

REPORT OF THE PORTFOLIO COMMITTEE ON EDUCATION; CULTURE, SPORT AND RECREATION: 4TH QUARTERLY PERFORMANCE REPORT OF THE DEPARTMENT OF EDUCATION (2015/16 FINANCIAL YEAR) – MEETING HELD ON 01 SEPTEMBER 2016

1. INTRODUCTION

Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature (the Legislature) requires the Member of the Executive Council to table quarterly performance reports of the Department to the Speaker of the Legislature, within 30 calendar days after the end of a quarter.

The Portfolio Committee on Education; Culture, Sport and Recreation (the Committee) considered the quarterly performance report of the Department of Education (the Department) for the 2015/16 financial year (F/Y). This oversight exercise was aimed at assessing the Department's performance for the 4th quarter in line with its approved 2015/16 Annual Performance Plan (APP) and 2015/16 budget appropriation (vote 7) and the Mpumalanga Appropriation Bill, 2015.

2. METHOD OF WORK

The Speaker referred the 4th quarterly performance report (January – March 2016) to the Committee for consideration and report back to the House. The Committee was briefed by the research section on 24 May 2016 regarding the 4th quarter report analysis. On 01 September 2016 the Committee met the HOD and senior management of the Department. A teleconference was held on 28 September 2016 to consider the draft Committee report.

3. GENERAL OBSERVATIONS

The Committee interacted with the Department and made the following general observations:

- a. The 4th quarterly report complied with the requirements for performance reports; it was correctly tabled by the Hon MEC on 24 April 2016, within 30 days of the end of the quarter.
- b. The Department achieved 191 targets out of 286 (67%) planned 4th quarter targets.
- c. Overall expenditure by the end of the 4th quarter was 99.3% (R17 050 533 spent of the R17 163 557 adjusted 2015/16 budget).

- d. The Department operated with an acting CFO until the end of the 4th quarter of 2015/16 FY.
- e. The Department spent R1 474 395 billion (99.1%) of the R1 487 889 billion conditional grant funding received for the 2015/16 FY.
- f. Regarding the MSTA (Maths, Science and Technology Academy) schools, the Department encountered procurement challenges for ICT resources and infrastructure; hence ICT connectivity of the MSTA could not be secured by the end of the 2015/16 FY.
- g. It was noted from the progress report (3rd quarter House Resolutions for 2015/16 financial year) that IT systems were strengthened by putting key policies and plans in place, as per recommendation of the Department's Internal Audit unit and the Auditor-General (AG).
- h. By the end of the 4th quarter, the Steve Tshwete Boarding School was not completed; target date for completion was revised from February 2016 to April 2016. As at 31 March 2016 the project was reported 81% complete.

4. ANALYSIS OF THE 4th QUARTER BUDGET EXPENDITURE

4.1. Overall expenditure trends as at 31 March 2016 (Table 1)

Programme	Appropriation 2015/16 R' 000	Adjusted Appropriation 2015/16	Actual Expenditure 4 th Quarter R' 000	% SPENT
1. Administration	1 271 766	1 248 040	1 245 117	99.3%
2. Public Ordinary Schools	13 576 502	13 756 566	13 747 186	99.9%
3. Independent Schools	19 044	19 044	19 044	100%
4. Public Special Schools	225 860	231 860	221 063	95.3%
5. Early Childhood Development	268 027	239 027	221 225	92.6%
6. Infrastructure Development	960 422	1 117 422	1 041 628	93.2%
7. Examinations and Education	535 148	551 598	555 271	100.7%
TOTAL	16 856 769	17 163 557	17 050 533	99.3%

4.2. Economic Classification (Table 2)

Economic classification	Appropriation 2015/16	Adjusted Appropriation 2015/16 R' 000	Actual Expenditure 4 th Quarter R' 000	% spent
Compensation of employees	13 094 156	13 230 011	13 211 481	99.9%
Goods and services	1 581 134	1 778 790	1 713 377	96.3%
Transfers and subsidies	1 224 749	1 137 371	1 153 455	(101.4%)
Payment for capital assets	956 730	1 017 385	972 220	95.6%
Total	16 856 769	17 163 557	17 050 533	99.3%

The Committee noted the following on the economic classifications:

Underspending on **Goods and Services** persisted throughout the financial year. The Department explained that not all invoices for National Schools Nutrition Programme (NSNP) and school furniture were paid, as some of the furniture delivery took place up until financial year end. There was a delay in implementation of infrastructure maintenance projects. A request was made to Provincial Treasury to roll over the unspent committed funds.

Overspending on **Transfers and Subsidies** occurred in all 4 quarters of the year. By 30 September 2015 the spending was at 74% (24% over expenditure) and by 31 December 2015 spending was at 91% of the annual budget.

Underspending on **Capital Assets** also persisted in all 4 quarters. The item was expected to increase by the end of the 3rd quarter due to construction of Steve Tshwete Boarding School, but it did not happen. It was explained to the Committee that the underspending was due to various challenges relating to late start of sanitation projects, inconsistent project spending and payment processing delays due to slow submission of invoices by service providers. It was reported that a request was also made to Provincial Treasury to roll-over the unspent committed funds.

4.3. Conditional Grants (Table 3)

Below is a breakdown of the reported conditional grants expenditure as at 31 March 2016:

2015/16 Conditional Grant	Appropriation R' 000	Actual Expenditure R' 000	% spent
Education Infrastructure Grant	857 247	852 233	99.5%
HIV/AIDS Grant	19 631	18 565	93.6%
Maths, Science and Technology	42 444	42 408	99.9%
National Schools Nutrition Programme	557 035	549 369	98.6%
OSD for Therapists	337	337	100%
EPWP Programme Integrated Grant	2 453	2 449	99.8%
Social Sector EPWP Grant	8 742	8 734	99.9%
Total	1 487 889	1 474 395	99.1%

The Committee noted with concern the under-spending on the HIV/AIDS grant (93.6%) and raised this with the Department, after which it was reported that funds were committed before the end of the financial year with order numbers. The Department confirmed that the targets were not negatively affected and that a roll-over had been requested at the Provincial Treasury. There should not be any negative impact on future allocations if the roll-over is approved.

