b>100%</b>	<b>8</b>	<b>5</b>	<b>R 124,990</b>
<b>Public service</b>	Lower skilled (levels 1-2)	17 168	14 477	84%	1 998	3 242	35%	9	5	R 3,757
	Skilled (levels 3-5)	22 975	19 085	83%	2 554	3 866	44%	9	6	R 7,407
	Highly skilled production (levels 6-8)	10 694	8 635	81%	1 047	1 377	18%	10	8	R 5,812
	Highly skilled supervision (levels 9-12)	1 184	942	80%	152	238	3%	8	5	R 1,241
	Senior Management (levels 13-16)	155	119	77%	32	49	1%	5	3	R 262
	<b>Total</b>	<b>52 176</b>	<b>43 258</b>	<b>83%</b>	<b>5 783</b>	<b>8 772</b>	<b>100%</b>	<b>9</b>	<b>6</b>	<b>R 18,434</b>

**Table 4.11.2: Incapacity leave (temporary and permanent), 1 January 2010 to 31 December 2010**

Group	Salary band	Total days	Days with medical certification	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per (sick) employee	Average days per (all) employee	Estimated Cost (R'000) on 261 days
All personnel	Lower skilled (levels 1-2)	2 144	2 142	100%	39	6%	55	1	R 476
	Skilled (levels 3-5)	2 973	2 972	100%	63	10%	47	1	R 971
	Highly skilled production (levels 6-8)	16 889	16 704	99%	375	62%	45	1	R 11,225
	Highly skilled supervision (levels 9-12)	6 189	6 185	100%	125	21%	50	1	R 6,085
	Senior management (levels 13-16)	0	0	0%	0	0%	0	0	R 0
	<b>Total</b>	<b>28 195</b>	<b>28 003</b>	<b>99%</b>	<b>602</b>	<b>100%</b>	<b>47</b>	<b>1</b>	<b>R 18,798</b>
Educators	Lower skilled (levels 1-2)	0	0	0%	0	0%	0	0	R 0
	Skilled (levels 3-5)	229	229	100%	5	1%	46	0	R 93
	Highly skilled production (levels 6-8)	15 783	15 598	99%	348	73%	45	1	R 10,671
	Highly skilled supervision (levels 9-12)	6 082	6 078	100%	122	26%	50	1	R 5,961
	Senior management (levels 13-16)	0	0	0%	0	0%	0	0	R 0
	<b>Total</b>	<b>22 094</b>	<b>21 905</b>	<b>99%</b>	<b>475</b>	<b>100%</b>	<b>47</b>	<b>1</b>	<b>R 16,599</b>
Public service	Lower skilled (levels 1-2)	2 144	2 142	100%	39	31%	55	1	R 476
	Skilled (levels 3-5)	2 744	2 743	100%	58	46%	47	1	R 878
	Highly skilled production (levels 6-8)	1 106	1 106	100%	27	21%	41	1	R 572
	Highly skilled supervision (levels 9-12)	107	107	100%	3	2%	36	0	R 119
	Senior management (levels 13-16)	0	0	0%	0	0%	0	0	R 0
	<b>Total</b>	<b>6 101</b>	<b>6 098</b>	<b>100%</b>	<b>127</b>	<b>100%</b>	<b>48</b>	<b>1</b>	<b>R 2,138</b>

**Table 4.11.3: Annual Leave, 1 January 2010 to 31 December 2010**

Group	Salary band	Total days taken	Average number of days taken per employee	Number of employees who took annual leave
All personnel	Lower skilled (levels 1-2)	22 911	11	2 050
	Skilled (levels 3-5)	32 126	12	2 711
	Highly skilled production (levels 6-8)	29 479	6	4 897
	Highly skilled supervision (levels 9-12)	26 403	9	3 015
	Senior management (levels 13-16)	1 138	21	53
	<b>Total</b>	<b>112 057</b>	<b>9</b>	<b>12 726</b>
Educators	Lower skilled (levels 1-2)	0	0	0
	Skilled (levels 3-5)	96	3	30
	Highly skilled production (levels 6-8)	10 664	3	3 733
	Highly skilled supervision (levels 9-12)	22 256	8	2 775
	Senior management (levels 13-16)	0	0	0
	<b>Total</b>	<b>33 016</b>	<b>5</b>	<b>6 538</b>
Public service	Lower skilled (levels 1-2)	22 911	11	2 050
	Skilled (levels 3-5)	32 030	12	2 681
	Highly skilled production (levels 6-8)	18 815	16	1 164
	Highly skilled supervision (levels 9-12)	4 147	17	240
	Senior Management (levels 13-16)	1 138	21	53
	<b>Total</b>	<b>79 041</b>	<b>13</b>	<b>6 188</b>

