

## Vision

Our vision is to equip the people of our province, through the provision of quality, life-long education and training, with the values, knowledge and skills, that will enable them to fulfil a productive role in society.

## Mission

To realize our vision, the department will endeavour to:

- Promoting the development of a well-qualified, dedicated and fully professional management and teaching corps to cater for the needs of all categories or learners;
- Fostering community participation in the education system;
- Ensuring equitable allocation of resources;
- Planning managing and utilizing the Province's educational resources efficiently, realistically, economically and optimally;
- Reconstructing and developing an education system that will inculcate the principles of non-racism, non-sexism, freedom of religion and democracy;
- Promoting partnerships with other government departments, the private sector and international organizations;
- Creating an enabling environment that leads to learner autonomy for life-long learning; and
- Instilling a sense of belonging to and appreciation of our cultural diversity.

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# **PART 1**

## **GENERAL INFORMATION**

## FOREWORD BY THE MEC



*Mrs. Joyce Mashamba  
Dept. of Education*

The process of restructuring and reorganizing the department has been a major challenge during this financial year. It has enabled us to develop a common vision towards the attainment of our priorities. Through the mobilization of business and other strategic partners, the realization of the department's priorities is imminent. Recently, we launched the Early Childhood Development Programme (ECD), the first of its kind developed in this country for this phase. This is a milestone, as this curriculum will address issues of: physical, mental, emotional, spiritual, moral and social growth. We are very excited about this revolutionary curriculum and trust that we will all work together to see to it that we give all our children a reasonable chance to develop to their full potential.

Other initiatives for the Department have been the implementation of educator development and support programmes implemented in our Education Multipurpose Centres (EMPCs). This is a positive step towards the achievement of our strategic goal of creating a skills base that is responsive to the needs of our economy.

The Department will continue to build strong partnerships with all the relevant partners to ensure that all people have equal access to education. We have made progress in the issue of HIV/AIDS through the mobilization of community involvement in responding decisively to this scourge.

Infrastructure provisioning and Learner and Teacher Support Material (LTSM) supply are still a challenge but we are making noticeable strides hence the shift from the old to the new procurement system for LSM.

We are excited that we have remained focused on our goal of ensuring that all South Africans have the knowledge, values and skills required to facilitate social and personal development as well as economic growth, thus strengthening our democracy and our nation.

.....  
**MEC: DEPARTMENT OF EDUCATION**

.....  
**DATE**

# GENERAL INFORMATION

## SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Member of Executive Council (MEC) Mrs Happy Joyce Mashamba, it is my great pleasure to present you with the Annual Report of the Limpopo Department of Education for the financial year 2003/2004.

As you go through the Annual Report you would notice that indeed we have made some improvement with regards to achieving the strategic goals set by both the provincial and national government in the education sector. It is worth noting that the core business of the Limpopo Department of Education is to deliver an effective, efficient and quality education through the implementation of the curriculum.

We have succeeded indeed because the improvement of our end of the year 2003 grade 12 results bears testimony. I would love to congratulate you on the innovative leadership that you have displayed during the financial year and am proud to have been part of the winning team of managers of the Limpopo Department of Education.



*Prof. R.H. Nengwekhulu  
Dept. of Education*

MEC, we have lived up to the motto of the department because we have managed to work towards achieving some elements of our strategic goals through a collective engagement in all the processes of decision making which accelerated the opening of doors of learning to all learners. Thus far, we have gone a long way but it is necessary for the department to continue to look for lasting solutions in order for us to leave a legacy that would last for decades to come.

As we celebrate ten years of freedom, we are happy to say we have made visible and concrete steps to transform our education. We have managed to bury "Bantu education" and are continuing to build an education system that is geared at creating better

**PROFESSOR R. H. NENGWEKHULU  
HEAD OF DEPARTMENT**

**DATE**

## 1.2 Introduction by the head of the institution

The Department of Education in the Limpopo Province is gradually coming closer to the realization of its goals in meeting its constitutional mandate.

- The achievement in Grade 12 results improved to 70% by 2003. This phenomenal increase is contributing positively towards the realization of the expected outcomes of the *Limpopo growth and development* strategy. Winter enrichment and Saturday classes were contributory factors towards this improvement.
- 4015 learners obtained grade 12 exemption with mathematics on HG – this constitutes 35% of the total learners who passed Mathematics on HG in the whole country.
- The merged FET institutions are implementing the FET policy and the appointed CEO's and Managers have started to facilitate the process of developing a sound FET curriculum which is responsive to the needs and demands of business and industry.
- Training of Foundation Phase educators in the Revised National Curriculum Statements was done during the third and fourth term of 2003. This will enhance the implementation of the Revised National Curriculum Statements during the 2004 school year.
- Personnel have been absorbed into the Education Multipurpose Centres (EMPC's) and they have been facilitating the implementation of educator development and support programmes.
- We continue to meet the challenges of our infrastructure backlog. The provision of classrooms, with particular emphasis to "classroom under trees" the provision of sanitation, water and electricity continue to occupy our priority list.  
Our nutrition Programme reaches 1.2 million learners, making an indelible mark in our fight against poverty.
- The Human Resource Development is meaningfully contributing towards service delivery trends in the light of the support from the skills levy and the conditional grant. The Limpopo Department of Education has been tasked to steer the development of the Limpopo Government's Human Resource Development (HRD) Strategy, which in the next financial year 2004/2005 would be available for implementation after approval by the Provincial Government's Executive Council.
- The department is more visible in implementing Batho Pele principles and in dealing with community challenges in educational transformation.
- The absorption of personnel in terms of PSCBC Resolution 7 of 2002 has addressed the greater part of the key functional areas and the organization is set for operational activities in most of the key areas. The Department has managed to advertise most of the vacant posts after completion of the absorption process. The process of filling such posts would hopefully be completed in the next financial year 204/2005.
- Over 4000 educators were trained in the Life Skills HIV and AIDS programme. We managed to conduct an advocacy training workshops to 5092 Indunas and traditional leaders, 800 traditional healers. During the HIV and AIDS week 50 000 learners took part in the planned activities.
- We have continued to implement the ABET curriculum which focuses on SMME, Tourism and Agriculture programmes. Through collaboration with Project Literacy learners are engaged in Mathematics and Science for the Chemical Industry and Engineering Training Authority (CHIETA) learnerships.

# GENERAL INFORMATION

## 1.3 Information on the Ministry

The Chief Directorate Curriculum Development and Support developed the Assessment Bill and Regulations for the Evaluation and Training Council. These documents were submitted to the Premier's office Legal team through the departmental Legal Services directorate. Both documents will be ready for implementation in 2005.

The Executive Authority visited Mozambique with some of the departmental senior management from 9 – 12 September 2003. The purpose of the visit was to take forward activities of the Memorandum of Understanding (MOU) signed between Gaza in Mozambique and the Limpopo Province in 2001, which have to be implemented by the Department of Education. These activities included Teacher and Learner Exchange Programmes, Curriculum Development and Cultural Activities.

## 1.4 Vision and Mission statement

### Vision

Our vision is to equip the people of our province, through the provision of quality, life-long education and training, with the values, knowledge and skills, that will enable them to fulfil a productive role in society.

### Mission

To realize our vision, the department will endeavour to:

- Promoting the development of a well-qualified, dedicated and fully professional management and teaching corps to cater for the needs of all categories or learners;
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- Creating an enabling environment that leads to learner autonomy for life-long learning; and
- Instilling a sense of belonging to and appreciation of our cultural diversity.

## 1.5 Legislative mandate

The Department of education is regulated by the following main legislative frameworks for the discharge of its mandates:

- The **Constitution of the RSA Act No. 108 of 1996 Section 29** of the Constitution stipulates broader functions of the department in terms of provision and support.
- The **Public Service Act of 1994 and The Public Service regulations of 2001**. This is a regulatory framework underpinning the operations of the department in the discharge of its mandate. The non-teaching personnel take direction from this framework.

## GENERAL INFORMATION

- The **Employment of Educators Act (Act No. 76 of 1998)**. The conditions of service of office based educators and school based educators are properly spelt out.
- The **South African Schools Act (Act No. 84 of 1996)** - this is a transformation framework in the running of schools and the governance thereto.
- The **Labour Relations Act (Act No. 66 of 1995)** - this Act promotes social justice and labour peace and the democratisation of the workplace.
- The **Adult Basic Education ACT (Act No. 52 of 2000)** – the Limpopo Department of Education has developed a curriculum framework and its implementation is underway across the ABET learning centres.
- The **Further Education and Training Act (Act No. 98 of 1998)**. This Act establishes a National co-coordinated FET system which promotes co-operative governance and provides for programme based FET.
- The **Skills Development Act (Act No. 97 of 1998)** allows the Department to provide an acceptable institutional framework that would enable us to develop and implement workplace skills plan in order to improve the skills of the employees.

The department further derives its mandates from the following statutory bodies:

- The Council of Education Ministers (CEM) is responsible for policy formulation.
- The Head of Education Committee (HEDCOM) is responsible for the day-to-day running of the departments and to deal specifically with administrative and operation issues.
- The Executive Council of the province is responsible for resolutions and decisions based on the mandate of the provinces.

# GENERAL INFORMATION





# **PART 2**

**PROGRAMME  
PERFORMANCE**

# PROGRAMME PERFORMANCE

## 2. PROGRAMME PERFORMANCE

### 2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	R'000	R'000	R'000	R'000
	8 511 801	8 732 036	8 147 637	584 399
Responsible MEC	MEC FOR EDUCATION			
Administering Dept	Department of Education			
Accounting Officer	SUPERINTENDENT GENERAL: EDUCATION			

### 2.2 Aim of the Vote

The aim of the Department of Education is to develop, maintain and support human potential for the 21<sup>st</sup> century.