5. PROGRAMME PERFORMANCE FOR THE 4th QUARTER

The Committee deliberated on the written responses of the Department to the questions on the 4th quarter performance report. Follow-up questions were responded to in writing by 05 September 2016 and were subsequently incorporated into this Committee report.

PROGRAMME 1: ADMINISTRATION

The programme provides overall management and support to the education systems in accordance with the National Education Policy Act, the Public Finance Management Act and other relevant policies.

Programme Expenditure as at 31 March 2016:

Programme 1: Administration	Appropriation 2015/16 R' 000	Adjusted Appropriation R'000	Actual Expenditure R' 000	% Spent
Office of the MEC	1 039	10 253	8 481	82.7%
Corporate Services	547 570	538 151	500 787	93.1%
Education Management	664 189	659 018	691 728	(105%)
Human Resource Development (HRD)	9 839	11 489	10 802	94%
Education Management Information System (EMIS)	41 129	29 129	33 319	(114.4%)
Total	1 271 766	1 248 040	1 245 117	99.8%

Programme expenditure per economic classification

Economic Classification	Adjusted Appropriation R'000	Actual Expenditure R' 000	% Spent
Compensation of Employees	917 788	926 244	(100.9%)
Goods and Services	303 234	284 846	93.9%
Transfers and subsidies	8 721	12 801	(146.8%)
Payments for capital assets	18 297	21 201	(115.9%)
TOTAL	1 248 040	1 245 092	99.8%

Programme performance: 80% of the planned targets achieved (101 of 126 planned targets).

Expenditure:

- The sub-programmes Office of the MEC and HRD underspent throughout all 4 quarters;
- The improved spending on sub-programme EMIS was commended although it overspent but the programme ultimately broke even at 99.8%.
- The over expenditure on **Payment for Capital Assets** was due to the effected payment for the Departmental servers which had been procured in the previous (3rd) quarter.

- Overspending on **Transfers and subsidies** (46.6%) continued from the 3rd quarter, which had overspent by 21%. The Department had explained that the overspending was as a result of payment of leave gratuities which resulted in the high resignations and early retirements which could not be predicted during the budget allocation period.

The following matters were emphasized under programme 1:

Vacancy list for promotional educator posts

Of the backlog of 447 school-based promotional posts that were not concluded in October 2015, 45 posts were still outstanding as on 29 February 2016, which are six (6) Principal posts, four (4) Deputy Principal Posts and 35 HOD posts. In the progress report on the 3rd quarter House Resolutions as at 06 June 2016, the Department reported that 25 posts were still outstanding of which 14 were due to labour related issues. The 11 non-labour related posts were expected to be filled by 30 June 2016.

Progress on the E-recruitment system

According to the Department, this system is the most viable solution to inefficiencies experienced in the recruitment processes to date. During the 2015/16 financial year, the Committee noted that an E-Recruitment Steering Committee consisting of Project Team members and Social Partners was constituted. Activities pertaining to communication, advocacy and training was to commence as soon as the technical testing of the Web-based System had been concluded.

Bursary scheme and recruitment of qualified teachers in rural areas

The Committee asked the Department whether any positive strides were made regarding bursary holders that were addressing the shortage of qualified teachers in remote rural communities. The Department informed the Committee that in conjunction with the Department of Basic Education, the District-Based Teacher Recruitment program was introduced in 2012 and a Community-Based Teacher Recruitment programme was also introduced in 2013, which targets learners coming from rural and poor communities to assist them to access the bursary scheme and to attract qualified teachers to teach in rural areas. The Department actively participates in these teacher recruitment initiatives, and the campaigns target young people with a good academic background, who demonstrate a passion for teaching, and who are willing to study in identified priority subjects and be placed in areas of need. It was noted that the first cohort of recruited students commenced with their studies in 2014 and will be completing their studies in 2017. In placing newly qualified bursars, the Department has to date focused on specific curriculum needs (such as Maths, Science, Technology and Languages) rather than specific geographical areas.

The Department anticipates a return on investment from the District and Community based teacher recruitment programmes to be realized as from 2018, when the first cohort of recruited students will be graduating and will be placed in the rural areas of need. In dealing with the placement of the bursars who will be completing their studies at the end of 2016, the Department will also prioritise schools in the Comprehensive Rural Development Programme (CRDP) municipalities for bursar placement purposes.

Monitoring of examination centres

On page 14 of the 4th quarter report the Department indicated that it could not monitor two (2) of the 15 examination centres during the February/March supplementary examinations. However, it was confirmed to the Committee that security of the centres were not compromised even if they were not monitored, as the Chief Invigilators were trained to effectively manage the centres and complete the invigilation workbook for each examination session.

District Coordination - School improvement plans (SIP) and Subject Performance Improvement Plans (SPIP)

The Committee noted that on page 15 of the 4th quarter report, one of the reasons mentioned for not being able to achieve the planned targets was ineffectiveness of Subject Improvement Plans in addressing the social challenges that contribute to the learner failure rate. Such challenges are teenage pregnancy, drug abuse, child-headed families, orphans and vulnerable children, absenteeism, child neglect, child abuse, hunger and barriers to learning.

The Department indicated that the context of each school determines what programmes must be put in the SIP of that school. It was noted that since school principals, subject advisors and circuit managers assist schools in developing and monitoring the implementation of SPIP's, the Department must put measures in place to ensure that SIP's and SPIP's address the specific social challenges faced by a particular school. The Department reported that it was running the Principal Management and Development Programme, in which 320 school principals are enrolled. Furthermore, the Department reported that it was running a training programme on People Management and Financial Management. All newly appointed principals were inducted.

Annual National Assessment (ANA)

The Committee raised a concern about the costs incurred for the printing of 2015 ANA instruments (question papers). The Department reported a total expenditure of R11 538 316.80 on printing of ANA instruments, of which the Department of Basic Education had promised to finalize the reimbursement by March 2016.

The Department indicated that the Minister of Basic Education has constituted a task team to look into the re-modelling of the annual assessment and the Provincial Department would soon be briefed regarding developments on the matter.

