

REPORT OF THE PORTFOLIO COMMITTEE ON EDUCATION; CULTURE, SPORT AND RECREATION ON THE 4TH QUARTERLY REPORT OF THE DEPARTMENT OF EDUCATION 2014/15

1. INTRODUCTION

Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature states that provincial departments must table quarterly reports in the Legislature. The responsible Member of the Executive Council must table the quarterly report of the department to the Speaker, within 30 calendar days after the end of a quarter.

The Committee considered the 4th quarterly report of the Department of Education (the department) for the 2014/15 financial year, reporting period **January – March 2015**. Interaction with the department was aimed at assessing the department's performance for the quarter, within the context of its 2014/15 Annual Performance Plan (APP) as approved by the Committee, the Mpumalanga Appropriation Bill, 2014 and Adjusted Appropriation Bill, 2014.

2. METHOD OF WORK

The Honourable Speaker referred the 4th quarterly report of the Department of Education to the Committee for consideration and report back to the House.

On 21 July 2015 the Committee was briefed by the researcher on the 4th quarterly report of the department. The Committee interacted with the research analysis and resolved on the key concerns to be raised with the department during the deliberations, which were held on 30 July 2015. The analysis questions were sent to the department and the written responses thereto were submitted to the Legislature on 12 August 2015, together with the responses to the questions raised by the Committee during the deliberations.

The Head of Department (HOD) led the delegation from the department, in the absence of the Honourable MEC. The HOD was accompanied by her senior management team. Provincial Treasury and the Office of the Auditor-General were invited to the meeting, but only Provincial Treasury attended. The Committee considered and adopted its report on 13 August 2015.

4. GENERAL OBSERVATIONS

The Committee made the following general observations:

- a. The Hon MEC MR Mhaule had planned to attend the Committee deliberations on the 4th quarterly reports of the department and the MRTT but due to the unforeseen circumstance of bereavement in her family, she had to submit an apology to the Committee. The Committee accepted the apology and that the HOD, Ms MOC Mhlabane would lead the delegation to present the 4th quarter performance of the department. The HOD also attended the meeting with the MRTT.
- b. The 4th quarterly report was neatly packaged and correctly tabled by the Hon MEC on 23 April 2015, in accordance with the PFMA, within 30 days after the end of the 4th quarter. The report complied with the National Treasury reporting format for quarterly reports.
- c. The Committee interacted with the HOD on the 4th quarter dashboard report and the 4th quarterly departmental report. Initially the 4th quarter dashboard report was not tabled with the 4th quarterly departmental report, as per the 3rd quarter House Resolution. A written reminder was sent to the department requesting the tabling of the 4th quarter dashboard; the department complied by tabling the dashboard report on 30 July 2015. The Committee urged the department to always table the two reports together, which will allow the Committee to analyse both documents as one.
- d. The department achieved **178 out of the 237 planned quarterly targets** and this translates to **75% achievement of targets**, against **98% of the budget spent** for the 2014/15 financial year.
- e. The department has a good working relationship with the Office of the Auditor-General (AG). Earlier on the day of the Committee's deliberations with the department on the 4th quarterly report, the department had been in a meeting with the AG to discuss the audit findings for the department. **The Committee continues to support the department in its quest to obtain a clean audit for the 2014/15 financial year.**
- f. The department tabled a progress report on the 3rd quarterly report House Resolutions. The report clearly indicated the department's interventions to effectively address the

regularly cited reasons for variance from planned targets and strategies to improve alignment of outputs with planned targets, per programme. Two strategies noted were **school improvement plans** in all districts to improve learner performance and the **backlog eradication strategy** to improve infrastructure delivery.

- g. Officials doing business with other government departments and state institutions is still a challenge facing the department. This matter was a serious audit enquiry, which stands in the way of a clean audit. Currently the department is in process of implementing a number of strategies to curb this practice, including a system that can trace these officials. The Public Administration Management Act is being implemented, which prohibits employees appointed by the State to do business with the State.
- h. Another issue raised by the AG is the department's immovable assets, which relates to the huge infrastructure backlog of the department.

5. OBSERVATIONS ON THE BUDGET EXPENDITURE

The 4th quarterly expenditure of the department per service delivery programmes 1-9:

Programme Name	2014/15 Adjusted Appropriation	Expenditure at 31 March 2015	% spent
1. Administration	1 134 831	1 171 587	103%
2. Public Ordinary Schools	13 028 104	12 949 747	99%
3. Independent Schools	18 000	16 342	91%
4. Public Special Schools	221 661	217 189	98%
5. Further Education and Training	241 823	240 673	99.5%
6. Adult Basic Education and Training	148 342	143 472	97%
7. Early Childhood Development	187 802	176 902	94%
8. Infrastructure Development	1 041 033	779 999	75%
9. Auxiliary and Associated Services	241 769	273 912	113%
TOTAL	16 263 365	15 969 823	98%

The following observations were made on the 4th quarterly budget expenditure:

- a. As at 31 March 2015, the department had spent R 15 969 823.00 which was 98% of the 2014/15 adjusted budget allocation of R16 263 365.00.
- b. The overall expenditure per programme indicates that Programme 1 overspent by 3% (103% spent) while programmes 2, 4, 5 and 6 underspent by not more than 3%. Programme 3 underspent by 9% (91% spent) and Programme 7 underspent by 6% (94% spent); Programme 8 underspent by 25% (75% spent) and Programme 9 overspent by 13% (113% spent).
- c. In the progress report on the 3rd quarter House Resolutions, the department explained that measures were taken to stabilize the expenditure in each programme, to be in line with the provincial Treasury benchmark guidelines for quarterly expenditure and improve service delivery.