### 2.3 Summary of programmes

The Education sector adopted a uniform budget and programme structure that reflect the minimum number of programmes. These programmes and its contents are encapsulated in definitions, which explain what is to be included under each programme and sub programme. The activities of the Department of Education are organised in the following eight programmes:

Programme	Sub-programme
<b>1. 1. Administration</b>	1.1. 1.1. Office of the MEC 1.2. 1.2. Corporate Services 1.3. 1.3. Education Management 1.4. 1.4. Human Resource Development 1.5. 1.5. Conditional Grants
<b>2. 2. Public Ordinary School Education</b>	2.1. 2.1. Public Primary Schools 2.2. 2.2. Public Secondary Schools 2.3. 2.3. Professional Services 2.4. 2.4. Human Resource Development 2.5. 2.5. In-school Sport and Culture 2.6. 2.6. Conditional Grants
<b>3. 3. Independent School Subsidies</b>	3.1. 3.1. Primary Phase 3.2. 3.2. Secondary Phase
<b>4. 4. Public Special School Education</b>	4.1. 4.1. Schools 4.2. 4.2. Professional Services 4.3. 4.3. Human Resource Development 4.4. 4.4. In-school Sport and Culture 4.5. 4.5. Conditional Grants

# PROGRAMME PERFORMANCE

Programme	Sub-programme
<b>5. 5. Further Education and Training</b>	5.1. 5.1. Public Institutions 5.2. 5.2. Youth Colleges 5.3. 5.3. Professional Services 5.4. 5.4. Human Resource Development 5.5. 5.5. In-college Sport and Culture 5.6. 5.6. Conditional Grants
<b>6. 6. Adult Basic Education and Training</b>	6.1. 6.1. Public Centres 6.2. 6.2. Subsidies to Private Centres 6.3. 6.3. Professional Services 6.4. 6.4. Human Resource Development 6.5. 6.5. Conditional Grants
<b>7. 7. Early Childhood Development</b>	7.1. 7.1. Grade R in Public Schools 7.2. 7.2. Grade R in Community Centres 7.3. 7.3. Pre-grade R 7.4. 7.4. Professional Services 7.5. 7.5. Human Resource Development 7.6. 7.6. Conditional Grants
<b>8. 8. Auxiliary and Associated Services</b>	8.1. 8.1. Payments to SETA 8.2. 8.2. Conditional Grant Projects 8.3. 8.3. Special Projects 8.4. 8.4. External Examinations

## 2.4 Overview of the service delivery environment for 2003/2004

The Limpopo department of education is facing a number of challenges with regards to the quality in its service delivery improvement programme. The larger part of the province is rural and most schools and its surroundings do not have the necessary resources to support the deliver of the curriculum in the classrooms. Majority of the children in the province are taught under trees and this impact negatively on teaching and learning hence it limits the transference and development of the necessary skills. The process of empowering most of the school managers as well as office-based managers who do not have the necessary managerial and creative leadership skills to enhance their operational needs has been going on during the course of the year. The transformation of the rationalized colleges of education into the education multi purpose centres will pay dividends in the medium term in re-skilling both the educators and managers in addressing the challenges of the system.

# PROGRAMME PERFORMANCE

Officials in the department have been showing their willingness to undergo change and the political support have created a bright future for the Limpopo Department of Education. The financial support and technical expertise from the development partners in participating in programmatic change is seen as a beacon for better results to come. In the main the department is showing a phenomenal development from quantity to quality especially in the rural schools. It is noteworthy that majority of schools that produced 100% pass in the grade 12 results are coming from the previously disadvantaged rural communities. The abolition of the practice to condone learners to pass and the introduction of common papers of assessment and winter and Saturday classes are some of the success factors.

## 2.5 Overview of the organisational environment for 2003/04

The Head Office organizational structure has been completed and all senior management level posts have been advertised and filled. During the financial year we advertised most of the vacant posts below senior management level and the process of filling those posts would be completed before the end of 2004. All these efforts are geared towards the improvement of service delivery, which we hope will positively impact on our service delivery. The restructuring of the districts and circuits has brought services closer to the people and the re-skilling of the incumbents with the right skills and knowledge made the department to move speedily from quantity to quality. The annual strategic plan has been focusing more on changing people to realize their potential in meeting the strategic objectives set for them to accomplish. The introduction of performance management system to all employees below senior management level has paid dividends in improving service delivery. The structures of the department were able to implement the strategic goals and objectives in a more rewarding and enriching environment.

## 2.6 Strategic overview and key policy developments for the 2003/04 financial year

The department had its strategic planning session in May 2003 where priorities of the Executing Authority were endorsed. The priorities were then translated into strategic objectives of the department. Each chief directorate developed outputs into the different programmes within the three year MTEF plan.

The following key policy developments took place during the financial year 2003/2004:

- The election of school governing bodies (SGB) in all the schools and provision of induction training. The training of SGBs in basic financial management has started and is ongoing.
- Training and support for the foundation phase educators on the Revised National Curriculum Statements was done during third quarter in preparation for the implementation in January 2004.
- The department is managing the performance management systems for employees appointed in terms of the Public Service Act, 1994, as amended:
  - The signing of performance Agreements by Senior staff members i.e. from salary level 13 and above, which comprises of the balanced score cards for development and management of departmental plans were done and monitoring happened every quarter during the financial year under review.
  - The signing of work plans for salary levels below senior staff members, i.e. salary levels 1-12, known as work plan memorandum of understanding and standard framework for those who perform pure routine work was done and performance reviews were conducted.

# PROGRAMME PERFORMANCE

- Departmental performance management committee, which meets monthly, has been established for purposes of monitoring the functions of the system.
- The department reviewed the existing Learner and Teacher Support Materials policy to effect changes regarding the Revised National Curriculum Statement (RNCS).
- The Department continued to implement the new norms and standards to address the on going concern of developing educators, particularly the under-qualified. These norms and standards included, amongst others, the introduction of a National Professional Diploma in Education to support qualifications upgrading. During 2003 we had 2860 educators who registered and trained at University of the North and Venda in the diploma mentioned above.
- The department provided development of capacity of school managers in order for them to manage schools better so as to ensure effective teaching and learning.
- The Department developed a draft policy for Educational Technology

## 2.7 Departmental receipts

Commission on insurance account for more than 60% of the non-tax revenue was collected by the Department during the financial year under review. The next item is stale cheques, which has reduced substantially with the introduction of the electronic funds transfer method of payment. Collection of commission may on emolument attachment orders introduced by the Accountant General as from January 2004.

Departmental Revenue	Actual Collection 2002/03	Budgeted Collection 2003/04	Actual Collection 2003/04	% Deviation from target
<b>Current revenue</b>				
Tax revenue				
Non-tax revenue	<b>24,820</b>	<b>22,386</b>	<b>20,525</b>	<b>8%</b>
<b>Capital revenue</b>				
(Specify)				
<b>Departmental revenue</b>	<b>24,820</b>	<b>22,386</b>	<b>20,525</b>	<b>8%</b>

# PROGRAMME PERFORMANCE

## 2.8 Departmental payments

Details of this table below appropriation statement section of the financial statement

Programmes	Voted for 2003/04	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	% Deviation from Voted
	R'000	R'000	R'000	R'000	R'000	
Administration	892,316	9,923	6,810	908,419	891,575	2%
Public Ordinary School Education	7,013,897	193,647	(6,810)	7,200,734	6,747,193	6.3%
Independent School Subsidies	13,844			13,844	13,844	0%
Public Special School Education	119,241			119,241	99,712	16%
Further Education and Training	95,263	3,018		98,281	93,347	5%
Adult Basic Education and Training	44,815			44,815	28,612	36%
Early Childhood Development	18,198	1,800		19,998	12,809	36%
Auxiliary and Associated Services	314,227	12,477		326,704	260,545	20%
<b>Total</b>	<b>8,511,801</b>	<b>220,235</b>		<b>8,732,036</b>	<b>8,147,637</b>	<b>6.7%</b>

## 2.9 Programme performance

The programme performance of the Limpopo Department of Education is in accordance with their strategic plans as tabled in the legislature by the MEC in 2003. We shall be reporting on *each and every* performance measure and target specified in our 2003/04 strategic plan.

## 2.10 Service Delivery Achievements

### Programme 1: Administration

**Programme Objective:** To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Management Act, and policies.

# PROGRAMME PERFORMANCE

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Planned Targets 2003/04	Actual outputs 2003/04
PM 1.A.a: Number of schools with Section 21 status	14%	654	1014	2750	1274
PM 1.A.b: Amount of recurrent non-personnel funding being channelled through the School Funding Norms	R155409933	R228270027	R252245611	R460000000	R458535707
PM 1.B.a: Average real per learner allocation for recurrent non-personnel items using funding supplied via the School Funding Norms	R85	R126	R139	R300	R248
PM 1.B.b: Number of non-Section 21 schools with all LSM's and other required materials delivered on day one of the school year	74%	3360	3150	4200	3362
PM 1.C: Number of Years input in Senior Certificate/FETC graduate	12	12	12	12	12

## Programme 2: PUBLIC ORDINARY SCHOOL EDUCATION

**Programme objective:** To provide public ordinary education for Grades 1 to 12 in accordance with the South African School's Act

### Sub-programme 2.1: Public primary phase

**Programme objective:** To provide specific public primary ordinary schools with resources required for the Grades 1 to 7

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
<b>Number of public primary phase schools</b>					
PM 2.1.A: Number of spaces provided in the public primary phase	1 145 115	1 145 115	1 129 503	1 145 115	1 070 574
PM 2.1.B.a: Number of educators provided at the public primary phase	30,961	30,961	31 072	30 961	30 941

## PROGRAMME PERFORMANCE

PM 2.1.B.b: Learner: Education ratio in the public primary phase	37:1	37:1	36:1	37:1	35:1
PM 2.1.C.a: Number of new classrooms built	284	452	414	984	1092
PM 2.1.C.b: Learner: Classroom ratio in the public primary phase	60:1	60:1	58,6:1	60:1	39:1
PM 2.1.C.c: Number of new toilets built.	71	113	103	219	186
PM 2.1.C.d: Number of schools with a water supply	1050	1244	1050	1244	1244
PM 2.1.C.e: Amount of Capex budget spent on maintenance			R11m	R10m	R10m
PM 2.1.D.a: Gender parity index in public primary schools	N/a	N/a	Not available	237	Not available
PM 2.1.D.b: Number of learners in public primary schools who are disabled	1084	1084	1956	1085	2169
PM 2.1.D.c: Number of ordinary full-service schools per 100,000 learners at the primary phase.	237	237	Not available	Not available	Not available
PM 2.1.E.a: Number of learner days lost due to learner absenteeism in the primary phase			Not available	Not available	Not available
PM 2.1.E.b: Number of working days lost due to educator absenteeism in the primary phase.			Not available	Not available	Not available
PM 2.1.F: Average hours of development activities per educator in the primary phase			12	16	18
PM 2.1.G.a: Repetition numbers in the primary phase	9759	9763	8675	7591	9760
PM 2.1.G.b: Dropout numbers in the primary phase	190	185	196	90	181
PM 2.1.H.a: Number of learners in Grade 3 attaining acceptable outcomes in Numeracy, literacy and life skills			Not available	Not available	Not available
PM 2.1.H.b: Number of learners in Grade 6 attaining acceptable outcomes in Numeracy, literacy and life skills.			Not available	Not available	Not available

# PROGRAMME PERFORMANCE

## Sub-programme 2.2: Public secondary phase

**Programme objective:** To provide specific public secondary ordinary schools with resources required for the Grades 8 to 12

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
<b>Number of public primary phase schools</b>					
PM 2.2.A: Number of spaces provided in the public secondary phase	675531	67531	668 623	675 531	695 624
PM 2.2.B.a: Number of educators provided at the public secondary phase	22425	22425	21 957	22 425	22 501
PM 2.2.B.b: Learner: Education ratio in the public secondary phase	30:1	30:1	30,4:1	30:1	31:1
PM 2.2.C.a: Number of new classrooms built.	206	376	414	560	728
PM 2.2.C.b: Learner: Classroom ratio in the public secondary phase.	49:1	49:1	48,6:1	49:1	51:1
PM 2.2.C.d: Number of schools with a water supply	368	375	1450	1445	1445
PM 2.2.C.e: Amount of Capex budget spent on maintenance	27%	10%	R13m	R17m	R17m
PM 2.2.C.f: Number of secondary schools with functioning science laboratories.	Not available	Not available	Not available	Not available	364
PM 2.2.D.a: Gender parity index in public ordinary schools	0.1%	0.1%	0.1%	0.1%	0.1%
PM 2.2.D.b: Number of learners in public ordinary schools who are disabled			637	637	636
PM 2.2.E.a: Number of learner days lost due to learner absenteeism in the secondary phase			Not available	Not available	Not available
PM 2.2.E.b: Number of working days lost due to educator absenteeism in the secondary phase			Not available	Not available	Not available
PM 2.2.F: Average hours of development activities per educator in the secondary phase.					