PROGRAMME 2: PUBLIC ORDINARY SCHOOLS

The programme provides education from Grade 1 to Grade 12 in accordance with the South African Schools Act, 1996 and the White Paper on Inclusive Education.

Programme 2 expenditure as at 31 March 2016:

Public Ordinary Schools sub-programmes	2015/16 Adjusted Appropriation R' 000	Actual Expenditure R' 000	% SPENT
Public Primary Level	8 072 392	8 125 166	(100.7%)
Public Secondary Level	4 995 089	4 939 993	98.9%
Human Resource Development (HRD)	75 425	72 230	95.8%
School Sport, Culture and Media Services	14 181	18 019	(127.1%)
Conditional Grants	599 479	591 778	(98.7%)
Total	13 756 566	13 747 186	99.9%

Programme Expenditure per economic classification

Economic Classification	Adjusted Appropriation R'000	Actual Expenditure R' 000	% Spent
Compensation of Employees	11 816 225	11 832 230	(100.1%)
Goods and Services	1 220 559	1 187 878	97.3%
Transfers and subsidies	712 644	722 731	(101.4%)
Payment for Capital Assets	7 138	4 545	63.7%
TOTAL	13 756 566	13 747 384	99.9%

Programme performance: It was difficult to measure programme 2's performance for the 4th quarter as 32 targets had no quarterly activities planned. It was clarified by the Department that the targets were annual sector targets, to be reported on at the end of the 2015/16 financial year. The Committee noted that the Department must find a way to reflect clearly the annual sector targets and communicate this effectively in its quarterly reporting.

Expenditure:

- HRD sub-programme: the slow spending trend on persisted throughout the financial year.
- School Sport, Culture and Media Services sub-programme: the persistent overspending trend throughout the financial year was due to payment of previous commitments.

- **2.7% underspending on Goods and Services** due to unpaid LTSM orders.
- **36.3% underspending on Payment for Capital Assets** due to procurement delays (of machinery and equipment for Maths, Science and Technology conditional grant and procurement of computers in Nkangala District).

The following matters were emphasized in Programme 2:

ICT connectivity of the MSTA (Mathematics, Science and Technology Academy)

The Committee commended the important work done in the 2015/16 financial year to provide ICT infrastructure at the MSTA schools despite the various challenges and delays, specifically on procurement. However, it was noted that the ICT connectivity of the MSTA schools was not yet completed by the end of the financial year.

During the 3rd quarter report deliberations on 15 March 2016, Phase 2A of the project was underway, whereby the wireless mesh network would be extended to 30 MSTA Schools, 13 Non-MSTA schools and two (2) relay sites to be constructed to ensure inter-connectivity within all clusters (A total of 45 sites to be installed in Phase 2A).

The Committee was informed that the contract between the Department and UBUNTU was terminated and that a new service provider was being secured in order to finalize the connectivity of all remaining MSTA schools. The plan to connect the remaining schools, including the remote 18 schools will be outlined with the new service provider.

Procurement of ICT resources for 58 schools

The Department reported that this target was not yet achieved as the procurement procedures were changed when all processes were at an advanced stage.

Admission policy at Public Schools - Progress on Hoër Tegniese Skool (HTS) Middelburg

The Committee considered this important policy matter in the 3rd quarter report deliberations with the Department. The issue related to the admission policy at the Hoër Tegniese Skool (HTS) Middelburg, where Afrikaans is the medium of instruction.

As part of the investigation into the matter, the Department had written a letter to the school requesting answers to the following pertinent questions by 21 April 2016:

- a) Why does the school language policy deny access to non-Afrikaans speaking learners;
- b) Why the school was admitting learners from other areas and provinces while local learners could not get admitted;

- c) Provide reasons for the high school fees, which is a further instrument of excluding learners whose parents were not able to afford the high fees; and
- d) Indicate how the school applied the exemption policy as stipulated in the South African Schools Act (SASA) of 1996.

The 3rd quarter House Resolution had instructed the Department to submit the written responses to the Committee. This was subsequently submitted as an attachment to the progress report on the 3rd quarter House Resolutions (submitted 06 June 2016). In summary, the Department indicated to the Committee that the responses of the school were not convincing and that the Department was ready for a battle with the school on the matter of admission.

The Department informed the Committee that a management plan on the admission issue was in place, which entailed the following:

- Provision of seven (7) conventional classrooms in the 2017/18 financial year that will accommodate the subsequent learner admission in 2017/18 financial year;
- Provision of learner furniture; and
- Provision of 15 vacant substantive posts, which are currently on the SGB payroll.

The Department further contemplated in the progress report on the 3rd quarter House Resolutions that the Constitutional Court empowered the Gauteng Department of Education to declare the feeder schools for admission of learners to public schools and that the Head of Department is to determine whether a public school is full or not and whether or not to admit learners.

Training and professional development of SGB's and principals

During the Taking Legislature to the People oversight visit of the Committee to Magwagwaza Secondary School at Acornhoek (Bohlabela district of the Department of Education) SGB's were in need of more capacity building to enable them to manage school finances amongst other things. The Department acknowledged that the issue of poor financial management by SGB's has become a national challenge.

The South African Schools Act (SASA) in Section 16A states that principals must assist SGBs in the performance of their functions and responsibilities. In the light of this, the Committee noted with concern that according to the South African Council of Educators (SACE), the two highest priorities identified for principals were professional development needs and training in financial management.

The Department of Basic Education (DBE) in collaboration with provinces has taken a decision that all circuit managers and principals in the country need to be intensively trained in order to ensure that principals are able to support and assist SGB's effectively. It was commended that the Department conducted its training on 15-17 March 2016, based on the train-the-trainer model. The Department reported that principals would be trained during the June/July 2016 holidays in an effort to eradicate the issue of poor financial management by both SGBs and Principals.

One of the planned targets that was not fully achieved in the 3rd quarter was the training of 1 749 SGB's on Supply Chain Management module. The Department indicated that the remaining 10 SGB's would be trained in the 4th quarter, which the Committee noted was done.