**Table 4.11.4: Capped leave, 1 January 2010 to 31 December 2011**

Group	Salary band	Total days capped taken	Average number of days taken per employee	Average capped leave per employee on 2010/12/31	Number of employees on 2010/12/31	Total number of capped leave available on 2010/12/31
All personnel	Lower skilled (levels 1-2)	1 907	0.59	14	3 242	44 075
	Skilled (levels 3-5)	9 561	1.87	24	5 110	120 542
	Highly skilled production (levels 6-8)	28 017	1.12	24	24 913	609 921
	Highly skilled supervision (levels 9-12)	26 407	3.41	65	7 752	504 576
	Senior management (levels 13-16)	221	4.51	75	49	3 683
	<b>Total</b>	<b>66 113</b>	<b>1.61</b>	<b>31</b>	<b>41 066</b>	<b>1 282 797</b>
Educators	Lower skilled (levels 1-2)	0	0.00	0	0	0
	Skilled (levels 3-5)	486	0.39	5	1 244	5 658
	Highly skilled production (levels 6-8)	25 211	1.07	23	23 536	545 770
	Highly skilled supervision (levels 9-12)	25 902	3.45	66	7 514	497 483
	<b>Total</b>	<b>51 599</b>	<b>1.60</b>	<b>32</b>	<b>32 294</b>	<b>1 048 911</b>
Public service	Lower skilled (levels 1-2)	1 907	0.59	14	3 242	44 075
	Skilled (levels 3-5)	9 075	2.35	30	3 866	114 883
	Highly skilled production (levels 6-8)	2 806	2.04	47	1 377	64 151
	Highly skilled supervision (levels 9-12)	505	2.12	30	238	7 093
	Senior management (levels 13-16)	221	4.51	75	49	3 683
	<b>Total</b>	<b>14 514</b>	<b>1.65</b>	<b>27</b>	<b>8 772</b>	<b>233 885</b>



**Table 4.11.5: Leave payouts, 1 April 2010 to 31 March 2011**

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Leave pay outs for 2010/11 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay outs on termination of service for 2010/11	24 646	441	55 888
Current leave pay outs on termination of service for 2010/11	0	0	0
Leave discounting for 2010/2011	9 459	1 118	8 461
<b>Total</b>	<b>34 105</b>	<b>1 559</b>	<b>21 876</b>

**4.12. HIV and AIDS & Health Promotion programmes****Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2010 to 31 March 2011**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Educators and Support Staff (school nurses, cleaning staff, educators in laboratories, engineering and school secretaries)	Brochure with procedures to follow on occupational exposure

**Table 4.12.2: Details of Health Promotion and HIV and AIDS Programmes 1 April 2010 to 31 March 2011**

Question	Yes	No	Details if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr M Cronje Director: Human Resource Management
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The WCED focuses on the HIV/AIDS Life Skills Orientation Programme (LSOP) and the HIV and AIDS in the Workplace (HWP). These two programmes support each other in terms of training and advocacy. Two Head Office employees focus on Employee Health and Wellness Management (EHWP) covered by a budget of R1 258 360
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The Employee Health and Wellness Management Programme focusing on, amongst others, HIV and AIDS, stress, financial management, relationships, legal, family matters, substance abuse and trauma debriefing. These services are provided by private service providers to ensure confidentiality. This programme also addresses wellness issues of employees through Employee Health and Wellness Awareness Days. The aim of these days is to promote healthy lifestyles and raise awareness around services which the WCED offers to its employees. In addition, Health Promotion Days take place according to days noted in the Health Calendar of the Department of Health.