## PROGRAMME PERFORMANCE

PM 2.2.F.a: Number of Senior Phase educators developed for the implementation of GETC	-	-	750	8 000	5 800
PM 2.2.F.b: Number of educators trained on the implementation of OBE in FET schools	-	-	-	2 500	1 150
PM 2.2.G.a: Number of Repetitions in the secondary phase	Not available	Not available	150 223	150223	150 227
PM 2.2.G.b: Number of Dropouts in the secondary phase	0.3%	0.3%	0.3%	0.3%	0.3%
PM 2.2.G.c: Percentage of over-aged learners in the secondary phase	0.2%	0.2%	0.3%	0.2%	12%
PM 2.2.H.a: Number of learners in Grade 9 attaining acceptable educational outcomes	-	-	164 485	144 966	101 476
PM 2.2.H.b: Number of pupils who passed in Grade 12 examinations			49 570	120 018	84 013
PM 2.2.H.c: Number of schools with a Grade 12 pass rate of less than 40%.	113	71	110	3	108
PM 2.2.H.d: Number of learners in Grade 9 who wrote Common Assessment Tasks (CTA's)	-	-	198 000	144866	144866

### Sub-programme 2.3: Professional services

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
PM 2.3.A.a: Hours of training and other support provided to schools-based educators	12	14	12	16	18
PM 2.3.A.b: Number of Foundation Phase educators trained in preparation for phasing in RNCS	-	-	-	13 000	10 500
PM 2.3.A.c: number of under-qualified teachers upgrading qualification through NPDE programme	-	-	3 950	2 000	2 860

# PROGRAMME PERFORMANCE

PM 2.3.A d: Number of school-based educators trained on Life Skills HIV and AIDS	-	-	3 000	4 488	3 510
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## Programme 3: INDEPENDENT SCHOOLS

**Programme objective:** To support independent schools in accordance with South African Schools Act.

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
<b>Number of Independent schools</b>					
PM 3A.a: Average real per learner subsidy	R998,00	R1050,00	R1259,00	R1427,00	R1427,00
PM 3A.b: Number of independent school learners receiving a state subsidy			11373	11650	11650

## Programme 4: PUBLIC SPECIAL SCHOOL EDUCATION

**Programme objective:** To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education

### Sub-programme 4.1: Schools

**Sub programme objective:** To provide specific public special schools with resources

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
<b>Number of public special schools</b>					
PM 4.1.A: Number of learners in special schools	3874	3874	3 874	3 874	3 866

## Programme 5: FURTHER EDUCATION AND TRAINING

**Programme objective:** To provide Further Education and Training (FET) at public FET colleges in accordance with the Further Education and Training Act

### Sub-programme 5.1: Public Institutions

**Programme objective:** To provide specific public FET colleges with resources

## PROGRAMME PERFORMANCE

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
Number of Public Institutions that provides for FET					
PM 5.1.A.a: Number of adults enrolled in FET institutions.	55%	56%	60%	60%	60%
PM 5.1.A.b: Number of full-time equivalent enrolments in FET institutions	12156	14024	14 279	11 532	11 667
PM 5.1.B.a: Number of students who are girls or women	48%	51%	7 382	7 500	6 066
PM 5.1.B.b: Number of educators who are African	61%	63%	343	357	338
PM5.1.C. Number of registered FET Colleges			-	7	7

### Programme 6: ADULT BASIC EDUCATION AND TRAINING

**Programme objective:** To provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education Act.

#### Sub-programme 6.1: Public Centres

**Programme objective:** To provide specific public ABET sites with resources

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
<b>Number of ABET sites</b>					
PM 6.1.A.a: Number of full-time equivalent enrolments in public ABET centres.	19315	22312	23 266	29 006	30 126
PM 6.1.A.b: Number of illiterate adults in the province enrolled in public ABET centre programmes	0.8%	0.9%	7 690		5 132

# PROGRAMME PERFORMANCE

## Programme 7: EARLY CHILDHOOD DEVELOPMENT

**Programme objective:** To provide Early Childhood Education (ECD) at the Grade R and earlier levels in accordance with White paper 5

Description of Objective and Performance measure	Actual Outputs 2000/01	Actual outputs 2001/02	Actual Outputs 2002/03	Target outputs 2003/04	Actual outputs 2003/04
PM 7.A.: Number of 5 year olds in public funded schools Grade R	5421	6506	17 674	16 222	10 959
PM 7.2.A: Number of learners in education-funded community-based ECD sites.	0	29764	21 240	21240	14 160

### 2.11 Transfer payments

The following transfers were made to the following institutions:

NAME OF INSTITUTION	AMOUNT TRANSFERRED
Special Schools	R 24,235,000
FET Colleges	R 36,975,000
Independent Schools	R 13,844,000
Education Development Trust	R 4,4087,000

### 2.12 Conditional grants

#### Summary of Conditional Grants for 2003/04

Transfers were made as scheduled, into the accredited accounts for the Limpopo Department of Education. There has been an instance where expenditure trends were perceived to be very slow due to the identified wrong debiting. The matter was resolved and implementation went on.

Conditional Grant	Total Allocation	Total transfers
Infrastructure Grant	R 168,253,000	R 168,253,000
Flood Rehabilitation	R 4,800,000	R 4,800,000
Financial Management	R 36,803,000	R 36,803,000
HIV/AIDS	R 30,062,000	R 30,062,000
ECD	R 15,616,000	R 15,616,000
<b>TOTAL</b>		

During the implementation of the approved business plans there has been compliance with the Division of Revenue Act.

## 2.13 Capital investment, maintenance and asset management plan

### 2.13.1 CAPITAL INVESTMENT

- (a) 1820 classrooms were completed during the year under review. Provisioning of classrooms is an ongoing process and the Department has planned to build 1800 classrooms in 2004/05 financial year.
- (b) There are no plans to close down or down grade existing facilities. Instead some of the school buildings need maintenance.
- (c) There is currently a backlog of refurbishing/dismantling/re-constructing of asbestos schools, which pose health hazard to learners and educators. The process started in 2003/04 and it could not be completed. An amount of R154 000 000 has been provided in the 2004/05 financial year for this purpose.
- (d) Provision (budget) in respect of infrastructure for the MTEF period 2004/05; 2005/06 and 2006/07 is R314 614 000; R343 599 000; and R375 526 000 respectively.

### 2.13.2 ASSET MANAGEMENT

- (a) Five (5) vehicles were stolen and reported to the police. Nothing was written off or auctioned. There were no disposals of other assets during the period under review.
- (b) Departmental assets are recorded in the stock register as soon as they are received, and each office has a separate stock register, which must be maintained at all times. The Department together with Treasury is planning to have a central electronic register of all assets.
- (c) 151 dilapidated schools were refurbished during 2003/2004 financial year.
- (d) No facilities were closed down or graded down during the year under review.
- (e) The uncompleted projects to be carried over into the financial year 2004/2005 are to the tune of R33m.
- (f) All our voted funded projects are forwarded to the Department of Public Works to pursue the tendering process. The Department of Education goes on quotation on emergency cases using the delegation from the provincial tender board, but for the amount equal or less than R100 000.00.

### 2.13.3 MAINTENANCE

The Department at present is concentrating on classroom backlogs in order to remove the learners from under trees. Renovation/maintenance is only undertaken on ad-hoc basis only to cater for storm damaged or life threatening structures. The cost for maintenance/renovation is R14 000 000.

The backlog in terms of renovation stands at 80%. The Department is responsible for major renovation whilst the schools are responsible for minor repairs. We have been reporting on capital assets in accordance with the National Treasury Asset Management guidelines.

# PROGRAMME PERFORMANCE

## Projects completed

01/04/2004 to 30/06/2004

Classrooms completed: 1824

Toilets: 262

Independent Electoral Commission Projects for water  
and toilets were implemented as follows: 120 water projects completed  
225 toilet projects completed

## Future plans:

- (a) Toilet facilities that are currently under construction are to be completed before the end of 2004/2005 financial year.
- (b) Water: Out of 530 projects, a total number of 120 projects were completed. Other work is at 60% and it anticipated to be completed at the end of October 2004.





**PART 3 & 4**

**ANNUAL FINANCIAL  
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# ANNUAL FINANCIAL STATEMENTS

LIMPOPO DEPARTMENT OF EDUCATION  
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## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### MANAGEMENT REPORT for the year ended 31 March 2004

Report by the Accounting Officer to the Executive Authority and Legislature of the Limpopo Province.

#### 1. General review of the state of Financial affairs.

The department has concluded another successful year. The reforms with regard to procurement, the increased delegations and approval by the tender board with regard to LSM procurement, all resulted in better service delivery. With this process still unfolding, the department will be able to plan even better in future.

Real growth for the two major non-personal components of the budget i.e. infrastructure (to overcome the classroom backlog) and Learner Support Materials (LSM) bodes well for the future and better planning and higher retrieval rates for textbooks, mean that conditions in the classroom for more learners is being constantly improved.

The problem for timing still persists though, as not all goods and services ordered or received by the department are settled by year end. This results in the Appropriation account reflecting huge underspending for funds already committed for the current year this has been further exacerbated by the fact that the Performance Management System for educators had not yet been finalized, resulting in "underspending" for personnel.

A total amount of R8 138 301 000, 00 against an approved budget of R8 732 036 000,00 was spent. The underspending was R593 735 000,00.

#### 2. Services Rendered by the Department

A full list of services and performance measures is disclosed under the departmental performance part 3 of the annual report.

#### 3. Capacity constraints

Personnel and systems are the two most glaring examples of constraints facing the department. Vacancies in administration posts have been advertised and filling of these posts will be filled in the next financial period. Systems with regard to financial reporting, both software and network related continue to be a challenge for the department.

#### 4. Donor Funding

Donors both local and international continue to play a significant role in department.

The Limpopo Education Development Trust, chaired by the Senior General Manager-Strategic Support is still active in provisioning of classrooms. Foreign donors also support the department in a number of areas.