Below is a comparative overview of the expenditure per Economic Classification across all four quarters of the 2014/15 financial year:

Table 2

Economic classification	2014/15 Budget R' 000	Adjusted Appropriation R'000	Reported Expenditure 2014/15 R' 000				% Expenditure 31/03/2015
			Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Compensation of employees	12 733 191	12 687 862	3 132 854	6 243 867	9 419 271	12 575 645	99%
Goods and services	1 470 212	1 523 443	386 827	637 125	1 106 313	1 601 282	104%
Transfers and subsidies	974 991	1 008 524	399 935	731 928	949 878	1 012 804	100.4%
Payment for capital assets	924 437	1 043 536	235 813	392 815	570 469	780 092	76%
Total	16 102 831	16 263 365	4 155 429	8 005 734	12 045 931	15 969 823	98%

The 4th quarter expenditure pattern per economic classification item was erratic, with 4% overspending on goods and services and 14% underspending on payment for capital assets.

Slow spending on infrastructure projects resulted in low expenditure on payment for capital assets; the trend had continued from the 3rd quarter (55%) to 76% in the 4th quarter.

6. EXPENDITURE ON CONDITIONAL GRANTS

The department reported on 2014/15 conditional grants expenditure as at 31 March 2015:

Conditional Grant	Main Budget 2014/15	Actual spent at 31/03/2015	Under/Over expenditure
	R'000	R'000	%
HIV/AIDS	19 404	19 404	100%
NSNP	524 913	528 951	98%
Technical Secondary Schools	28 682	21 474	75%
Infrastructure Development	623 602	623 381	100%
FET colleges	140 989	140 989	100%
Dinaledi Schools	10 228	6 477	63%
OSD for Therapists	1 072	1 072	100%
Social Sector EPWP	6 312	5 889	93%
EPWP Programme integrated	3 340	3 336	99.9%
TOTAL	1 358 542	1 350 973	98%

- a. It was commended that the Social Sector EPWP grant was at 93% spent.
- b. Continuous underspending on conditional grants was a challenge in the financial year 2014/15, especially the Dinaledi Schools grant (63%) and Technical Secondary Schools grant (75%). Since the 2nd quarter the department had acknowledged the Committee's concerns regarding the slow spending on conditional grants and had assured the Committee that as per projections from October 2014 – March 2015, they expected to break even in grants' expenditure by the end of the financial year 2014/15. However, this did not happen by the end of the 4th quarter.
- c. The department explained to the Committee that the drastic under spending on Technical Secondary Schools was due to a delay in appointment of the PMU, which delayed the appointment of contractors by the implementing agent (DPWRT). Subsequently this delayed the procurement of resources for building and renovation of laboratories at six (6) schools and workshops in four (4) technical schools. The

department reported that the procurement was effected in November 2014 and as at 31 March 2015, construction was underway.

- d. The department further explained that to avoid recurrence of under spending, the DPWRT would be engaged to submit completion certificates for payments in the 4th quarter and all payments for procurement would be done in the 4th quarter.
- e. The OSD for Therapists grant was 100% spent and the Committee commended this improvement; in the past the department had repeatedly misallocated amounts, which had to be corrected by journals.

7. INTERACTION WITH THE DEPARTMENT ON THE PROGRAMME PERFORMANCE

The Committee interacted with the department on programmes 1-9 and raised clarity-seeking questions. The Committee requested the department to submit written responses to all the questions by 06 August 2015.

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. The Committee made the following observations on Programme 1:

- a. Expenditure on the programme as at 31 March 2015 was 103% (3% over its annual budget) against 80% achievement of planned targets. Overspending was seen on all economic classification items.
- b. The department reported that the 3% over-expenditure was corrected by the final virements at the end of the financial year. It was presented to the Committee that the programme overspent due to the cut on compensation of employees during the adjustment budget to fund the provincial priorities. The high resignation rate of employees from the public sector had contributed to the over-expenditure on transfers and subsidies emanating from payment of leave gratuities. Final expenditure on this programme was reported by the department as 99.8%.

- c. The performance on targets over quarters 2-4 fluctuated from 88%, 57% and 80% respectively.
- d. The Committee questioned the department as to why the sub-programmes Office of the MEC, Human Resource Development and EMIS underspend by 18%, 20% and 8% respectively. It was reported by the department that the under-spending on Human Resource Development was a result of training activities which were reprioritised for the following financial year. HRM personnel were in busy with Performance Management Development System (PMDS) and in preparation for auditing activities. Hence, their training schedule was deferred to August 2015. The under-spending on Compensation of Employees (COE) in the Office of the MEC and was due to the funded vacant positions which were not filled at the time.
- e. The department recovered 2.3% of R58 075 450.58 (R2 900 000.00) as opposed to the 5.5% of R58 075 450.58 (R1 3000 000.00) was recovered in the 4th quarter out of the 5.5% planned). The department explained that most of the debts were old and were recommended to be written off. The department acquired a tracing system was acquired, which will assist to improve the recovery of debts by tracing debtors.
- f. The department reported a total amount of R37 087 358.16 debts at the end of the 2014/15 financial year and R26 733 060 bad debts written off during the 2014/15 financial year.
- g. **Progress on litigations:** The department has a long standing backlog and during the 3rd quarter report deliberations the department reported that they were in the process of assessing which cases would be sent to the firms and which ones would remain with the department.
- h. **Performance Management Development System: the Committee's** observation has been that even Managers were not hands on with PMDS compliance of their subordinates. Managers were instructed to enforce consequence management against non-compliant subordinates. Senior managers who failed to implement PMDS effectively would be subject to consequence management by the Accounting Officer. The department assured the Committee that PMDS issues will remain a standing item in all

Senior Management meetings and Senior Managers will give feedback on PMDS management in their components, as a way of strengthening accountability.