Another ongoing concern of the Committee during the 2015/16 financial year was that SGB's failed to comply with the legal requirement to submit their recommendations to District Offices within two (2) months of receiving the scheduled applications. It was emphasized that continuous capacitating of SGB's to understand their legislative mandate and responsibility was crucial to the efficiency of the Department in filling school-based promotional posts.

Integrated Quality Management Systems

On the 4th quarter target to monitor and support 438 schools on IQMS implementation, the Department only managed to achieve this target at 214 schools. The Department was asked about the effectiveness of the IQMS as a tool for teacher assessment and development, whereby the Department assured the Committee that there was a strategy in place to improve the implementation of the IQMS. This entails clustering of schools, which the Department reported was successfully implemented in Breyten Circuit in the Gert Sibande district. According to the Department, the cluster approach will enable them to cover more ground with fewer resources.

It was noted that the IQMS monitoring and support programme in the districts was affected in 2015 by a shortage of staff caused by the resignation of four (4) officials from the Directorate.

PROGRAMME 3: INDEPENDENT SCHOOLS

Independent schools are supported in accordance with the South African Schools Act, 1996.

Expenditure for Programme 3 as at 31 March 2016:

Sub-programmes	2015/16 Appropriation R'000	Actual Expenditure R' 000	% Spent
Primary level	12 710	12 710	100%
Secondary level	6 334	6 334	100%
Total	19 044	19 044	100%

Programme performance: The programme achieved all six (6) planned targets and by the end of the 4th quarter it had spent 100% of its budget for the 2015/16 financial year.

The following matters were emphasized in Programme 3:

Compliance with the National Norms and Standard for School Funding (NNSF)

The Department was urged throughout the 2015/16 financial year to closely monitor the compliance of the registered independent schools with the NNSF so as not to forfeit their grant. Hence it is commended that 100% of the transfers were made in programme 3.

CEFUPS Academy court case update

The Committee urged the Department to ensure close monitoring of independent schools regarding corporal punishment allegations. The Committee tracked the progress of the CEFUPS case throughout the 2015/16 financial year. By the end of the year, the Department was considering legal advice to review regulation 7 because in its current form, the regulation was not strong enough to allow the Department to close any independent school.

Monitoring of independent schools

During the 2015/16 financial year a concern was raised about the Department's lack of jurisdiction to monitor the boarding facilities (hostels) at independent schools although it may investigate any written complaint on incidents in a registered independent school's hostel. Hostels are deemed a separate contractual agreement between the school owner and the parent.

Sports programmes at independent schools

The Committee was told in the 3rd quarter deliberations on 15 March 2016 that during the Curriculum Enrichment Strategic Plan held at Secunda in Gert Sibande District in January 2016, District Sport Coordinators were requested to visit Independent schools to outline the Sport Programme to SMTs and Sport Organisers of Independent Schools on the National School League Programme and the Mpumalanga Schools League, and to encourage their participation in School Sport, Music and Culture programmes.

PROGRAMME 4: PUBLIC SPECIAL SCHOOLS

The programme provides compulsory public education in Special Schools in accordance with the South African Schools Act, 1996; the White Paper 6 on Inclusive Education; the Child Justice Act, 2008 and the Children's Act, 2005.

Programme Expenditure as at 31 March 2016:

Sub-programmes	Adjusted Appropriation R' 000	Actual Expenditure R'000	% Spent
Schools	229 543	219 380	95.6%
Human Resource Development	1 980	1 346	68%
Conditional Grants	337	337	100%
Total	231 860	221 063	95.3%

Programme expenditure per economic classification

Economic Classification	Adjusted Appropriation R'000	Actual Expenditure R' 000	% Spent
Compensation of Employees	188 544	178 634	94.7%
Goods and Services	8 703	7 724	88.8%
Transfers and subsidies	34 613	34 705	(100.3%)
TOTAL	231 860	221 063	95.3%

Programme performance: The programme has 11 targets and in the 4th quarter report, the Department indicated that five (5) targets would be reported on at the end of the financial year. Of the six (6) remaining targets, all were achieved by the end of the 4th quarter (100%).

Expenditure:

- Programme budget was adjusted upwards from R225 860 000.00 to R231 860 000.00 during the 2015/16 adjustment budget period. It under spent by 4.7% at the end of the 4th quarter.
- Human Resource sub-programme spending improved in comparison to 0% spent in the 1st two quarters and 26% spent in the 3rd quarter. At the end of the 4th quarter, the spending was still under the benchmark at 68%.
- Since the 1st quarter of the financial year 2015/16, the Committee had raised a concern that the sub-programme Human Resource was not spending its budget and was failing to meet its planned targets due to scarcity of Braille and South African Sign Language accredited training providers and delays in obtaining quotations for specialized equipment.

- 5.3% underspending on **Compensation of Employees** due to vacant funded specialists' posts, for which the Department is undergoing a head-hunting process to ensure finalization of the process in the new financial year (2016/17).
- **11.2% underspending on Goods and Services** (R979 000 thousand). The spending on this line item improved slightly, although the underspending trend continued from the 3rd quarter. During the 3rd quarter, the processing of invoices for LTSM was still in progress, although the funds were already committed. In the 4th quarter the underspending was mainly due to the unspent training budget under HRD sub-programme. The Department indicated that they will forge partnerships with relevant Universities to develop training programmes that will accommodate training needs for teachers in the Special and Inclusive schools.

PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

The programme provides Early Childhood Education (ECD) services at Grade R and earlier levels, in accordance with White Paper 5. Expenditure for Programme 5 at 31 December 2015.

Programme 5: Expenditure as at 31 March 2016:

Sub-programmes	Adjusted Appropriation 2015/16 R' 000	Actual Expenditure R'000	% Spent
Grade R in Public Schools	203 369	188 190	92.5%
Grade R in ECD Centres	9 585	10 734	(112%)
Pre-Grade R training	15 856	12 572	79.3%
Human Resource Development (HRD)	1 475	995	67.5%
Conditional Grant	8 742	8 744	100%
Total	239 027	221 235	93%

Programme 5: Expenditure per economic classification

Economic Classification	Adjusted Appropriation R'000	Actual Expenditure R' 000	% Spent
Compensation of Employees	179 240	160 824	90%
Goods and Services	41 460	40 621	98%
Transfers and subsidies	18 327	19 772	(108%)
TOTAL	239 027	221 235	93%

Programme performance: The programme achieved 14 of its 15 planned targets (93%).