## 5. Transfer Payments

The Department transfers funds direct to independent schools, special schools, FET Colleges and Public schools with Section 21 functions. The transfers are made in terms of the South African Schools Act.

## 6. Corporate Governance arrangements

### Internal Audit

The internal audit function in the province is a shared service. It is situated in the office of the Premier with certain staff dedicated to the department. The department discusses the reports of the Internal Auditors with the audit committee on a regular basis.

### Risk Management

The department has appointed a Senior Manager risk management. The Section is not functioning at an optimum level as a result of a shortage of manpower and skills.

## 7. Events after the reporting date.

No major events took place after the reporting date that should have any financial impact on the department.

## 8. Progress with Financial Management Improvement

A number of Senior Managers are on the Presidential leadership programme that is conducted by the South African Management and Development Institute.

Officials in all the districts have been workshopped on warehouse management and budget control, in an effort to decentralize more functions. These initiatives it is hoped will improve service delivery.

## 9. Performance Information

The standardized strategic plans and management reports are being implemented, so as to promote uniform criteria throughout the department. In the coming year more attention will be paid to detailed quarterly reports to better project spending trends.

### Approval

The annual financial statements have been approved by the Accounting Officer.

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PROF. RANWEDZI HARRY NENGWEKHULU  
HEAD OF DEPARTMENT

# ANNUAL FINANCIAL STATEMENTS

LIMPOPO DEPARTMENT OF EDUCATION  
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PROF. RANWEDZI HARRY NENGWEKHULU  
HEAD OF DEPARTMENT

# ANNUAL FINANCIAL STATEMENTS

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PROVINCIAL AUDIT

## REPORT OF THE AUDIT COMMITTEE COMMENTS ON DEPARTMENT OF EDUCATION

### Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2004.

### Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets at least 3 times per annum as per its approved Audit Committee Charter. During the current year 4 meetings were held.

Name of Member	Number of Meetings Attended
M Booi (Chairperson)	2
GS Malan (Acting Chairperson, co-opted from Infrastructure Cluster)	2
J.N Tshikovhi	4
M.T Maphwanya	4

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of internal control

The system of controls designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed and from the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. In line with the PFMA and the King II Report requirements, Internal Audit provides the Audit Committee and management with assurance **that the internal controls are appropriate and partly effective**. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

### Risk Assessment

The Department has performed strategic risk assessment process and is currently implementing risk mitigating strategies. The operational risk assessment is still outstanding.

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

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. However, it was noted that the Department was forced closed for six (6) months during the year. In addition suspense accounts were not cleared on a month to month basis.

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# ANNUAL FINANCIAL STATEMENTS

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## **Evaluation of Financial Statements**

The Audit Committee has

- Reviewed and discussed with the Auditor-General and the management of the Department the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's response.

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

.....  
Chairperson of the Audit Committee

Date:.....

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AUDITOR-GENERAL

## **PART A: REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 3 – DEPARTMENT OF EDUCATION FOR THE YEAR ENDED 31 MARCH 2004**

### **1. AUDIT ASSIGNMENT**

The financial statements as set out on pages ..... to ....., for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

### **3. AUDIT OPINION**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Education at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

### **4. EMPHASIS OF MATTER**

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

#### **4.1 Internal control weaknesses**

The following cases of material internal control weaknesses were identified:

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## 4.1.1 Expenditure

Control over expenditure was lacking and consist of:

- (i) goods receiving vouchers amounting to R494 412 were not signed as proof that goods were received in good order;
- (ii) payments totaling R250 664, relevant to the previous financial year were paid during the period under review; and
- (iii) payments to the value of R213 392 had been made on copies of invoices which were not certified as true copies of the original invoices.

## 4.1.2 Personnel Expenditure

Control over personnel expenditure was found to be inadequate as several cases were identified where:

- (i) numerous files and supporting documentation could not be submitted for audit purposes;
- (ii) several payrolls were not certified by the delegated officials and in some cases could not be submitted for audit purposes;
- (iii) employees did not sign the relevant payrolls as evidence that they are employed at the relevant paypoint, while it was also observed that one employee signed for various other employees on some payrolls;
- (iv) employees at the regions did not correspond with the relevant payrolls;
- (v) although the job structure had been approved by the MEC in June 2002, 235 administrative posts were vacant as at year end; and
- (vi) the total amount of overtime which exceeded 30% of employees' basic salaries totaled R133 174.

## 4.1.3 Transport

Control over Government owned vehicles were inadequate. Cases were identified where:

- (i) 6 vehicles were parked for long periods due to outstanding licence fees while their condition deteriorate on a daily basis;
- (ii) five vehicles were withdrawn from service while no supporting documentation in this regard could be submitted for audit purposes;
- (iii) no asset register was maintained at the Mopani regional office, while the register at Head Office had not been updated with the latest information;
- (iv) several trip authorisations, logsheets and maintenance files selected could not be submitted for audit purposes due to poor filing; and
- (v) vehicles were utilised while their licences had already expired.

## 4.1.4 Stock and Stores (Inventory)

Control over inventory were inadequate as several cases were identified where:

- (i) obsolete stock were not dealt with accordingly as it is kept in the stores for long periods without being disposed off;
- (ii) the unused part of issue vouchers were not cancelled to prevent any unauthorised alterations/additions;
- (iii) purchases were not recorded on the relevant tally cards;
- (iv) differences were discovered when comparing stock on hand with balances in the registers;
- (v) handing-over certificates were not completed when the responsibilities were carried over from one person to another;
- (vi) access to stores and inventories were not restricted to authorised officials only; and
- (vii) tally cards were not closed-off at the end of the financial period.

## 4.1.5 Suspense Accounts

During the audit of suspense accounts, it was noticed that as on 31 March 2004, the amounts of R 10 359 829 (in respect of all debit accounts) and R31 035 561 (in respect of all credit accounts) had not been cleared as required by Treasury Regulations. The department did, however, submit adequate audit evidence to support these balances, which were correctly disclosed in the financial statements.

## 4.1.6 Asset Management – Textbooks

The control over the delivering, recording and issuing of textbooks were found to be inadequate as:

- (i) registers were not in place at the warehouses to confirm the correct and accurate receipt and issuing of text books;
- (ii) warehouse delivery forms (WDF2) were not completed correctly by the recipients at the various schools as it should be stamped with the official school-stamp as well as dated to ensure that deliveries actually took place;
- (iii) several cases existed where books ordered were only partially received or not received at all, although they had been ordered for the 2004 academic year; and
- (iv) numerous books ordered and received were found in the warehouses and were not yet issued to the various schools.

## 5. The auditing and capping (reconciliation) of leave in the Department of Education – Limpopo Province

The Minister of Public Service and Administration made a survey of the progress with the capping of leave. A national project was introduced by the Minister of Education to manage the auditing and capping of vacation leave in the various provincial Departments of Education (PDE) due to serious concerns about the status of vacation leave. Service providers were appointed by the national Department of Education to conduct the capping of the leave records, which commenced during May 2003 and had to be completed, including the auditing of the

# ANNUAL FINANCIAL STATEMENTS

capped leave, by 30 November 2003.

The tender specifications required that all files completed be audited by the Auditor-General and that payment would only be approved once he had reported on the successful completion of the relevant files.

The project was off to a slow start due to a lack readiness of leave files, with only a small percentage of the files prepared and ready for extraction. This caused significant delays, as a sufficient number of files on a regular basis were needed in order for the service provider to be able to complete the project in the specified time frame. The rate of preparation increased considerably after the intervention by the national Department of Education and the service provider's assistance in resolving any logistical problems. The delays in the finalisation of the project necessitated two extensions, with a final completion date of 30 April 2004.

Altogether 55 085 files were compiled, including a number of duplicate files that were merged into one. All files that could not be traced will be followed up and resolved by the PDE.

## 6. APPRECIATION

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

**M S Lekutle**  
*for Auditor-General*

**Polokwane**  
**27 July 2004**



AUDITOR-GENERAL

## **PART B: REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE ON A PERFORMANCE AUDIT OF THE PROCUREMENT OF GOODS AND SERVICES AT THE DEPARTMENT OF EDUCATION OF THE LIMPOPO PROVINCIAL ADMINISTRATION**

### **1. PURPOSE AND CONTENT OF THE REPORT**

1.1 The purpose of this report is to facilitate public accountability by bringing to the attention of the provincial legislature findings regarding the audit conducted at the Department of Education (department). The content of the report is based mainly on the requirements of sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) (act).

1.2 Sufficient audit work was performed to provide substantiating evidence for the findings set out herein. The findings documented in this report are supported by examples of the consequences of the deficient management measures and should not be regarded as comprehensive. Where deemed appropriate, comments received from the accounting officer were reflected in the text.

1.3 It is hoped that this report will give rise to corrective steps, which would contribute constructively to the establishment and implementation of proper management measures and controls and, consequently, to improved value for money.

### **2. AUDITING CONCEPTS AND APPROACH**

**2.1 BACKGROUND:** 2.1.1 The auditing of government institutions is based on the premise that it is the responsibility of the accounting officer concerned to institute measures to:

- (a) procure resources of the right quality in the right quantities at the right time and place at the lowest possible cost (economy);
- (b) achieve the optimal relationship between the output of goods, services or other results and the resources used to produce them (efficiency); and
- (c) achieve policy objectives, operational goals and other intended effects (effectiveness).

2.1.2 The promotion of economy, efficiency and effectiveness depends on adequate management measures for the planning, budgeting, authorisation, control and evaluation of the procurement and utilisation of resources. The responsibility to institute these measures rests with management. The primary objective of performance auditing is to confirm independently that these measures do exist and are effective and to provide management, Parliament and other legislative bodies with information, by means of a structured reporting process, on shortcomings in management measures and examples of the effects thereof.

2.1.3 Although the methodology of performance auditing is focused on highlighting shortcomings in management measures, this does not mean that poor or no value for money is received throughout the entity audited.

2.1.4 It is not the Auditor-General's function to question policy. It is, however, his responsibility to investigate the effect of policy and the management measures that lead to policy decisions.

**2.2 MODUS OPERANDI:** Performance audits are conducted in accordance with generally accepted government auditing standards as well as the internal guidelines for the planning,

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execution, reporting and follow-up of performance audits. By the very nature of things it is possible in each performance audit to focus only on a segment of the activities of a particular institution. In this regard preference is given to the more important aspects. The *modus operandi* adopted makes provision for, *inter alia*, the following:

**2.2.1 Steering committee:** When the initial arrangements were made for the audit, the management of the department was informed in detail of the objectives and the *modus operandi* that will be followed during the audit and arrangements were made for the establishment of a steering committee. The main purpose of the steering committee, which consisted of the audit team and senior staff members of the department, was to secure and maintain cooperation between all parties involved. During the meetings of the steering committee efforts were made to reach consensus on matters such as audit criteria, findings and conclusions so that the eventual report would not contain any undeliberated issues and to afford the department an opportunity to make timely inputs. This approach should also lead to early corrective steps where weaknesses have been noticed. It is, however, in no way the intention or practice for the steering committee to provide the institution with a veto right in respect of the nature and scope of the performance audit or the reporting thereon. A steering committee is a consultative consensus-seeking forum, but the relevant statutory powers remain vested in the Auditor-General.