- i. **Risk management unit:** the Committee's observation had been that the unit could not fully serve as an early warning system as it had operated with only one warm body for quarters 1-2. However, in quarter 3, two (2) officials were appointed, which should enhance capacity within the unit.

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 White Paper on inclusive education. The following observations were made by the Committee on the programme:

Programme expenditure and performance on planned targets: Expenditure on the programme as at 31 March 2015 was 99%. Out of 103 planned targets, the department only reported on 77 targets, of which 57 targets were achieved (74% performance on targets). It was observed that 26 targets were not reported on at all and 20 targets were not achieved. The Committee advised that programme 2 is a core service delivery programme that affects school learners and must therefore work much harder to meet its set targets.

The Committee indicated to the department that it appeared there was a mismatch of targets achieved versus budget spent. The Committee noted that the department had diverted funds to other key areas such as LTSM and School Governing Body elections; the department was urged to ensure that the proper procedures were followed to shift funds in this case.

Goods and services was overspent by 4% and transfers and subsidies was overspent by 2%. The department explained that the 4% overspending was due to the new supplier of stationery to schools as the cost of the stationery and creative arts resources which the department provided for the first time to schools in support of CAPS implementation, exceeded the allocated budget.

The 2% overspending on transfers and subsidies was reportedly due to the increased number of educators resigning from the system, causing leave gratuities to be paid out. The

department assured the Committee that virements at the end of the 2014/15 financial year were effected to address all over/under spending.

The Committee noted that expenditure on Capital Assets was at 60% for the 4th quarter, reportedly due to the delayed appointment of contractors for the development of infrastructure (laboratories and workshops) in the identified schools supported through the Dinaledi and the Technical High Schools conditional grants.

Unachieved targets: Regarding the 26 planned targets that were not reported on for the 4th quarter, the department informed the Committee that no activities were planned for these.

It was further explained that the 20 unachieved targets in the main related to the development of educators. For a number of previous years the department would enroll educators on the Advanced Certificate in Education. In 2014 the Sector decided to discontinue the qualification and developed a new qualification, the Advanced Diploma in Education. This qualification was not approved in time to enable the registration of students. The Department of Higher Education and Training (DHET) indicated that the qualification will be finalized by June 2015. Selected educators will be registered on the new qualification once approved. The department continues to support these teachers with short courses and workshops to improve their competence and knowledge base.

Representative Council of Learners (RCL) development: RCL members in 528 schools were not elected and 1 980 RCL members were not capacitated on their roles and responsibilities. This was reportedly due to non-availability of funds as the department re-prioritized its budget to ensure that the mandatory SGB elections could be conducted. The Committee pointed out to the department that the development of RCL members could be done at school level facilitated by the principal and the teacher liaison officer (TLO) instead of needing a special budget.

Learner enrolment: The department had planned to have 12 800 learners enrolled in public ordinary schools, but only 7 948 learners were enrolled by the end of the 4th quarter. This was reportedly due to limited capacity of professional specialists for assessment on a wide range of barriers to learning.

Disabled learners attending public ordinary schools: The Committee asked the department whether parents and SGB's were aware that public ordinary schools also catered

for learners with special education needs. It was noted that all learners who require mild levels of support are admitted in Public Ordinary Schools. Furthermore, the department indicated that it runs regular campaigns on getting all children, including the disabled into schools. The Committee was concerned if the schools have the required infrastructure to cater for children with disabilities and if the educators were properly equipped to deal with such learners. The department indicated to the Committee that they are upgrading schools incrementally, but all new schools have accessible physical environments. Teachers are also capacitated incrementally on Diversity in the Classroom, Curriculum Differentiation and Early Identification of Barriers to Learning and Development, to ensure learners receive quality education.

Full Service Schools: The planned target to have 140 full service schools was not achieved. It was reported in the 4th quarter report that two (2) schools were closed due to non-viability. The department confirmed that the schools had not been closed. The schools (Maotole Lower Primary and Setlare Higher Primary in the Bohlabela district) had been combined into one school, which is now called Setlare Primary School and all learners are attending. The department confirmed that all affected stakeholders were consulted between 2010 and 2012, when permission was granted to combine the two schools. According to the department the schools were combined in order to save the parents and the department money, as the two schools were in the same yard, each had their own principal and learners were wearing different uniforms. With the new arrangement, parents only one set of uniform and the department only pays one principal.

The other school, Zikhuphule Primary in Nkangala District, was also not closed. It was actually confused with one ECD Centre which had the same name. The department confirmed to the Committee that verification was made with the EMIS Section of the department that the school is still part of the department's Full Service Schools.