Expenditure: Programme budget was adjusted downwards from R268 027 000 to R239 027 000 during the 2015/16 budget adjustment period.

- Total programme budget was underspent by 7% (which included 2% underspending on goods and services and 10% underspending on COE).
- HRD sub-programme: the underspending trend continued from the previous three quarters. Procurement expedited in the 3rd quarter for Level 6 ECD Training and LTSM (orders generated but payments not effected; LTSM not delivered in the 3rd quarter).
- 10% underspending on COE was due to delays in the payment of qualified Grade R practitioners as educators in terms of the EXCO resolution. The Department failed to finalize this process by 31 December 2015. The programme recorded an over achievement of 83 educators compensated (planned to compensate 40 educators but compensated 123 educators). The Department assured the Committee that the extra 83 educators were budgeted for as per the approved EXCO memorandum, which states that qualified practitioners must be appointed as Post Level 1 Educators.

The following matters were emphasized in Programme 5:

Programme Improvement Plan

During the 2015/16 financial year, especially in the 3rd quarter deliberations, the Committee welcomed the Department's indication that they had developed an improvement plan for Programme 5, with clear time lines and responsibilities. Under achievement in specific areas (Procurement of Learner Support Material and Compensation of employees) had been identified and prioritized. The Department expected a significantly improved performance in Programme 5 as from the next financial year 2016/17.

In the progress report on the 3rd quarter House Resolutions, the Department reported that 1 085 ECD schools and 500 ECD centres were identified to receive LTSM for the 2016/17 financial year - R17 million was allocated for procurement.

Compensation of employees: 170 qualifying Grade R practitioners with ECD NQF Level 6 were appointed as educators and remunerated for services rendered in facilitating Grade R programmes in schools with effect from 01 July 2015. The Department further reported that this process is ongoing and continues to update the database of converting practitioners into Grade R educators as and when they meet the appointment requirements.

ECD Policy

During the 2015/16 financial year, the Committee had tracked the finalization of the ECD Policy and its approval by Cabinet. By the end of the 4th quarter there was still no progress reported on the status of the policy. The Committee noted with concern that the 2nd quarter House Resolution

that the Department must finalize the ECD Policy and ensure that it is approved by Cabinet for implementation by the end of the financial year 2015/16, was not implemented.

PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

The programme is responsible for the provision and maintenance of infrastructure facilities of the Department in compliance with the Minimum Norms and Standards Implementation plan.

Programme Expenditure as at 31 March 2016:

Sub-programmes	Adjusted Appropriation R' 000	Expenditure R' 000	% Spent
Administration	46 941	12 066	25.7%
Public Ordinary Schools	941 545	990 870	(105.2%)
Special Schools	121 908	11 491	9.4%
Early Childhood Development (ECD)	7 028	27 201	(387%)
Total	1 117 422	1 041 628	93.2%

Programme expenditure per economic classification

Economic Classification	Adjusted Appropriation R'000	Actual Expenditure R' 000	% Spent
Compensation of Employees	26 000	12 587	48.4%
Goods and Services	100 622	83 194	82.7%
Payment for Capital Assets	990 800	945 847	95.5%
TOTAL	1 117 422	1 041 628	93.2%

Programme Performance:

- Programme 6 was identified as a poor performing programme in 2015/16 financial year.
- The programme had 13 targets reflected in the 4th quarter report, of which six (6) were sector targets to be reported on at the end of the financial year.
- Of the remaining seven (7) targets for the 4th quarter, only two (2) were achieved (29% performance). This does not tally with the reported 93.2% of the budget spent.
- The late appointment of contractors for the basic services projects had led to late commencement of the projects. These were the main reported factors that had led to the significant underspending on infrastructure for most of the 2015/16 financial year.

The Hon MEC had explained to the Committee that the reason for the poor performance on planned targets and budget expenditure in Programme 6 was that the Department was compelled to put infrastructure delivery on hold in order to implement the national Norms and

Standards for Basic Services (mainly water, sanitation and electricity) thereby ensuring that all schools in the Province have basic services by 31 December 2016.

Expenditure:

- Programme budget was adjusted upwards from R960 422 000.00 to R1 117 422 000 during the 2015/16 budget adjustment period. Spending at the end of the 4th quarter was R1 041 628 000 which translates to 93.2% of the budget spent (6.8% under-spent).
- **The economic classification line items reflected an underspending:**
- **Compensation of Employees:** 51.6% underspending due to the delay in filling of posts;
- **Goods and Services:** 17.3% underspending due to slow expenditure caused by various challenges including late start of sanitation projects, inconsistent project spending and payment processing delays due to slow submission of invoices by service providers.
- **Payment for Capital Assets:** 4.5% underspending; however the spending had improved significantly by the end of the 4th quarter, with the rollout of more basic services projects and other projects and the ensuing processed payments to the appointed contractors.

It was further reported by the Department that the following factors had contributed to the under-performance on Programme 6 in the 2015/16 FY:

- Long process of re-capturing of orders on the system led to payment delays that resulted in accruals. It was however reported that the accruals were cleared up by February 2016.
- Slow spending on the two major projects: Steve Tshwete Boarding School and the Basic Services programme, which were allocated 41% of the infrastructure budget. The slow spending in these two projects improved only in the 3rd and 4th quarters.