**2.2.2 Management report:** Consensus on the factual correctness of the findings was reached during a meeting of the steering committee on 13 November 2003, under the chairmanship of the Head of the Department. The response of the Head of the Department was received on 12 May 2004 and incorporated into the report.

## 3. SCOPE

This audit focused mainly on the following areas:

- (a) Designated (any person occupying a post on the SMS grade C in a provincial department) and non-designated employees (other employees of the department) who are directors or members of private companies or close corporations.
- (b) Designated and non-designated employees who are directors or members of private companies or close corporations that supplied goods or rendered services to the administration.
- (c) Suppliers who charged VAT but were not registered for it.

## 4. AUDIT PROCEDURES

By making use of computer assisted audit techniques the following exception reports were compiled for the period 1 April 2002 to 31 March 2003:

- (a) Ten Designated employees were directors or members of private companies or close corporations.
- (b) One thousand eight hundred and twenty nine non-designated employees were directors or members of private companies or close corporations.
- (c) One hundred and ten designated and non designated employees were directors or members of private companies or close corporations that supplied goods or rendered services to the administration.
- (d) Twenty three suppliers that were not registered for Value added tax (VAT) received payments in excess of R300 000 from the department for the period 1 April 2002 to 31 March 2003.

## 5. FINDINGS

(a) According to chapter 3 of the Public Service Regulations, 2001, and the second column of schedules 1 and 2 of the Public Service Act, designated employees have to disclose their financial interest in private institutions to their relevant executing authority (Office of the Premier). Only 14 and 13 of the 34 designated employees had submitted their financial declaration forms for the 2002-03 and 2003-04 financial years respectively to the executing authority. Furthermore, 7 designated employees, who were directors or members of private companies or close corporations, did not declare their financial interests for the 2002-03 and 2003-04 financial years to the executing authority.

(b) The Public Service Act, chapter VII, sections 30 to 31 stipulate the following: "... every government employee shall place the whole of his or her time at the disposal of the State. No officer or employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the public service, without permission granted by the relevant executing authority or an officer authorised by the said authority." Only 2 of the 1 829 non-designated employees identified who were directors or members of private companies or close corporations had applied for approval to perform or undertake to perform remunerative work outside his/her employment in the public service. One hundred and ten (110) designated and non-designated employees of the department were directors members of private companies or close corporations that supplied goods or rendered services to the administration without permission of the executing authority. This could be an indication that these employees perform remunerative work outside his/her employment in the public service.

(c) Although the department required a tenderer to submit a declaration of interest form, such declarations were not verified or used during the evaluation process to ensure that the tenderer or any person connected with the tenderer were employed by the department.

(d) The department does not have adequate management measures in place to verify whether suppliers that charge VAT on their invoices are registered for VAT, which could lead to overpayments by the department. Nine suppliers were not registered for VAT according to the SARS regional office in Limpopo and the VAT vendor search on the SARS web site. Although they had received payment of more than R300 000, they had not charged VAT on invoices. Furthermore, the department paid R1 117 612 of VAT over to eight suppliers that were not registered VAT according to the VAT vendor search on the SARS web site.

## 6. RECCOMENDATIONS

(a) The department should investigate all employees who were directors or members of private companies and close corporations to determine:

- Whether these employees are still directors or members of private companies or close corporations
- Whether these employees received any remuneration, allowances or other rewards for being directors or members of private companies or close corporations.
- Why these employees did not obtain approval to perform remunerative work outside the public service.

(b) All designated employees should complete financial interest declaration forms according to paragraph (c) of chapter 3 of the Public Service Regulations, 2001 and should be made aware of their legal obligation to adhere to both the Public Service Regulations, 2001 and the Public Service Act.

(c) Disciplinary action against designated and non-designated employees, who did not declare their interest or who did not obtain the relevant approval to perform remunerative work outside the public service, should be considered and the outcome of such an investigation should be reported to this Office.

# ANNUAL FINANCIAL STATEMENTS

(d) The department should keep a comprehensive register of all designated and non-designated employees who are directors or members of private companies or close corporations.

(e) Where the directors or members of private companies or close corporations that tender are employees of the administration, the approval authority should verify whether these employees have the necessary approval to perform work outside his/her official duty or work..

(f) Section 38(g), chapter 5 of the PFMA stipulates the following: "The accounting officer for a department on the discovery of any irregular expenditure must immediately report, in writing, particulars of the expenditure to the relevant Treasury and in the case of irregular expenditure involving the procurement of goods or services, also to the relevant board." The accounting officer should, therefore, report the suppliers who are not registered for VAT to SARS. Furthermore, the department should claim back the VAT that had been paid to suppliers that were not registered for VAT.

## 7. COMMENTS OF THE ACCOUNTING OFFICER

(a) The department have issued letters to all the individual designated and non designated employees who are directors or members of private companies and close corporations requiring them to indicate:

- Why they have failed to obtain permission from the relevant executing authority to perform remunerative work outside his or her employment in the public service;
- Why they have failed to declare their interests as prescribed, and/or
- Why they have made false declarations with regard to their interest in private companies and close corporations.

(b) The Head of the Department will evaluate the responses received from the individual designated and non designated employees and take further steps depending on the nature of the response received.

(c) A circular was issued by the department to inform all designated and non designated employees about their responsibilities and courses of action that would be taken if employees did not adhere to the applicable legislation in this regard.

(d) The current tender specification includes a declaration of interest form that has to be completed which will be compared with the list of designated and non designated employees with interests companies and or close corporations.

(e) The names of the companies and close corporations in which designated and non-designated employees are directors or members will be shared with other departments within the province at the Head of Department and Chief Financial Officer forums to identify these companies and close corporations when they tender for work in the province. In addition, other departments will also be encouraged to have similar audits performed in their departments so that the province can build up a database of all the staff members of the provincial administration who are directors/members of private companies or close corporations.

(f) A list of all companies that received payments in excess of R300 000 and are not registered for VAT will be forwarded to the South African Revenue Service for follow up.

## 8. APPRECIATION

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

**M S Lekutle**  
**for Auditor-General**

**Polokwane**  
**30 July 2004**

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

#### 1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosures. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

#### 2 Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National / Provincial Expenditure. Unexpended voted funds are annually surrendered to the National / Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred annually to the National / Provincial Revenue Fund.

#### 3 Donor Aid

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

#### 4 Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

#### 5 Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

### 6 Debts written off

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of surplus funds available to the department. No provision is made for irrecoverable amounts.

### 7 Capital expenditure

Expenditure for physical items on hand on 31 March 2004 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement.

### 8 Investments

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

### 9 Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

**Investments in controlled entities are shown at cost.**

### 10 Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

### 11 Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial/National Revenue Fund or another party.

### 12 Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

### 13 Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as part of the disclosure note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

### 14 Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

### 15 Employee benefits

#### *Short-term employee benefits*

The cost of short-term employee benefits is expensed in the income statement in the reporting period when the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a disclosure note to the financial statements and are not recognised in the income statement.

#### *Termination benefits*

Termination benefits are recognised and expensed only when the payment is made.

#### *Retirement benefits*

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

#### *Medical benefits*

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2004

### 16 Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

### 17 Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

### 18 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### APPROPRIATION STATEMENT for the year ended 31 March 2004

	Programme 2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings / (Underspend) (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>1. Administration</b>								
Current	882929	0	882929	858645	24284	97.25%	860953	828760
Capital	25490	0	25490	32930	-7440	129.19%	39307	27106
<b>2. Public Ordinary Schools</b>								
Current	6903814	0	6903814	6462580	441234	93.61%	6043717	5916362
Capital	296920	0	296920	284613	12307	95.86%	190661	153738
<b>3. Independent schools</b>								
Current	13844	0	13844	13844	0	100.00%	14319	14319
Capital	0	0	0	0	0	0.00%	0	0
<b>4. Public Special schools</b>								
Current	111481	0	111481	97233	14248	87.22%	92751	89568
Capital	7760	0	7760	2479	5281	31.95%	3665	4835
<b>5. Further Education and Training</b>								
Current	97281	0	97281	91715	5566	94.28%	76936	70482
Capital	1000	0	1000	1632	-632	163.20%	3017	2459
<b>6. Adult Basic Education and training</b>								
Current	42917	0	42917	28572	14345	66.58%	39482	22980
Capital	1898	0	1898	40	1858	2.11%	1838	276
<b>7. Early Childhood development</b>								
Current	19149	0	19149	12676	6473	66.20%	15041	12004
Capital	849	0	849	133	716	15.67%	3662	189
<b>8. Services</b>								
Current	319131	0	319131	255916	63954	80.19%	n/a	n/a
Capital	7573	0	7573	4629	2205	61.13%	n/a	n/a
<b>9. Teacher training</b>								
Current	n/a		n/a			0.00%	203846	200425
Capital	n/a		n/a			0.00%	2828	1995
<b>Total</b>	<b>8732036</b>	<b>0</b>	<b>8732036</b>	<b>8147637</b>	<b>584399</b>	<b>93.31%</b>	<b>7592023</b>	<b>7345498</b>
<b>Reconciliation with Income Statement</b>								
Less: Investments acquired and capitalised during the current financial year - expensed for appropriation purposes								
Add: Local and foreign aid assistance (including RDP funds)			28764	10606			42312	42312
Add: Other Receipts			-3125	0			24820	0
Less: Unauthorised, Fruitless and wasteful expenditure			0	0				
<b>Actual amounts per Income Statement</b>			<b>8757675</b>	<b>8158243</b>			<b>7659155</b>	<b>7387810</b>

### APPROPRIATION STATEMENT for the year ended 31 March 2004

Direct charge against the National Revenue Fund	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Provinces Equitable Share	8732036	0	8732036	8147637	584399	93.31%	7592023	7345498
<b>Total</b>	<b>8732036</b>	<b>0</b>	<b>8732036</b>	<b>8147637</b>	<b>584399</b>	<b>93.31%</b>	<b>7592023</b>	<b>7345498</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	7433914	0	7,433,914	7,089,915	343,999	95.37%	6608215	6607739
Transfer payments	80841	0	80,841	79,462	1,379	98.29%	49433	49426
Other	863652	0	863,516	651,804	211,712	75.48%	689397	497735
<b>Capital</b>								
Transfer payments	0	0	-	-	-	0.00%	0	0
Acquisition of capital assets	353629	0	353,765	326,456	27,309	92.28%	244978	190598
<b>Total 1</b>	<b>8732036</b>	<b>0</b>	<b>8732036</b>	<b>8147637</b>	<b>584399</b>	<b>93.31%</b>	<b>7592023</b>	<b>7345498</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	7,433,914	0	7,433,914	7,089,915	343,999	95.37%	6608215	6607739
Administrative	132,406	0	132,406	212,700	(80,294)	160.64%	122696	102670
Inventories	611,689	0	611,689	328,686	283,003	53.73%	458067	293627
Equipment	55,351	0	55,351	29,536	25,815	53.36%	57387	43496
Land and buildings	5,100	0	5,100	2,761	2,339	54.14%	3943	3066
Professional and special services	410,235	0	410,235	394,213	16,022	96.09%	289782	243827
Transfer payments	80,841	0	80,841	79,462	1,379	98.29%	49433	49426
Miscellaneous	2,500	0	2,500	10,364	(7,864)	414.56%	2500	1627
Special functions	-		-	-	-		0	0
<b>Total 1</b>	<b>8732036</b>	<b>0</b>	<b>8732036</b>	<b>8147637</b>	<b>584399</b>	<b>93.31%</b>	<b>7592023</b>	<b>7345498</b>