Cleanliness at schools: the Committee raised a concern about uncleanliness at schools. The department reported that only two (2) out of the 47 Schools in the Kanyamazane District were on record as having cleanliness issues. These are the Masihambisane Primary school and the Tiphembeleni Primary School, where the grass is over grown.

Monitoring of learner dropout rates: The Committee noted the department's efforts to monitor learner dropouts in all schools from grades 1-12. The importance of the district

coordination and submission of correct learner information to head office on time was emphasized.

In the event of learners who are repeating a grade, the school is obliged to develop remedial strategies or design special learning systems and give repeating learners special activities, focusing on the deficiencies of various topics of the subjects failed by both repeating and progressing learners. The department made a commitment to monitor learners and support teachers in their remediation strategies; Subject Advisors will monitor the intensity of the special remediation processes in the classroom, ensuring that all learners are progressing.

The Committee noted the achievements of programme 2, but raised a concern about the many reasons for not implementing planned targets. It is advised that the department assess its quarterly targets for this key service delivery programme and ensure that they are SMART and correctly placed in the Annual Performance Plan (APP).

PROGRAMME 3: INDEPENDENT SCHOOLS

The programme supports independent schools in accordance with the SA Schools Act of 1996. The following observations were made by the Committee:

Programme expenditure and performance on planned targets: This programme achieved nine (9) out of 11 planned targets (82% achievement) and spent 91% of its budget. The expenditure on all the economic classification items was low.

The department explained that the targets for payment of subsidies could not be fully achieved, as some schools had forfeited the subsidy, which amounted to a total of R1 657 646.00 for the following reasons:

- Shammah East and Shammah West schools were closed: **R1 105 671.60**
- Laeveld Akademie failed to submit financial statements for 2014: **R74 635.63**
- Barberton Academy failed ANA 2013 and the school changed ownership; audited financial statements could not be submitted. The subsidy amount was **R301 989.60**
- Little Angel School failed ANA 2013; the subsidy amount was **R175 348.80**

The Committee asked the department what measures were taken to ensure that all planned targets are met and that budget is spent accordingly in the new financial year 2015/16. The

department responded that in line with the purpose of the General and Further Education and Training Quality Assurance Act (GENFETQA) to provide for quality assurance in General and Further Education and Training, all 28 subsidized schools will be persuaded to become accredited with Umalusi as an additional measure to ensure generally accepted educational standards are maintained.

It was noted that most independent schools are not yet accredited as they were putting systems and processes in place to ensure compliance. The department informed the Committee that during the 4th quarter (26 February 2015) all independent schools were invited to a quality promotion workshop by Umalusi (supported by the department) to strengthen and support the schools in their application for accreditation.

The Committee also asked the department how it planned to assist Independent schools to conform to the National Norms and Standards for School Funding (NNSF) so that they are able to access the funding. The department assured the Committee that independent schools are continuously monitored and supported in terms of accessing NNSF funding. In addition, the department held meetings with the Provincial Joint Liaison Committee (MPJLC) on 22 April 2015 and 03 June 2015 where matters of policy, regulations and related challenges were addressed. **The department made a commitment to the Committee that schools will be reminded of their responsibility to adhere to the NNSF and the Provincial Regulations in relation to (a) closure of schools and (b) submission of financial statements.**

PROGRAMME 4: PUBLIC SPECIAL SCHOOLS

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

Programme expenditure and performance on planned targets: The expenditure on this programme was 98% at the end of the 4th quarter. In essence the performance on planned targets was 100%, as there were 14 planned targets but only seven (7) were achieved; the other 7 targets were not reported at all in the 4th quarter.

The Committee pointed out that instead of reflecting targets and not reporting on them, the department should rather re-visit the APP and ensure that all targets are SMART and correctly placed in the relevant quarter.

The department acknowledged that programme 4 spent only 15% on the sub-programme Human Resource Development, yet it requires highly specialized people. According to the department, it was difficult to find accredited service providers for the specialty required. Thus the delayed appointing of service providers led to low expenditure on HRD sub-programme. Furthermore the department indicated that these accredited service providers worked all over the country and were not always available at the specific time required by the Province. **However, the department reported that the difficulties had been addressed and the required services will be procured during the 2015/16 financial year.**

The Committee raised a concern that the poor spending on Goods and Services was reportedly due to delays in the procurement of Learning and Teaching Support Material (LTSM). Throughout the 2014/15 financial year, the Committee has stressed the importance of ensuring correct and timeous delivery of LTSM to schools and community based centres.

PROGRAMME 5: FURTHER EDUCATION AND TRAINING

The programme ensures effective implementation of skills development towards improving human capital capacity for the Province. The following observations were made:

Programme expenditure and performance on planned targets: The expenditure on this programme was 99.5% at the end of the 4th quarter. Out of a total of 19 targets, the department achieved 13 targets, which translates to 68% performance on planned targets. The Committee again noted the mismatch between budget spent and targets achieved.

Workplace training: The department confirmed that they had plans in place to improve workplace training opportunities for learners. It was indicated that the Strategic Partnership Directorate, in collaboration with the Premier's Advisors, were working to close these gaps by establishing MOU's with private sector and State-owned entities. The Committee commended the efforts of the department to engage the Department of Co-operative Governance and Traditional Affairs, the Department of Public Service and Administration, as well as SALGA on

initiatives to assist learners with workplace experience. The approval of the Human Resource Development (HRD) Council by the Executive Council would also assist in this regard. Furthermore, the Human Resource planning units of all departments were engaged to prioritize internships that would accommodate interns who were not placed by the department in the 4th quarter. This is in line with the DPSA determination that 5% of the staff complement of a department should be interns.