The Committee asked the Department to provide a costed breakdown of the total number of planned infrastructure projects for the 2015/16 financial year. The table below refers:

Project	No. of Projects	Allocation R'000	Expenditure
Maintenance and Repairs	13	R 78 771 999	R 56 200 552
New and Replacement Schools	33	R 651 813 616	R 679 210 721
Rehabilitation, Renovation & Refurbishment	6	R 110 358 000	R 29 941 031
Upgrades and Additions	98	R 230 941 390	R 252 230 054
Infrastructure Transfer – Current	1	R 45 537 000	R 23 445 894
TOTAL	151	R 1 055 265 269	R 1 041 028 252

By the end of the 4th quarter, the Department reported that the following intervention measures to improve programme 6 performance were in place:

- A conditioning assessment was to be conducted on Education Infrastructure Facilities to update inaccurate source information from the Education Infrastructure Facilities Management System (EIFMS); this had caused inaccurate project planning in the past, resulting in delays in project completion.
- Monthly Project Operation Management Meetings (**POMM**) were taking place, which the Department attended and was able to express its dissatisfaction or appreciation with the implementing agent (Department of Public Works, Roads and Transport) and to make inputs to the infrastructure delivery processes.

Filling of the 38 DORA funded posts for the Physical Resources Directorate

During the financial year 2015/16, the Committee urged the Department to improve the capacity of Programme 6 and strengthen its monitoring of the procurement processes so that service delivery would not be compromised.

As at 15 March 2016, it was reported by the Department that an amount of R32.9 million which was allocated to programme 6 for Compensation of Employees (COE) could not be used due to the non-approval of the organogram for the DORA (Division of Revenue Act) funded posts.

- However, the progress reports on the 3rd quarter House Resolutions indicated that the revised organizational structure for the Chief Directorate: Physical Resources and Facilities Management was approved on 10 December 2015; approval was granted by the Executive Council on 18 January 2016 to advertise and fill the posts.
- It was reported that a total of 38 DoRA (Division of Revenue Act) funded posts were advertised on 07 February 2016 with a closing date of 25 February 2016.
- Profiling of all the advertised posts was completed on 11 March 2016 and interviews for the SMS posts and short listing meetings for the MMS level posts were scheduled for 17 and 18 March 2016. The Department had planned to complete all selection process for these posts by the end of April 2016.

PROGRESS REPORTS ON INFRASTRUCTURE PROJECTS

The 3rd quarter House Resolutions progress report reflected as follows at 06 June 2016:

- (a) Mogalitwa Primary School (New Klarinet):** the school was at 100% completion; operationalized with mobile classrooms in the 2nd term of the 2016 school year.

(b) Mkhuhlu Secondary School: the contractor for basic services Phase 1 (fencing and bulk services) was appointed. Mobile classrooms were procured but delivery was awaited upon finalization of bulk services. The school was to be operationalized in the 3rd term of the 2016 school year. (2nd quarter of the financial year 2016/17).

(c) Vezikgono Secondary School: the site was handed over to the contractor on 17 May 2016 for Phase 2 (school facilities). Mobile classrooms were procured but delivery was awaited upon finalization of the bulk services. The school is to be operationalized in the 1st term of the 2017 school year (4th quarter of the financial year 2016/17).

(d) Trichardsfontein Primary School and Ilanga (Bosfontein) Secondary School were already operationalized through mobile classrooms as at 06 June 2016.

(e) Mugidi Primary School

The Committee has raised its concerns numerous times about when this school will be built, as it was promised to the community in the 2011/12 financial year. The Department explained that mega infrastructure projects such as Mugidi Primary School had to be re-prioritized to the outer financial years due to the re-alignment of the Departmental plans to implement the Norms and Standards for Basic Services as pronounced by the Minister for Basic Education.

The Department reported that an amount of R1 059 306.00 was allocated to Mugidi Primary School for planning in the 2016/17 financial year and a further R19 541 822.00 for implementation of a multi-year project in 2017/18 and 2018/19 financial years.

(f) Murei Primary School (Chochocho village, Bushbuckridge Local Municipality)

This matter was brought to the attention of the Department as the school was drawing unpurified water from the nearby rivulet for drinking and cooking purposes. According to the Department, the school has a municipal water connection which did not supply sufficient water regularly; hence the school had to draw water from the nearby furrow to supply their tanks.

The Department informed the Committee that the water supply upgrade project was on-going (at 50%) and scheduled for completion by the end of June 2016. A commitment was made by the Department that the school will be provided with water during the 2015/16 financial year, as part of the Basic Services programme. In the interim though, the school was advised to approach the local municipality to seek assistance with water supply from the municipal water tankers.

(g) Tekwane North Combined School

The Department reported that the classrooms were partially ready for occupation; however there was no water and electricity supply. Challenges with the municipal water and sewer connections were reported and the Department was to provide a temporary water supply while resolving the challenges with the Mbombela Local Municipality. The Department made a commitment that the school would be operationalized in the 2nd term of the 2016 school year (from 06 April 2016).

(h) Kurhula (Huttington) Secondary School

- 12 mobile classrooms were procured to operationalize the school;
- Palisade fencing was completed;
- Basic services were in place (borehole water) and eight (8) toilets were donated by Africa Foundation in line with the existing partnership with the Department.

(i) Operationalization of the ECD Institute (ECDI)

Phase 1 of the ECDI, which is situated in the Bohlabela District of the Department of Education, is currently operational. Phase 1 renovations were reportedly completed and Phase 2 (construction of the Grade R centre) was underway as at 15 March 2016.

(j) Maintenance Works at Bohlabela, Gert Sibande and Nkangala District Offices

Bohlabela district was allocated R5.2 million in the 2015/16 financial year for renovations of the district office and recapitalisation of the circuit offices. The Department reported on 15 March 2016 that the funds had been allocated too late, just before the 2015/16 financial year end.

Therefore, as at 15 March 2016 the District was reportedly still trying to secure term contractors through the Department of Public Works, Roads and Transport, so as to commit some of the funds and request a rollover from Provincial Treasury. The Department reported on 15 March 2016 that quotations to the amount of R2 million had been received but not yet committed.

(k) Construction on Portia Shabangu Secondary School (Mbombela Local Municipality)

The metre connection fee has been paid to SembCorp (Silulumanzi). As at 15 March 2016, the contractor was on site connecting the metre for opening the water to be used by the School.

(l) Remedial Works on Khunjuliwe Secondary School (Lekwa Local Municipality)

As at 15 March 2016, the remedial works on the affected structures had not commenced. The Department reported that the matter lies wholly with the Department of Public Works Roads and Transport, which has advertised the tender and is in the process of awarding a contract.