1. Total must exclude the total for direct charges to the NRF

2. Only to be completed for the National / Provincial Revenue Fund

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# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 1 - ADMINISTRATION for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>1.1 Office of the MEC</b>								
Current	4053	0	4053	3023	1030	74.59%		
Capital	340	0	340	101	239	29.71%		
<b>1.2 Corporate Services</b>								
Current	174832	0	174832	134408	40424	76.88%		
Capital	18716	0	18716	28617	-9901	152.90%		
<b>1.3 Education Management</b>								
Current	642839	0	642839	688687	-45848	107.13%	860953	828760
Capital	6134	0	6134	4202	1932	68.50%	39307	27106
<b>1.4 Human Resource</b>								
Current	24402	0	24402	8090	16312	33.15%		
Capital	300	0	300	0	300	0.00%		
<b>1.5 Conditional grants</b>								
Current	36803	0	36803	24437	12366	66.40%		
Capital	0	0	0	10	-10	0.00%		
<b>Total</b>	<b>908419</b>	<b>0</b>	<b>908419</b>	<b>891575</b>	<b>16844</b>	<b>98.15%</b>	<b>900260</b>	<b>855866</b>

  

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	743675	0	743675	710616	33059	95.55%	650731	641413
Transfer payments	5785	0	5785	4408	1377	76.20%	7094	7093
Other	121330	0	121330	143621	-22291	118.37%	203128	180254
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0.00%	0	0
Acquisition of capital assets	37629	0	37629	32930	4699	87.51%	39307	27106
<b>Total</b>	<b>908419</b>	<b>0</b>	<b>908419</b>	<b>891575</b>	<b>16844</b>	<b>98.15%</b>	<b>900260</b>	<b>855866</b>

  

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	743675	0	743675	710616	33059	95.55%	650731	645442
Administration	48177	0	48177	64349	-16172	133.57%	72321	56822
Inventories	14762	0	14762	18149	-3387	122.94%	56431	48996
Equipment	23019	0	23019	15036	7983	65.32%	33988	26992
Land and buildings	4100	0	4100	2761	1339	67.34%	2743	2937
Professional and special services	66401	0	66401	65892	509	99.23%	74452	65957
Transfer payments	5785	0	5785	4408	1377	76.20%	7094	7093
Miscellaneous	2500	0	2500	10364	-7864	414.56%	2500	1627
Special functions	0	0	0	0	0	0.00%	0	0
<b>Total</b>	<b>908419</b>	<b>0</b>	<b>908419</b>	<b>891575</b>	<b>16844</b>	<b>98.15%</b>	<b>900260</b>	<b>855866</b>

## DETAIL PER PROGRAMME 2 - PUBLIC ORDINARY SCHOOLS for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>2.1 Primary Schools</b>								
Current	3724481	0	3724481	3764618	-40137	101.08%	3491825	3483209
Capital	173000	0	173000	205906	-32906	119.02%	112158	105184
<b>2.2 Secondary Schools</b>								
Current	3179333	0	3179333	2697962	481371	84.86%	2551892	2433153
Capital	123920	0	123920	78707	45213	63.51%	78503	48554
<b>Total</b>	<b>7200734</b>	<b>0</b>	<b>7200734</b>	<b>6747193</b>	<b>453541</b>	<b>93.70%</b>	<b>6234378</b>	<b>6070100</b>

  

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	6299805	0	6299805	6083227	216578	96.56%	5612229	5643247
Transfer payments	0	0	0	0	0	0.00%	0	0
Other	604009	0	604009	379353	224656	62.81%	431488	256166
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0.00%	0	0
Acquisition of capital assets	296920	0	296920	284613	12307	95.86%	190661	170687
<b>Total</b>	<b>7200734</b>	<b>0</b>	<b>7200734</b>	<b>6747193</b>	<b>453541</b>	<b>93.70%</b>	<b>6234378</b>	<b>6070100</b>

  

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	6,299,805		6,299,805	6,083,227	216,578	96.56%	5,612,229	5,643,249
Administration	55,926		55,926	101,809	-45,883	182.04%	40,323	39,108
Inventories	547,083		547,083	277,498	269,585	50.72%	374,713	221,103
Equipment	25,493		25,493	12,075	13,418	47.37%	17,000	13,792
Land and buildings	1,000		1,000	0	1,000	0.00%	1,200	150
Professional and special services	271,427		271,427	272,584	-1,157	100.43%	188,913	152,698
Transfer payments	-	0	0	0	0	0.00%	0	0
Miscellaneous	-	0	0	0	0	0.00%	0	0
Special functions	-	0	0	0	0	0.00%	0	0
<b>Total</b>	<b>7200734</b>	<b>0</b>	<b>7200734</b>	<b>6747193</b>	<b>453541</b>	<b>93.70%</b>	<b>6234378</b>	<b>6070100</b>

# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 3 - INDEPENDENT SCHOOLS for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>3.1 Independent Primary and Secondary Schools</b>								
Current	13844	0	13844	13844	0	100,00%	14319	14319
Capital	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13844</b>	<b>0</b>	<b>13844</b>	<b>13844</b>	<b>0</b>	<b>100,00%</b>	<b>14319</b>	<b>14319</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	0	0	0	0	0	0	0	0
Transfer payments	13844	0	13844	13844	0	100,00%	14319	14319
Other	0	0	0	0	0	0	0	0
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0	0	0
Acquisition of capital assets	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13844</b>	<b>0</b>	<b>13844</b>	<b>13844</b>	<b>0</b>	<b>100,00%</b>	<b>14319</b>	<b>14319</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	0	0	0	0	0	0	0	0
Administration	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0
Land and buildings	0	0	0	0	0	0	0	0
Professional and special services	0	0	0	0	0	0	0	0
Transfer payments	13844	0	13844	13844	0	100,00%	14319	14319
Miscellaneous	0	0	0	0	0	0	0	0
Special functions	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13844</b>	<b>0</b>	<b>13844</b>	<b>13844</b>	<b>0</b>	<b>100,00%</b>	<b>14319</b>	<b>14319</b>

## DETAIL PER PROGRAMME 4 - PUBLIC SPECIAL SCHOOLS for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>4.1 Special Primary and Secondary Schools</b>								
Current	111481	0	111481	97233	14248	87,22%	92751	89568
Capital	7760	0	7760	2479	5281	31,95%	3665	4835
<b>Total</b>	<b>119241</b>	<b>0</b>	<b>119241</b>	<b>99712</b>	<b>19529</b>	<b>83,62%</b>	<b>96416</b>	<b>94403</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	86985	0	86985	72799	14186	83,69%	69132	66312
Transfer payments	24235	0	24235	24235	0	100,00%	23100	23094
Other	261	0	261	199	62	76,25%	519	162
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0,00%	0	0
Acquisition of capital assets	7760	0	7760	2479	5281	31,95%	3665	4835
<b>Total</b>	<b>119241</b>	<b>0</b>	<b>119241</b>	<b>99712</b>	<b>19529</b>	<b>83,62%</b>	<b>96416</b>	<b>94403</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	86985	0	86985	72799	14186	83,69%	69132	66312
Administration	261	0	261	199	62	76,25%	184	179
Inventories	0	0	0	0	0	0,00%	0	0
Equipment	0	0	0	0	0	0,00%	0	0
Land and buildings	0	0	0	0	0	0,00%	0	0
Professional and special services	7760	0	7760	2479	5281	31,95%	4000	4818
Transfer payments	24235	0	24235	24235	0	100,00%	23100	23094
Miscellaneous	0	0	0	0	0	0,00%	0	0
Special functions	0	0	0	0	0	0,00%	0	0
<b>Total</b>	<b>119241</b>	<b>0</b>	<b>119241</b>	<b>99712</b>	<b>19529</b>	<b>83,62%</b>	<b>96416</b>	<b>94403</b>

# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 5 - FURTHER EDUCATION AND TRAINING for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>5.1 Public Institutions</b>								
Current	97281	0	97281	91715	5566	94.28%	76936	70482
Capital	1000	0	1000	1632	-632	163.20%	3017	2459
<b>Total</b>	<b>98281</b>	<b>0</b>	<b>98281</b>	<b>93347</b>	<b>4934</b>	<b>94.98%</b>	<b>79953</b>	<b>72941</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	60124	0	60124	54495	5629	90.64%	48880	46318
Transfer payments	36977	0	36977	36975	2	99.99%	4920	4920
Other	180	0	180	245	-65	136.11%	23136	19244
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0.00%	0	0
Acquisition of capital assets	1000	0	1000	1632	-632	163.20%	3017	2459
<b>Total</b>	<b>98281</b>	<b>0</b>	<b>98281</b>	<b>93347</b>	<b>4934</b>	<b>94.98%</b>	<b>79953</b>	<b>72941</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	60124	0	60124	54495	5629	90.64%	48880	46318
Administration	180	0	180	245	-65	136.11%	2576	2251
Inventories	0	0	0	0	0	0.00%	13960	13451
Equipment	0	0	0	0	0	0.00%	2533	1716
Land and buildings	0	0	0	0	0	0.00%	0	0
Professional and special services	1000	0	1000	1632	-632	163.20%	7084	4285
Transfer payments	36977	0	36977	36975	2	99.99%	4920	4920
Miscellaneous	0	0	0	0	0	0.00%	0	0
Special functions	0	0	0	0	0	0.00%	0	0
<b>Total</b>	<b>98281</b>	<b>0</b>	<b>98281</b>	<b>93347</b>	<b>4934</b>	<b>94.98%</b>	<b>79953</b>	<b>72941</b>