Mpumalanga Community Education and Training College (MCET): The MCET College was announced by the Minister of Minister of Higher Education and Training (DHET) during the 4th quarter (16 March 2015). The new college was set to start functioning on 01 April 2015, operating from the Nkangala TVET College at C.N. Mahlangu campus. The Committee noted that the MCET College will coordinate the existing AET sites in the province.

PROGRAMME 6: ADULT EDUCATION AND TRAINING (AET)

The programme provides adult education and training (AET) services in accordance with the Adult Basic Education and Training Act (No 52 of 2000), inclusive of the provisions of the AET Amendment Act, 2010. The following observations were made on Programme 6:

Programme expenditure and performance on planned targets: The expenditure for this programme was 97%, which was an improvement from the 3rd quarter spending of 73%. Out of a total of ten (10) targets for the 4th quarter, eight (8) had no planned activities for the quarter. Of the remaining two (2) planned activities the department managed to achieve only one (1) target. This converts in essence to 50% performance on targets.

The department explained to the Committee that there were no activities for 8 of the planned 4th quarter targets as the department was in the process of transferring this programme to the Department of Higher Education and Training (DHET) to assume responsibility for the 2015 Academic year programme. However, the department was still obligated to pay teachers until the end of the financial year. Thus only the activity for payment of teachers was implemented in the 4th quarter.

The department reported that the AET sector has introduced an Amended Senior Certificate (ASC) to accommodate youth that could not complete their Senior Certificate (SC) in previous years. This qualification allows youth above 21 years to register for SC even if they never sat

for this grade previously. This has allowed the majority of these young people, who would have previously gone back to AET to attain a certificate, to rather register for the new ASC qualification. The Committee was informed that the first examination for the ASC was administered in May/June 2015 (1st quarter of 2015/16 financial year).

- **The department acknowledged that they were not satisfied with the performance of programme 6, in terms of the coverage being made to ensure that all youth and adults receive basic education.**

PROGRAMME 7: EARLY CHILDHOOD DEVELOPMENT

The programme provides Early Childhood Education (ECD) services at the Grade R and earlier levels, in accordance with White Paper 5. The following observations on Programme 7:

Programme expenditure and performance on planned targets: The overall expenditure for this programme was 94%. Out of a total of 14 targets, three (3) had no planned activities for the quarter; the programme achieved ten (10) of the remaining 11 activities, which translates to 90.9% achievement on targets.

- The department explained that late submission of invoices caused the 7% underspending on the conditional grant attached to programme 7.
- The expenditure on payment for capital assets was very low, at 4% due to infrastructure related delays. Compensation of employees spent 94% and transfers and subsidies spent 93% reportedly due to staff turnover of nine (9) ECD practitioners who vacated their posts at community-based centres.
- The department explained that the committed funds had been spent but had not been effected on the system. They assured the Committee that correct budgeting had been done. **However, the Committee raised a concern that the practice of not effecting payments on the system has been an ongoing challenge to the department throughout the financial year 2014/15.**
- The department to explain to the Committee that there were no planned activities for three (3) targets in programme because subject advisors are busy monitoring learner

enrolment, attendance and updating practitioner profiles during this time, which is the 1st term of the academic year. Regarding the 2nd target to train practitioners on Curriculum and Policy Statement (CAPS), the department reported that the target was already achieved in quarters 2 and 3.

- The Committee further noted that the one (1) unachieved target for programme 7, the training of 100 practitioners in level 4 through Nkangala FET College, was still work in progress as the service provider was appointed by the College in the 1st quarter of 2014/15. It was further reported that 300 practitioners out of 400 planned were trained on NQF Level 4 on educational stimulation programme by May 2015.
- The department was asked to explain why the spending on training in pre-grade R was only at 32%; the department responded that training funds had been committed but payment was not effected on the system due to training that was still ongoing at the financial year end. Goods and services expenditure was also affected, which was at 19%. **The Committee urged the department to effect payments for training and that the necessary adjustments are made by the finance section.**

Professionalization of the ECD sector: the department has developed a policy proposal which was approved by the Executive Council on 28 May 2015. This will allow for:

- The existing stipend of R5000 per month for all serving grade R practitioners up to 30 June 2015 will be maintained.
- All qualified serving practitioners currently in the employ of the department to be converted to full-time teachers with effect from 01 July 2015.
- To increase the stipend to under qualified practitioners from R5000 to R5500 per month from 01 July 2015, to promote retention of these employees.

Provisioning of LTSM: The Committee had noted during the 3rd quarter that the PMU had been appointed to execute procurement of ECD readers and play equipment to all 350 public ordinary schools and community based centres in the 4th quarter.

Training of practitioners at the ECDI: The Committee supports the imperative need for the operationalization of the training arm of the ECDI, as per the EXCO resolution to

professionalize the ECD practitioner sector, to improve the quality of education stimulation and pastoral care for young children in ECD centres in the Province.

The first phase of the ECDI was to ensure quality provisioning through the training of ECD practitioners which addresses the qualification gaps, as emanating from the findings of the comprehensive audit conducted on provincial ECD centres by the Department of Social Development, which showed that the province has 1624 practitioners in the 0-4 Age Cohort that are unqualified. As a training arm, the ECDI seeks to address the qualification gaps in the 0-4 Age group (Pre-Grade R).