Question	Yes	No	Details if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Director: HRM, Deputy-Director: HR, HIV Co-ordinator, representatives from Directorates, representatives from employee parties. A new Advisory Committee for the comprehensive Employee Health and Wellness Programme is planned.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The WCED adopted an HIV and AIDS Policy in the Workplace, based on the Framework provided by the Provincial Government.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Continuous awareness raising regarding perceptions about HIV and AIDS and about confidentiality, disclosure, VCT, etc. The WCED HIV and AIDS Policy convey this message and application forms part of line management's responsibility.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		VCT made available to staff through Employee Health and Wellness Awareness Days. The uptake is around 70% of those who attend the Awareness Days. VCT days and Spot Talks campaign also provided to staff to raise awareness about the processes and procedures of VCT
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Monthly reports from the various service providers, reflecting utilisation of the services

Note: The Provincial Employee Aids Programme to which the WCED is integrally tied gives constructive direction regarding the following key elements / services:

1. Education and awareness in the workplace
2. Conducting of an HIV/AIDS audit in the workplace to determine resource needs e.g. First Aid kits, etc.
3. Preventative programmes e.g. distribution of condoms
4. Promoting universal precautions e.g. safety measures to be observed when dealing with blood and body fluids of injured persons
5. Voluntary counseling and testing
6. Promote support to HIV/AIDS-infected employees

DPSA: Employee Health and Wellness Strategic Framework emphasizes compliance on HIV/AIDS and TB Management which recommends, as core function of EH&W in the workplace that one should mitigate the impact of HIV and AIDS and create an enabling social environment for Care, Treatment and Support; implement Employee Health and Wellness Day programme for HIV infected and affected work community; implement a peer educator programme for employees targeting behavioural risks. It notes that medical assistance for treatment and care of employees living with HIV/AIDS is provided by GEMS.

#### 4.13. Labour relations

The following collective agreements were entered into with trade unions within the department.

<b>Disciplinary hearings – 2010/11</b>	None
<b>Total collective agreements</b>	None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 4.13.2: Types of misconduct addressed at disciplinary hearings, 1 April 2010 to 31 March 2011**

Type of misconduct	Number	% of total
Theft, bribery, fraud or act of corruption in regard to examinations	11	4.51
Sexual assault on learner	10	4.10
Sexual assault on other employee	0	0.00
Sexual relationship with learner of the same school	2	0.82
Serious assault with intention to cause grievous bodily harm to a learner or student	0	0.00
Serious assault with intention to cause grievous bodily harm to another employee	0	0.00
Illegal possession of an intoxicating illegal or stupefying substance	0	0.00
Fails to comply with or contravenes an Act or any other statute, regulation or legal obligation	1	0.41
Wilfully or negligently mismanages the finances of the state	13	5.33
Misuse of state property	0	0.00
Unjustifiably prejudices the administration, discipline or efficiency of the department	8	3.28
Misuses his or her position in the education department to promote or to prejudice the interests of any person	0	0.00
Accepts second employment and / or compensation without written approval from the employer	0	0.00
Fails to carry out a lawful order and / or routine instruction	12	4.92
Absenteeism	15	6.15
Discrimination	0	0.00
Poor performance, for reasons other than incapacity	2	0.82
While on duty, is under the influence of intoxicating substance	3	1.23
Improper, disgraceful and unacceptable conduct	26	10.66
Assaults, or attempt to or threatens to assault	88	36.07
Victimisation and / or intimidation	0	0.00
Give false statements or evidence in the execution of duties, and / or falsification of records	4	1.64
Unlawful industrial action	0	0.00
Common law or statutory offence (theft, fraud and corruption)	11	4.51
Dishonesty	4	1.64
Abscondment	33	13.58
<b>Total</b>	<b>243</b>	<b>100%</b>

**Table 4.13.3: Misconduct: Outcomes of disciplinary hearings finalised, 1 April 2010 to 31 March 2011**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	4	1.05
Verbal warning	0	0.00
Written warning	5	1.31
Final written warning	137	35.86
Suspension without pay	31	8.12
Fine	95	24.87
Demotion	0	0.00
Dismissal/ desertion	71	18.63
Not guilty	10	2.62
Case withdrawn	28	7.33
<b>Total</b>	<b>381</b>	<b>100%</b>

**Table 4.13.4: Grievances lodged, 1 April 2010 to 31 March 2011**

Grievances lodged	Number	% of Total
Number of grievances resolved	484	71.28
Number of grievances not resolved	195	28.72
<b>Total number of grievances lodged</b>	<b>679</b>	<b>100%</b>

**Table 4.13.5: Disputes lodged with councils, 1 April 2010 to 31 March 2011**

Disputes lodged with Councils	Number	% of Total
Number of disputes upheld	32	23.70
Number of disputes dismissed	103	76.30
<b>Total number of disputes lodged</b>	<b>135</b>	<b>100%</b>

These are the General Public Service Sectoral Bargaining Council or the Education Labour Relations Council.