## DETAIL PER PROGRAMME 6 - ADULT BASIC EDUCATION AND TRAINING for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>6.1 Public Centres</b>								
Current	42917	0	42917	28572	14345	66.58%	39482	22980
Capital	1898	0	1898	40	1858	2.11%	1838	276
<b>Total</b>	<b>44815</b>	<b>0</b>	<b>44815</b>	<b>28612</b>	<b>16203</b>	<b>63.84%</b>	<b>41320</b>	<b>23256</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	33577	0	33577	21190	12387	63.11%	30425	16418
Transfer payments	0	0	0	0	0	0.00%	0	0
Other	9340	0	9340	7382	1958	79.04%	9057	6562
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0.00%	0	0
Acquisition of capital assets	1898	0	1898	40	1858	2.11%	1838	276
<b>Total</b>	<b>44815</b>	<b>0</b>	<b>44815</b>	<b>28612</b>	<b>16203</b>	<b>63.84%</b>	<b>41320</b>	<b>23256</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	33577	0	33577	21190	12387	63.11%	30425	16418
Administration	2536	0	2536	1251	1285	49.33%	2470	1138
Inventories	6725	0	6725	5983	742	88.97%	6512	5416
Equipment	1898	0	1898	40	1858	2.11%	1838	284
Land and buildings	0	0	0	0	0	0.00%	0	0
Professional and special services	79	0	79	148	-69	187.34%	75	0
Transfer payments	0	0	0	0	0	0.00%	0	0
Miscellaneous	0	0	0	0	0	0.00%	0	0
Special functions	0	0	0	0	0	0.00%	0	0
<b>Total</b>	<b>44815</b>	<b>0</b>	<b>44815</b>	<b>28612</b>	<b>16203</b>	<b>63.84%</b>	<b>41320</b>	<b>23256</b>

# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 7 - EARLY CHILDHOOD DEVELOPMENT for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>7.1 Grade R in community centres</b>								
Current	19149	0	19149	12676	6473	66.20%	15041	12004
Capital	849	0	849	133	716	15.67%	3662	189
<b>Total</b>	<b>19998</b>	<b>0</b>	<b>19998</b>	<b>12809</b>	<b>7189</b>	<b>64.05%</b>	<b>18703</b>	<b>12193</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	1298	0	1298	33	1265	2.54%	728	0
Transfer payments	0	0	0	0	0	0.00%	0	0
Other	17851	0	17851	12643	5208	70.83%	14313	12004
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0.00%	0	0
Acquisition of capital assets	849	0	849	133	716	15.67%	3662	189
<b>Total</b>	<b>19998</b>	<b>0</b>	<b>19998</b>	<b>12809</b>	<b>7189</b>	<b>64.05%</b>	<b>18703</b>	<b>12193</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	1298	0	1298	33	1265	2.54%	728	0
Administration	1767	0	1767	993	774	56.20%	2744	842
Inventories	1281	0	1281	69	1212	5.39%	2734	1836
Equipment	849	0	849	133	716	15.67%	300	189
Land and buildings	0	0	0	0	0	0.00%	0	0
Professional and special services	14803	0	14803	11581	3222	78.23%	12197	9326
Transfer payments	0	0	0	0	0	0.00%	0	0
Miscellaneous	0	0	0	0	0	0.00%	0	0
Special functions	0	0	0	0	0	0.00%	0	0
<b>Total</b>	<b>19998</b>	<b>0</b>	<b>19998</b>	<b>12809</b>	<b>7189</b>	<b>64.05%</b>	<b>18703</b>	<b>12193</b>

## DETAIL PER PROGRAMME 8 - AUXILIARY AND ASSOCIATED SERVICES for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>8.1 Payments to SETA</b>								
Current	7376	0	7376	7376	0	100.00%		
Capital	0	0	0	0	0	0.00%		
<b>8.2 Special Projects</b>								
Current	30027	0	30027	15645	14382	52.10%		
Capital	35	0	35	0	35	0.00%		
<b>8.3 External examinations</b>								
Current	64856	0	64856	55183	9673	85.09%		
Capital	0	0	0	0	0	0.00%		
<b>8.4 Education Multipurpose Centers</b>								
Current	217611	0	217611	177712	39899	81.66%		
Capital	6799	0	6799	4629	2170	68.08%		
<b>Total</b>	<b>326704</b>	<b>0</b>	<b>326704</b>	<b>260545</b>	<b>66159</b>	<b>79.75%</b>	<b>0</b>	<b>0</b>

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>								
Personnel	208450	0	208450	147555	60895	70.79%		
Transfer payments	0	0	0	0	0	0.00%		
Other	110545	0	110545	108361	2184	98.02%		
<b>Capital</b>								
Transfer payments	0	0	0	0	0	0.00%		
Acquisition of capital assets	7709	0	7709	4629	3080	60.05%		
<b>Total</b>	<b>326704</b>	<b>0</b>	<b>326704</b>	<b>260545</b>	<b>66159</b>	<b>79.75%</b>	<b>0</b>	<b>0</b>

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	208450	0	208450	147555	60895	70.79%		
Administration	23559	0	23559	43854	-20295	186.15%		
Inventories	41838	0	41838	26987	14851	64.50%		
Equipment	4092	0	4092	2252	1840	55.03%		
Land and buildings	0	0	0	0	0	0.00%		
Professional and special services	48765	0	48765	39897	8868	81.81%		
Transfer payments	0	0	0	0	0	0.00%		
Miscellaneous	0	0	0	0	0	0.00%		
Special functions	0	0	0	0	0	0.00%		
<b>Total</b>	<b>326704</b>	<b>0</b>	<b>326704</b>	<b>260545</b>	<b>66159</b>	<b>79.75%</b>	<b>0</b>	<b>0</b>

# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 9 - TEACHER TRAINING for the year ended 31 March 2004

Programme per subprogramme	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
9.1 Teacher Training								
Current	n/a						203846	200425
Capital	n/a						2828	1995
Total	0	0	0	0	0	0	206674	202420

Economic classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel	n/a						196090	190000
Transfer payments	n/a						0	0
Other	n/a						7756	10425
Capital								
Transfer payments	n/a						0	0
Acquisition of capital assets	n/a						2828	1995
Total	0	0	0	0	0	0	206674	202420

Standard item classification	2003/04						2002/03	
	Adjusted Appropriation R'000	Virement R'000	Final Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	n/a						196090	190000
Administration	n/a						2078	2329
Inventories	n/a						3717	2725
Equipment	n/a						1728	623
Land and buildings	n/a						0	0
Professional and special services	n/a						3061	6743
Transfer payments	n/a						0	0
Miscellaneous	n/a						0	0
Special functions	n/a						0	0
Total	0	0	0	0	0	0	206674	202420

# ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF EDUCATION  
VOTE 3

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 MARCH 2004

### 1. Detail of current and capital transfers as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 10 (Transfer payments) and Annexure 1 to the annual financial statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

### 3 Explanations of material variances from Amounts Voted (after virement):

#### 3.1 Per programme:

##### 1 Administrartion

Under spending on personnel , and equipment

##### 2 Public Ordinary School Education

Underspending as a result of personnel - unfilled posts of principals and HOD's. Pay progression for teachers and PMS bonuses not finalised.

##### 3 Independent Schools

No variances

##### 4 Public Special school Education

Underspending on personnel (PMS) and also on equipment.

##### 5 Further Education and Training

Underspending on personnel

##### 6 Adult basic Education and Training

Savings on personnel and stores as a result of vacancies.

##### 7 Early Childhood Development

Saving on administrartive expenditure.

##### 8 Auxilliary and Associated Services

Underspending on personnel,administrative and stores. As a result of unfilled posts.

#### 3.2 Per standard item:

##### Personnel

Underspending as a result of unfilled posts, delays in implementing the performance management system for educators and pay progression.

##### Stores and Livestock

Payments for textbooks could not be completed in time as not all publishers had delivered the learner support materials before the end of the financial year.

##### Equipment

Savings as a result of all units not spending what was budgetted for.

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### INCOME STATEMENT for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
<b>REVENUE</b>			
Voted funds		<b>8,732,036</b>	<b>7,592,023</b>
Annual Appropriation	1	<b>8,731,429</b>	<b>7,591,512</b>
Statutory appropriation	2	<b>607</b>	<b>511</b>
Appropriation for unauthorised expenditure		-	-
Other revenue to be surrendered to the revenue fund	3	<b>(3,125)</b>	<b>3,672</b>
Local and foreign aid assistance (incl. RDP funds)	4	<b>28,764</b>	<b>42,312</b>
<b>TOTAL REVENUE</b>		<b>8,757,675</b>	<b>7,638,007</b>
<b>EXPENDITURE</b>			
<b>Current</b>			
Personnel	5	<b>7,089,915</b>	<b>6,607,739</b>
Administrative		<b>212,700</b>	<b>102,670</b>
Inventories	6	<b>328,686</b>	<b>293,627</b>
Machinery and Equipment	7	<b>3,464</b>	<b>14,544</b>
Land and buildings	8	<b>2,761</b>	<b>3,086</b>
Professional and special services	9	<b>95,829</b>	<b>81,393</b>
Transfer payments	10	<b>75,054</b>	<b>432,333</b>
Miscellaneous	11	<b>10,364</b>	<b>1,627</b>
Local and foreign aid assistance (incl. RDP funds)	4	<b>10,606</b>	<b>15,504</b>
<b>TOTAL CURRENT EXPENDITURE</b>	A	<b>7,829,379</b>	<b>7,163,423</b>
<b>Capital</b>			
Machinery and Equipment	7	<b>26,072</b>	<b>28,952</b>
Professional and special services	9	<b>298,384</b>	<b>162,434</b>
Transfer payments	10	<b>4,408</b>	<b>6,193</b>
Local and foreign aid assistance (incl. RDP funds)	4		<b>26,808</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	B	<b>328,864</b>	<b>224,387</b>
<b>TOTAL EXPENDITURE</b>	A + B	<b>8,158,243</b>	<b>7,387,810</b>
<b>NET SURPLUS /(DEFICIT)</b>		<b>599,432</b>	<b>250,197</b>
<b>Reconciliation of Net Surplus / (Deficit) for the year</b>			
Voted Funds to be surrendered to the Revenue Fund	15	<b>584,399</b>	<b>246,525</b>
Other Revenue to be surrendered to the Revenue Fund		<b>(3,125)</b>	<b>3,672</b>
Local and foreign aid assistance (incl RDP Funds) rolled over	4	<b>18,158</b>	-
<b>NET SURPLUS /(DEFICIT) FOR THE YEAR</b>		<b>599,432</b>	<b>250,197</b>

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### BALANCE SHEET as at 31 March 2004

<b>ASSETS</b>	Note	2003/04 R'000	2002/03 R'000
<b>Current assets</b>		1,454,592	1,098,204
Unauthorised and fruitless and wasteful expenditure	12	812,317	818,862
Cash and cash equivalents	13	596,304	225,815
Receivables	14	45,971	53,527
<b>TOTAL ASSETS</b>	A	1,454,592	1,098,204
<b>LIABILITIES</b>			
<b>Current liabilities</b>		1,454,592	1,098,204
Voted funds to be surrendered to the Revenue Fund	15	1,393,925	1,005,425
Other Revenue funds to be surrendered to the Revenue Fund	16	3,114	4,155
Payables	17	57,553	88,624
<b>TOTAL LIABILITIES</b>	B	1,454,592	1,098,204
<b>NET ASSETS/LIABILITIES</b>	A - B	-	-