- The Committee noted that the department will enroll practitioners for a National Diploma in Early Childhood Development in the 2015/16 financial year. The Committee also acknowledged all the reported efforts of the department to train practitioners and professionalize the ECD sector.

Staffing at the ECDI: The Committee noted that the Early Childhood Development Institute (ECDI) has the following serious staffing challenges which need to be addressed in the 2015/16 financial year:

- There is no appointed principal at Chief Education Specialist (CES) level to manage the operations of the ECDI and coordinate training programmes.
- No permanent lecturers appointed.
- The hostel needs personnel to supervise the staff; envisaged completion of renovations on the hostel, to include dormitories, was 30 June 2015.
- No management structure appointed to handle and coordinate academic programmes, stakeholder and research endeavours.

ECDI Infrastructure: The Committee noted during the 3rd quarter that renovations had been done on the administration block, lecture halls, kitchen, kitchen equipment, guttering, roofing, ceiling, broken windows, fitting of doors, tiling, painting, plumbing and electrical wiring.

ECD Infrastructure provision: The construction of 12 Grade R facilities was not achieved as planned in the 2014/15 financial year. Only four (4) facilities were completed (Manyeleti, Sesete, Malibongwe and Umlambo) by the end of the 3rd quarter, while one (Malibongwe) was

behind schedule (at 23%) due to termination of service provider's contract and appointment of a new contractor; seven (7) projects were put on hold (Daggakraal, Cana, Esibusisweni, Matikinya, Nwa Macingele, Sinetjudu, Sizenzele and Somlingo).

PROGRAMME 8: INFRASTRUCTURE DEVELOPMENT

The programme provides and maintains infrastructure facilities in the department. The following observations were made by the Committee on programme 8:

- a. The programme expenditure was at 75% at the end of the 4th quarter, which is a considerable underspending of the 2014/15 budget.
- b. Out of 19 planned targets for the 4th quarter, there were no planned activities for five (5) targets. Hence, out of 14 planned targets, the department managed to achieve eight (8) targets (57% performance for the quarter) which is an improvement from the 3rd quarter.
- c. The department acknowledged that service delivery was negatively affected during the 2014/15 financial year due to the unachieved targets and under spending of the budget. However, the department planned to apply for a rollover of the funds to the 2015/16 financial year so that the infrastructure projects can be completed as planned.
- d. **Progress on maintenance at District offices:** Maintenance at Ehlanzeni District Office was completed. Maintenance at Bohlabela, Gert Sibande and Nkangala District Offices have not yet commenced due to delays with verification of scope. The department resolved to allow the implementing agent to conduct scope verification so as to avoid further delay in commencement of the maintenance projects.
- f. **Progress on Khunjuliwe Secondary School:** As at 30 July 2015 the department reported that the implementing agent had provided a technical report on the causes of the structural failure at the school; recommendations on the remedial action and the cost to repair the structural defects amounted to R11.8 million. The department resolved to make available the R11.8 million in 2015/16 financial year so that the remedial work could begin immediately to avoid further damage to the affected block of classrooms at the school. The DPWRT was formally requested to repair the school within that budget. .

- g. Progress on Emakhazeni Boarding School:** The Committee noted that the school was handed over and had begun operations in January 2015. Staff at the school was advised to alert the learners not to drink the water at the sports ground since it was meant for irrigation and not human consumption. Water dispensers were made available in the kitchen and dormitories. Officials had reportedly been trained twice during March 2015 to operate the kitchen and laundry. As at 03 June 2015, procurement of fencing to separate the male and female dormitories was reportedly underway.
- h. Progress at Portia Shabangu Secondary School (Tekwane South):** the Committee requested an update on the progress on electrifying and installing water at the school, given that there were already learners on site. The department reported as at 11 August 2015 that electricity was installed at the school. The school was to be provided with water from a municipal connection, but since no municipal water was available in the close vicinity of the school, it necessitated that more budget is required for installation of pipelines to the bulk municipal supply. The department is awaiting a revised variation order from the implementing agent. The contractor temporarily provides water to the school by means of Jo-Jo tanks.:
- i. Progress on Technical Secondary Schools planned for 2014/15 financial year:** The Committee asked the department to explain what had led to the delay in the appointment of contractors at the four (4) planned technical secondary schools Hazyview, Zinikeleni, Highveld comprehensive and DD Mabuza. The department responded that the delay was caused by the delays in the procurement process of the implementing agent who was responsible for appointment of contractors.
- **In response to the Committee's question about current progress at these four technical secondary schools, the department reported that DD Mabuza was at 70% completion, Hazyview was at 80% completion, Zinkeleni was at 65% completion and Highveld Comprehensive was at 65% completion.**
- j. Refurbishment of workshops at technical high schools:** The department did not achieve its targets for refurbishment of workshops at seven (7) schools and renovation at three (3) schools in Chief Albert Luthuli Local municipality, Mbombela Local municipality and Nkomazi Local municipality due to delayed commencement of projects and slow pace of work.