**Table 4.13.6: Strike actions, 1 April 2010 to 31 March 2011**

Strike actions	Number
Total number of person working days lost	23 787
Total cost (R'000) of working days lost	R11,436,686.34
Amount (R'000) recovered as a result of no work no pay	R11,436,686.34

**Table 4.13.7: Precautionary suspensions, 1 April 2010 to 31 March 2011**

Precautionary suspensions	Number
Number of public servants suspended:	5
Number of educators suspended:	33
Number of public servants whose suspension exceeded 30 days	3
Number of educators whose suspension exceeded 90 days	18
Average number of days suspended: Public servants	41.4
Average number of days suspended: Educators	117.75
Cost (R'000) of suspensions	R2,442,714.76

#### 4.14. Skills development

This section highlights the efforts of the department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

**Table 4.14.1: Training needs identified, 1 April 2010 to 31 March 2011**

Occupational categories	Gender	Number of employees on 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	15	0	1 982	0	1 982
	Male	32	0	2 492	0	2 492
Professionals	Female	20 863	0	6 366	0	6 366
	Male	10 871	0	3 673	0	3 673
Clerks	Female	1780	0	729	0	729
	Male	297	0	266	0	266
Elementary occupations	Female	1 927	0	227	0	227
	Male	2 168	0	467	0	467
Sub total	Female	24 585	0	9 304	0	9 304
	Male	13 368	0	6 898	0	6 898
<b>Total</b>		37 953	0	16 202	0	16 202
Employees with disabilities	Female			3		3
	Male			3		3

**Table 4.14.2: Training provided, 1 April 2010 to 31 March 2011**

Occupational categories	Gender	Number of employees as at 31 March 2011	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	14	0	2 753	0	2 753
	Male	30	0	2 461	0	2 461
Professionals	Female	21 127	0	2 980	0	2 980
	Male	10 505	0	1 681	0	1 681
Clerks	Female	1 780	0	709	0	709
	Male	297	0	245	0	245
Elementary occupations	Female	2 399	0	62	0	62
	Male	2 786	0	209	0	209
Sub Total	Female	25 320	0	6 504	0	6 504
	Male	13 618	0	4 596	0	4 596
<b>Total</b>		38 938	0	11 100	0	11 100
Employees with disabilities	Female			3		3
	Male			4		4

#### 4.15. Injury on duty

The following tables provide basic information on injury on duty.

**Table 4.15.1: Injury on duty, 1 April 2010 to 31 March 2011**

Personnel group	Nature of injury on duty	Number	% of total
<b>Educators</b>	Required basic medical attention only	61	82%
	Temporary total disablement	13	18%
	Permanent disablement	0	0%
	Fatal	0	0%
	<b>Total</b>	<b>74</b>	<b>100%</b>
<b>Public service personnel</b>	Required basic medical attention only	63	84%
	Temporary total disablement	12	16%
	Permanent disablement	0	0%
	Fatal	0	0%
	<b>Total</b>	<b>75</b>	<b>100%</b>

#### 4.16. Utilisation of consultants

**Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2010 to 31 March 2011**

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
0	0	0	0
0	0	0	0
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
0	0	0	0
0	0	0	0

**Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs), 1 April 2010 to 31 March 2011**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0
0	0	0	0

**Table 4.16.3: Report on consultant appointments using donor funds, 1 April 2010 to 31 March 2011**

Project title	Total number of consultants that worked on the project	Duration: work days	Donor and contract value in Rand
0	0	0	0
0	0	0	0
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
0	0	0	0
0	0	0	0

**Table 4.16.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2010 to 31 March 2011**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0