(m) Steve Tshwete Boarding School

The Department reported that physical progress was at 81% completion during the deliberations on 15 March 2016. The project was awarded for a construction period of 12 months (from 19 August 2015 to 19 August 2016) for construction of 28 classrooms, Administration block, Library, Computer Laboratory, Science Laboratory, Ablution blocks, Boys and Girls Dormitories, Grade R Centre and Accommodation, Sports Grounds and Change rooms. Thus, until 19 August 2016 the project was still within the contract period.

The following was also reported on this boarding school:

- The contractor revised the practical completion date from 31 March 2016 to 30 April 2016; hence the boarding school was to be operational between April – June 2016.
- The project had allocations in both the 2015/16 and 2016/17 financial years as per the project implementation plan. Expenditure on the project was in line with these allocations, hence accruals were catered for. A school management plan was in place; consultations with parents regarding relocating of the children.

PROGRAMME 7: EXAMINATIONS AND EDUCATION SERVICES

The programme exists to provide training, support and effective skills development programmes towards improving human capital capacity for the Province.

Programme 7: Expenditure as at 31 March 2016:

Sub-programmes	Adjusted Appropriation R' 000	Expenditure R' 000	% Spent
Payment to SETA	37 350	37 350	100%
Professional Services	7 924	5 521	69.7%
External Examinations	156 443	157 255	100.5%
Special Projects	330 250	336 781	(102%)
Conditional Grants	19 631	18 365	93.6%
Total	551 598	555 272	(100.7%)

Programme 7: Expenditure per economic classification

Economic Classification	Adjusted Appropriation R' 000	Actual Expenditure R' 000	% Spent
Compensation of Employees	102 214	101 167	99%
Goods and Services	104 212	109 086	(104.7%)
Transfers and subsidies	344 022	344 403	(100.1%)
Payment for Capital Assets	1 150	616	53.6%
TOTAL	551 598	555 272	(100.7%)

Programme Performance: The programme had 65 planned targets for the 4th quarter of which 62 were reported on. Out of the 62 reported targets, the Department achieved 42 targets (69% performance). The 100.7% programme spending did not tally with the 69% of targets achieved.

Expenditure:

- The programme budget was adjusted upwards from R535, 148, 000 to R551, 598, 000 during the 2015/16 budget adjustment period. However, the overspending trend continued throughout all quarters.
- Special Projects sub-programme overspent by R6, 531, 000 at the end of the 4th quarter.
- **Goods and Services** overspent by 4.7% due to sub-programme Public External Examination overspending on printing of ANA instruments and ABET level 4 question papers. The overspending trend continued from the 3rd quarter (3% overspending). Department had indicated that an amount of R11, 500, 000 had been spent in the 3rd quarter on printing of ANA instruments.
- The Department submitted the claim to Department of Basic Education (DBE) of which R8, 842, 535.59 had already been re-imbursed.

The Department reported that the expenditure for goods and services was corrected during the final virements and it was recorded to be at 98.7%

- **Transfers and Subsidies** expenditure was normalized at 100.1% by the end of the 4th quarter. The item had reflected as overspending during the 3rd quarter due to the transfer payment made to the MRTT.
- **Payments of capital assets:** The Department reported that the expenditure on payment of capital assets was corrected during the final virements, when it was recorded to be at 95.4%. The under expenditure was as a result of the Office Furniture Orders which were not delivered by 31 March 2016. The funds had since been added to the roll-over request for the payment of capital assets.

The following matters were emphasized in Programme 7:

Annual National Assessment (ANA)

The Committee tracked the Department's administration of the ANA throughout the 2015/16 financial year. It was noted that the Department could not administer ANA 2015 in all schools as scheduled due to resistance by teacher unions; most teachers were prevented from participating in the assessment despite the Department's delivery of question papers to circuit offices.

In response to the 2nd quarter House Resolution, the Department submitted a report on the Department's preparations for administering the 2015 Annual National Assessment (ANA). It also indicated the interventions that were put in place to address the challenges experienced in 2015 in order to ensure smooth administration of the 2016 ANA.

The Department was asked to clarify whether the allocation for printing of ANA question papers was recouped from the national Department of Basic Education (DBE) or not. According to the Department's report, the Department filed a claim for R11 379 172 from DBE but DBE indicated that R8, 842, 535.59 will be reimbursed because the R11 379 172 allocation was revised in June 2015 even though the initial allocation was not formally revoked. It was indicated that the DBE had promised to finalise and transfer reimbursement on 16 March 2016.

The Committee noted from the Department's reporting on the 4th quarter, that:

- There are engagements regarding the re-modelling of ANA that were taking place at National level in the Council of Education Ministers (CEM);
- The DBE was engaging organized labour (unions) in the teaching profession in this regard;
- The Province had not received a directive on how to deal with the schools that did not comply with the 2015 ANA process. The Department has however, taken a non-confrontational stance against non-compliant schools in order to protect the core business of the Department, which is curriculum delivery.
- For the 2016/17 FY, the Province will use the year end Maths and Languages results to inform the Learner Improvement Plan for 2016 until the ANA matter is resolved nationally.

Special projects: Artisan Development programme

The main project tracked in the 2015/16 financial year in this sub-programme was the Hydra-Arc and MRTT skills development programme being implemented at the Mshiniwami Training Academy in Secunda, Gert Sibande District.

The Academy is implementing the pronouncement of the Hon Premier in his 2015 State of the Province Address that 1 000 learners (per year) from historically disadvantaged backgrounds would be trained and skilled in an artisan development programme. The ultimate aim is to have 5 000 trained artisans by the year 2020. The Academy entails networking with other training institutions in the Province and bringing big businesses on board to provide experiential field training and eventually job placement.

The Committee conducted its first visit to the Mshiniwami Training Academy at Hydra-Arc on 27 May 2016 and interacted with MRTT, Hydra-Arc, the local municipality, SASOL Secunda, Office of the Premier and TVET colleges.

The Committee report in this regard elaborates on the details of the progress at the Academy, which the Committee was impressed with, despite noting the operational challenges that were being experienced by the students and the Academy. The Committee noted that the Hon MEC for Education was addressing the challenges together with MRTT and the Office of the Premier.