PROGRAMME 9: AUXILIARY AND ASSOCIATED SERVICES

Programme 9 provides educational institutions with training and support on Life Skills, HIV and AIDS, payments to SETA, administration of external examinations and payment of bursaries. The Committee observed the following on the programme:

- a. Programme 9 has 22 programme performance indicators, of which 14 were achieved, which equals 64% performance. This was an improvement from the 3rd quarter performance of 54%. The 2nd quarter performance was 100%. **The Committee noted the erratic performance over the course of the financial year and advised that the planning section look at the quarterly targets to ensure that they are correctly placed to coincide with the main business of the programme.**

- b. The programme overspent (113% overspending as at 31 March 2015) due to overspending on the sub-programmes Special Projects (125%) and External Examinations (113%). The department reported that R12 500 000.00 was spent on Annual National Assessment (ANA) related activities, which were not budgeted for. The Department of Basic Education later refunded the amount to the department. The department further explained that the Public Examinations Directorate budget of R91 634 000.00 for compensation of marking personnel was erroneously adjusted down to R66 483 000.00, which resulted in the over-expenditure when markers were paid in December 2014 and January 2015. The over expenditure was resolved through virement when compiling the 2014/15 Annual financial statements as per the PFMA.
 - **The department confirmed that adequate budgeting was done for programme 9 and that spending patterns will be monitored through its Budget Advisory Committee.**

- c. **Minimizing the learner pregnancy rate.** The department reported that, according to the Learner Pregnancy Report for the 1st quarter of 2015/16, there was a decline in pregnancies from 1 496 in the 4th quarter of 2014/15 to 1 422 in the 1st quarter of 2015/16 (dropped by 76 reported pregnancies).
 - **The department assured the Committee that they will continue to work tirelessly with stakeholders to ensure that the learner pregnancy rate is considerably reduced in the 2015/16 financial year.**

8. FINDINGS

The Committee made the following findings based on its deliberations on the 4th quarter report:

- 8.1. The department tabled a progress report on the 3rd quarterly report House Resolutions, indicating interventions to effectively address the regularly cited reasons for variance from planned targets, per programme. The Committee noted the implementation of school improvement plans in all districts and the backlog eradication strategy.
- 8.2. Performance on planned targets improved from 56% in the 3rd quarter to 75% in the 4th quarter. Out of 237 planned targets for the 4th quarter, 178 were achieved. However, many targets were not reported on during the quarters and in some cases outputs reported at the end of the quarter were not aligned to planned quarterly targets.
- 8.3. The department's overall expenditure at the end of the 4th quarter was 98%, although the under spending trend on critical service delivery programmes 7 and 8 continued from the 3rd quarter into the 4th quarter.
- 8.4. Poor spending on conditional grants in programme 8 continued from the 2nd and 3rd quarters into the 4th quarter due to an infrastructure backlog caused by contractors' poor workmanship, late appointment of contractors and late submission of invoices.
 - a. The department indicated that control measures were put in place to manage and fast-track implementation of infrastructure projects.
 - b. The total amount of unspent conditional grant funding at the end of the 4th quarter was R10 959 000.00.
 - c. An inter-departmental joint monitoring committee was established by the Provincial Administration to detect infrastructure challenges at an early stage.
- 8.5. Poor spending on programme 7 was reportedly due to normal staff turnover processes necessitated by service terminations and grade R practitioners who took up mainstream teaching posts which offered more attractive packages. The department indicated that the districts will be assisted to fill vacant ECD posts.
- 8.6. The department reported that a task team had been convened by the Budget Advisory Committee on 09 December 2014 to resolve payment delays, track payments and

monitor compliance to the one claim per month condition, address challenges causing failure to commit the 2014/15 budget and compliance to the 30 day payment period. The task team meets weekly and reports to the Budget Advisory Committee.

- 8.7. The department assured the Committee that Performance Management Development System (PMDS) issues will be prioritized as a standing item in all Senior Management meetings. Senior Managers will be required to account on PMDS management in their components, as a way of strengthening accountability.
- 8.8. Challenges still exist in data capturing and finalizing of selection processes when filling vacant principal and deputy principal posts. The department has improved in terms of frequency of advertising these vacated posts. It was noted that the department is in the process of implementing an e-recruitment system. Bohlabela district had six (6) principal posts, 26 deputy principal posts at 25 February 2015; Ehlanzeni district had six (6) principal posts, 34 deputy principal posts at 18 May 2015; Nkangala district had 21 principal posts, 44 deputy principal posts at 19 May 2015; Gert Sibande district was in process of releasing schedules for 14 principal, 28 deputy posts at 3 June 2015.
- 8.9. The Risk Management unit of the department could not effectively serve as an early warning system, as it had operated with only one warm body for quarters 1-2. However, in the 3rd quarter, two (2) officials were appointed, which should enhance its capacity.
- 8.10. The department compiled a research report on the causes of the poor performance in the 2012 and 2013 Annual National Assessment (ANA).
- 8.11. Most independent schools cannot access funding from the National Norms and Standards for School Funding (NNSSF) as they are not yet accredited by Umalusi and they are not conforming to the Provincial regulations for independent schools.
- 8.12. The department developed a policy to professionalize the Early Childhood Development (ECD) sector, which was approved by EXCO on 28 May 2015.
- 8.13. The Early Childhood Development Institute (ECDI) was established in the premises of the Department of Education Bohlabela District Office and has been operational since the beginning of the 4th quarter (19 January 2015). The Committee noted that the ECDI

has serious staffing challenges, which need to be addressed in the 2015/16 financial year. There is no principal, permanent lecturers and management structure.

- 8.14. The establishment of the provincial Human Resource Development (HRD) Council was approved on 15 May 2015; the inauguration of the Council was scheduled for the 2nd quarter of 2015/16 financial year.
- 8.15. The department is making progress in implementing plans to improve workplace training opportunities for learners.
- 8.16. The Mpumalanga Community Education and Training College (MCET) was announced by the Minister of Higher Education and Training on 16 March 2015 and will coordinate the existing Adult Education and Training (AET) sites in the province.
- 8.17. As noted in previous deliberations of the Committee with the department, there is a huge backlog on infrastructure delivery. The Committee is well aware of the causal factors and has noted the department's continuous efforts in addressing this situation.

9. RECOMMENDATIONS

The Committee recommended that the Department of Education must:

- 9.1. Submit a progress report as at 30 September 2015 on the interventions to align planned targets with outputs and to improve programme performance. A progress report on implementation of the school improvement plans per district and the backlog eradication strategy must also be submitted.
- 9.2. Ensure that targets are correctly placed in the respective quarters, as the performance on targets fluctuates from quarter to quarter; some targets were not reported on, giving an impression that the timeframes for targets are not timed correctly.
- 9.3. Submit a turnaround strategy to improve the expenditure on Programme 7 (Early Childhood Development) and Programme 8 (Infrastructure Development). Expenditure on the conditional grants within programmes 7 and 8 must improve.

- 9.4. Submit a progress report as at 30 September 2015 on the following:
- a. Measures that were put in place to manage and fast-track implementation of infrastructure projects in programme 8.
 - b. Account for the R10 959 000.00 unspent conditional grant funding in 2014/15.
 - c. Implementation of the recommendations of the inter-departmental joint monitoring committee on infrastructure.
- 9.5. Submit a progress report as at 30 September 2015 on the filling of the vacant ECD posts in the districts. Indicate the staffing challenges for ECD programme 7, as well as progress on enrolling of practitioners for NQF Level 6 qualification.
- 9.6. Submit a progress report as at 30 September 2015 on the findings and recommendations of the Budget Advisory Committee, based on the weekly reports it received from the task team, since it was established on 09 December 2014.
- 9.7. Submit a report as at 30 September 2015 on Performance Management Development System (PMDS) in the department, including any consequence management steps taken against non-compliant managers.
- 9.8. Submit a progress report as at 30 September 2015 on the filling of all vacant principal and deputy posts advertised by the districts. The report should include progress on the e-recruitment system, which the department indicated would be implemented in 2015/16 financial year.
- 9.9. Submit a progress report as at 30 September 2015 on the functionality and service delivery of the Risk Management unit of the department.
- 9.10. Submit the research document on reasons for poor ANA (Annual National Assessment) performance in 2012 and 2013. A progress report on implementation of the findings of this report should also be provided to the Committee.
- 9.11. Strengthen its monitoring of the implementation of all policies governing the independent schools in the Province. Non-compliance by these schools must be curbed so that they can access the funding available through the National Norms and Standards for School funding (NNSF).

- 9.12. Submit a progress report as at 30 September 2015 on the implementation of the approved policy to professionalize the Early Childhood Development (ECD) sector.
- 9.13. Submit a progress report as at 30 September 2015 on the staffing challenges at the Early Childhood Development Institute (ECDI).
- 9.14. Update the Committee on the inauguration of the HRD Council which is set to take place during the 2nd quarter of the 2015/16 financial year.
- 9.15. Submit a progress report as at 30 September 2015 on the various plans in place to improve workplace training opportunities (role of the HRD Council, existing and potential MOU's with private companies, State owned entities, municipalities, government departments and organs of state).
- 9.16. Submit a progress report as at 30 September 2015 on the MCET College, which was set to start functioning on 01 April 2015. Indicate the achievements of the College to date and the challenges.
- 9.17. Submit a progress report as at 30 September 2015 on the following projects which were still underway during the 4th quarter:
- Ehlanzeni District Office – completion date was 07 July 2015
 - Ebuhleni Primary School (Phase 2) – completion date was 31 March 2015
 - Gedlembane Secondary School – completion date was 26 April 2015
 - Volksrust Primary School – completion date was 30 June 2015
 - Acorns to Oaks Comprehensive School – completion date was
 - Khunjuliwe Secondary School – completion date was 30 April 2015
 - Hazyview
 - Zinikeleni
 - Highveld comprehensive
 - DD Mabuza
 - All storm damaged schools (phases 1-3)
 - Construction of the 12 planned grade R facilities
 - Portia Shabangu Secondary School – fast track provision of water pipelines and submit the revised variation order to the Committee.

10. CONCLUSION

The Chairperson thanked the Honourable Members for their valuable input in consideration of the 4th quarterly report of the Department of Education for the 2014/15 financial year. The Committee also acknowledged the assistance of its support staff.

The Committee acknowledged the apology of the Hon MEC Mhaule as she could not attend the deliberations due to bereavement in her family. The Head of the Department of Education is commended for capably leading the departmental delegation to present the department's 4th quarterly report and the 4th quarter dashboard report, which sought to correct the issues raised by the Auditor-General for the 2014/15 financial year. The senior management team of the department was also acknowledged for their support to the HOD.

Finally, the House is requested to adopt this Committee report with its recommendations. A progress report on the implementation of the House resolutions contained in this report must be submitted to the Legislature by **30 September 2015**.



HON. SK MASHILO, MPL

20/08/2015

DATE

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