North West University (NWU) training programme

The Committee noted during the 3rd and 4th quarters of the 2015/16 financial year that one of the Department's training providers for the upgrading of qualifications for Grade R practitioners would be the NWU which will provide training for ECD practitioners on NQF Level 1, 4, 5 and 6.

7. FINDINGS

The Committee considered the 4th quarterly performance report of the Department and made the following findings:

- 7.1. The Department developed and put in place District plans to implement the Provincial Intervention Plan for primary and secondary schools to address gaps which were identified in the 2015 end of year results.
- 7.2. During the review of the Department's 4th quarter report, it was noted that only 166 of the identified 334 basic services projects could be completed by the target date of 31 December 2016, mainly due to the slow appointment of contractors.
- 7.3. By the end of the 4th quarter, the Department was in the process of procuring and delivering mobile classrooms to Mogalitwa (New Klarinet) Primary School, Vezigkono Secondary School and Mkhuhlu Secondary School.
- 7.4. By the end of the 4th quarter, the Shongwe Boarding School was operational but the Early Childhood Development (ECD) centre was not completed. The Department reported that a school management plan was put in place to ensure the smooth relocation of children.
- 7.5. Construction on Mugidi Primary School could not commence in 2015/16 FY due to the re-alignment of the Departmental plans to implement the Norms and Standards for basic

services. However, R1, 059, 306 was allocated for planning in 2016/17 FY and R19, 541, 822 for implementation of a multi-year project in 2017/18 and 2018/19 FY.

- 7.6. By the end of the 4th quarter, the Department had put a management plan in place to address the admission policy challenges that were encountered at the Hoër Tegniese Skool (HTS) Middelburg in Steve Tshwete Local Municipality during the 2015/16 financial year.
- 7.7. In relation to the CEFUPS court case, by the end of the 4th quarter of the 2015/16 financial year, the Department was seeking legal advice to review Regulation 7 of the South African Schools Act, 1996 because in its current form, the regulation is not strong enough to allow the Department to close any independent school.
- 7.8. Programme 4 Public Special Schools experienced the following challenges in 2015/16 FY:
 - Continuous deferring of HRD targets (special education training needs for educators);
 - Delayed procurement and delivery of LTSM (committed funds but delivery in progress);
 - Non-finalization of recruitment processes for vacant funded posts.
- 7.9. The Department developed an improvement plan for Programme 5 Early Childhood Development to address the areas of non-performance in the 2015/16 financial year.
- 7.10. The Department did not finalize recruitment processes to fill 38 DoRA (Division of Revenue Act) funded posts in the 2015/16 FY for Programme 6 Infrastructure Development.
- 7.11. By the end of the 4th quarter, the Department reported that there were engagements taking place at National level in the Council of Education Ministers (CEM) regarding the re-modelling of the Annual National Assessment (ANA).

8. RECOMMENDATIONS

Based on the findings above, the Committee recommended that the Department must:

- 8.1. Monitor the implementation of the Provincial Intervention Plan in the districts and ensure that relevant measures are put in place to address the identified gaps in terms of academic performance of learners.
- 8.2. Ensure that the 166 basic services projects are completed by 31 December 2016. Submit a progress report by 31 October 2016 on measures the Department has put in place to address the challenges experienced to date in implementing the basic services projects.

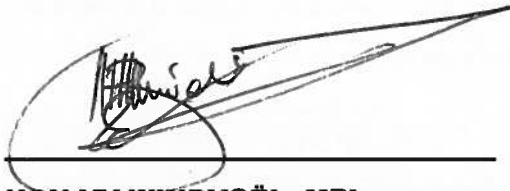
- 8.3. Ensure that all mobile classrooms are delivered timeously as per the Department's plan. Provide progress by 31 October 2016 on schools where these structures were delivered.
- 8.4. Submit a progress report by 31 October 2016 on the Shongwe Boarding School, indicating progress on the ECD centre, overall state of infrastructure and the school's operationality.
- 8.5. Ensure that construction on Mugidi Primary School commences in the 2017/18 financial year, as planned by the Department.
- 8.6. Submit a progress report by 31 October 2016 on the Department's plans to strengthen its schools admission policy to ensure that no school in the province denies access to any child based on language, race or financial status. The report must include progress on the management plan that was put in place for Hoër Tegniese Skool (HTS) Middelburg in Steve Tshwete Local Municipality in the 2015/16 FY.
- 8.7. Update the Committee by 31 October 2016 on the CEFUPS court case and the outcome of the legal opinion to review Regulation 7 of the South African Schools Act, 1996 in relation to intervening at independent schools based on corporal punishment allegations.
- 8.8. Develop an improvement plan for Programme 4 Public Special Schools to effectively address the challenges experienced in 2015/16 financial year. Provide a progress report by 31 October 2016 on measures in place to address these unmet 2015/16 targets.
- 8.9. Submit a progress report by 31 October 2016 on the implementation of the plan that was developed to improve Programme 5 Early Childhood Development.
- 8.10. Fast track recruitment processes to fill the 38 DORA (Division of Revenue Act, 2015) funded posts in Programme 6 Infrastructure Development (Physical Resources Chief Directorate). Provide a progress report by 31 October 2016, indicating why the DORA funding was not used as per the 2015/16 allocation and consequence management steps taken to address the non-performance.
- 8.11. Update the Committee on the re-modelling of the Annual National Assessment (ANA).

9. CONCLUSION

The Chairperson would like to thank the Honourable Committee Members for their constructive input during the consideration of the Department of Education's 4th quarterly performance report for the 2015/16 financial year. The Committee support staff was also appreciated for the assistance provided to the Committee.

The Department's comprehensive responses to the Committee's questions on the 4th quarterly performance report were appreciated.

The Chairperson requests the House to adopt this Committee report with its findings and recommendations. The Department is requested to implement the House Resolutions herein and submit a progress report to the Legislature before 31 October 2016.



HON. VV WINDVOËL, MPL

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
EDUCATION; CULTURE, SPORT AND RECREATION**

12/10/2016
DATE