# ANNUAL FINANCIAL STATEMENTS

**LIMPOPO DEPARTMENT OF EDUCATION  
VOTE 3  
STATEMENT OF CHANGES IN NET ASSETS  
For the year ended 31 MARCH 2004**

	Note	2003/04 000	2002/03 000
<b>Capital reserve</b>			
Opening Balance		0	0
Transfers		0	0
Closing balance		0	0
<b>Recoverable revenue</b>			
Opening balance		0	0
Transfer to Revenue Fund		0	0
Debts written off		0	0
Debts raised		0	0
Closing balance		0	0
<b>Local and foreign aid assistance (incl. RDP funds) rolled over</b>			
Opening Balance	4	0	0
Transfers	4	28,764	14,104
Transfers to/from other reserves	4	10,606	14,104
Closing balance		18,158	-
<b>TOTAL EQUITY</b>		<b>18,158</b>	<b>-</b>

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### CASH FLOW STATEMENT for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	18	928,296	1,233,484
Cash generated / (utilised) to (increase)/decrease working capital	19	(16,970)	(732,741)
Voted funds and Revenue funds surrendered	20	(193,815)	(186,061)
Local and foreign aid assistance		(18,158)	-
<b>Net cash flow available from operating activities</b>		<b>699,353</b>	<b>314,682</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(328,864)	(224,387)
<b>Net cash flows from operating and investing activities</b>		<b>(328,864)</b>	<b>(224,387)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>370,489</b>	<b>90,295</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>225,815</b>	<b>135,520</b>
<b>Cash and cash equivalents at end of period</b>	13	<b>596,304</b>	<b>225,815</b>

# ANNUAL FINANCIAL STATEMENTS

LIMPOPO DEPARTMENT OF EDUCATION  
VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2004

## 1 Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds) and Provincial Departments (Equitable Share):

Programmes	Total Appropriation 2003/04 R'000	Total Appropriation 2003/04 R'000	Actual Funds Received 2003/04 R'000	Variance over/(under) R'000	Total Appropriation 2002/03 R'000
Administration	907812	907812	907812	-	899749
Primary Education	7200734	7200734	7200734	-	6234378
Independent Schools Subsidy	13844	13844	13844	-	14319
Public special schools	119241	119241	119241	-	96416
Further Education and Training	98281	98281	98281	-	79953
Adult Basic Education and Training	44,815	44,815	44,815	-	41320
Early Childhood Development	19,998	19,998	19,998	-	18703
Auxiliary and associated Services	326,704	326,704	326,704	-	n/a
Teacher Training	n/a	n/a	n/a	-	206674
<b>TOTAL</b>	<b>8,731,429</b>	<b>8,731,429</b>	<b>8,731,429</b>	<b>-</b>	<b>7,591,512</b>

Explanation of material variances including whether or not application will be made for a rollover.

## 1.2 Conditional grants

Total grants received

Annexure 1A

**255,534**      **86,764**

## 2 Statutory appropriation

MEC's Salary

607      511

**607**      **511**

## 3 Other revenue to be surrendered to the revenue fund

Description

(Specify material amounts separately)

Cheques written back/stale cheques

5,361      5,554

Commission on Insurance

12,583      13,213

Other

2,581      6,053

Total revenue collected

**20,525**      **24,820**

Less: Own revenue budgeted

23,650      21,148

Total other revenue collected

**(3,125)**      **3,672**

## 4 Local and foreign aid assistance (including RDP funds)

### 4.1 Assistance received in cash

Name of Donor and purpose

Foreign

USAID (District Improvement)

Received	Revenue Total	Expenditure	Deviation	Revenue
7,445	7,445	338	7,107	-
-	-	-	-	13827
16,363	16,363	8,343	8,020	270
4,956	4,956	1,925	3,031	7
-	-	-	-	-
-	-	-	-	-
<b>28,764</b>	<b>28,764</b>	<b>10,606</b>	<b>18,158</b>	<b>14,104</b>

USAID (Borehole Project)

Netherlands Government

Flemish Aid

## 5 Personnel

Current expenditure

Appropriation to Executive and Legislature

607      477

Basic salary costs

5,315,818      4915095

Pension contributions

753,763      697562

Medical aid contributions

361,829      368268

Other salary related costs

657,898      626337

**7,089,915**      **6,607,739**

Average number of employees

59355      60932

# ANNUAL FINANCIAL STATEMENTS

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

		2003/04 R'000	2002/03 R'000
<b>6 Inventories</b>			
<b>6.1 Current expenditure</b>			
<b>Inventories purchased during the year</b>			
School stationery and Textbooks		288,388	200005
Other		40,298	93622
<b>Total cost of inventories</b>		<b>328,686</b>	<b>293,627</b>
<b>7 Machinery and equipment</b>			
Current (Rentals, maintenance and sundry)		3,464	14,544
Capital	7.1	26,072	28,952
<b>Total current and capital expenditure</b>		<b>29,536</b>	<b>43,496</b>
<b>7.1 Capital machinery and equipment analysed as follows:</b>			
Computer equipment		2,585	396
Furniture and office equipment		5,614	4,239
Other machinery and equipment		12,845	14,680
Transport		5,028	9,637
		<b>26,072</b>	<b>28,952</b>
<b>8 Land and buildings</b>			
Rental		2761	3086
<b>Total current expenditure</b>		<b>2,761</b>	<b>3,086</b>
<b>9 Professional and special services</b>			
<b>9.1 Current expenditure</b>			
Contractors		22,917	30,574
Consultants and advisory services		3,204	5,502
Other		69,708	45,317
		<b>95,829</b>	<b>81,393</b>
<b>9.2 Capital expenditure</b>			
Contractors - School Buildings and water supply		298,384	162,434
<b>Total Professional and special services</b>		<b>394,213</b>	<b>243,827</b>
<b>10 Transfer payments</b>			
Special Schools		24,235	23,094
Independent schools		13,844	14,317
FET Colleges		36,975	4,920
Other		4,408	902
		<b>79,462</b>	<b>43,233</b>
<b>Analysis of transfer payments</b>			
Current		75,054	43,233
Capital		4,408	6,193
		<b>79,462</b>	<b>49,426</b>
<b>11 Miscellaneous</b>			
<b>11.1 Current expenditure</b>			
Gifts, donations and sponsorships	11.2	20	-
Calims against the state		1,008	1,627
Conversion account written off		9,336	-
<b>Total miscellaneous expenditure</b>		<b>10,364</b>	<b>1,627</b>
<b>11.2 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)</b>			
Current		20	-
		<b>20</b>	<b>-</b>

# ANNUAL FINANCIAL STATEMENTS

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

		2003/04 R'000	2002/03 R'000
<b>12 Unauthorised and fruitless and wasteful expenditure disallowed</b>			
Unauthorised expenditure	12.1	<u>812,317</u>	<u>818,862</u>
		<b>812,317</b>	<b>818,862</b>
<b>12.1 Reconciliation of unauthorised expenditure balance</b>			
Opening balance		818,862	39,484
Unauthorised expenditure 1995/99 accounted for in the current year		(9,336)	779,378
Unauthorised current year		2,791	-
Approved by Parliament		-	-
Closing balance		<u>812,317</u>	<u>818,862</u>
		<b>812,317</b>	<b>818,862</b>
<b>13 Cash and cash equivalents</b>			
Paymaster General Account		<u>596,304</u>	<u>225,815</u>
		<b>596,304</b>	<b>225,815</b>
<b>14 Receivables - current</b>			
Staff debtors	14.3	19,014	16,401
Other debtors	14.4	<u>26,957</u>	<u>37,126</u>
		<b>45,971</b>	<b>53,527</b>
<b>14.1 Amounts of R 16 727 000 included above may not be recoverable, but has not been written off in the income</b>			
<b>R14 684 000 represent tax paid to SARS for deductions credited prior to 1999</b>			
<b>R 2 043 000 is a debt likely to be written off because the debtor is liquidated</b>			
<b>14.2 Age analysis – receivables current</b>			
Less than one year		7,729	15,568
One to two years (List material amounts)		11,310	36,513
More than two years (List material amounts)		26,932	1,446
		<u>45,971</u>	<u>53,527</u>
		<b>45,971</b>	<b>53,527</b>
<b>14.3 Staff debtors</b>			
Tax Debt		11,310	9,944
Travel & Subsistence advance		3	30
Debt Account		<u>7,701</u>	<u>6,427</u>
		<b>19,014</b>	<b>16,401</b>
<b>14.4 Other debtors</b>			
Disallowances		1,308	1,446
Deposit Control Account		25	447
Persal control Accounts		3,132	10,401
Department of Finance, Affairs and Tourism		7,808	7,808
Receiver of Revenue		14,684	12,334
Capital Expenditure		-	4,690
		<u>26,957</u>	<u>37,126</u>
		<b>26,957</b>	<b>37,126</b>

# ANNUAL FINANCIAL STATEMENTS

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

		2003/04	2002/03
		R'000	R'000
<b>15 Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance	15.1	1,005,425	954,165
Transfer from income statement	15.2	584,399	246,525
Voted funds not requested / not received		-	(11,142)
Paid during the year		(195,899)	(184,123)
Closing balance		<u>1,393,925</u>	<u>1,005,425</u>
		1,005,425	954,165
<b>15.1 Exchequer Grant</b>		114,709	114,709
FCS Balances		664,669	655,333
Previous years balance		226,047	184,123
		584,399	246,525
<b>15.2 Current year</b>		593,735	246,525
Previous year's FCS		(9,336)	-
<b>16 Other revenue funds to be surrendered to the Revenue Fund</b>			
Opening balance		4,155	2,421
Transfer from income statement for revenue to be surrendered		20,525	24,820
Paid during the year		(21,566)	(23,086)
Closing balance		<u>3,114</u>	<u>4,155</u>
<b>17 Payables - current</b>			
<b>Description</b>			
Advances received	17.1	3,669	1,287
Other payables	17.2	53,884	87,337
		<u>57,553</u>	<u>88,624</u>
<b>17.1 Advances received</b>			
IEC - Preparation of polling stations		3,669	1287
		<u>3,669</u>	<u>1,287</u>
<b>17.2 Other payables</b>			
Outstanding Payments		45,348	71,261
Recoveries received without creation of debts		1,519	13,020
Receipts I.r.o. remarking of exams		-	69
Miscellaneous credit due to Persal interface		7,017	2,987
		<u>53,884</u>	<u>87,337</u>
<b>18 Net cash flow generated by operating activities</b>			
Net surplus as per Income Statement		599,432	250,197
Adjusted for items separately disclosed		328,864	224,387
Capital expenditure		<u>328,864</u>	<u>224,387</u>
Voted funds not requested / not received		-	-11,142
Voted funds not requested - 1995/9 unauthorized		-	770,042
Proceeds on sale of financial assets ( )			
Net cash flow generated by operating activities		<u>928,296</u>	<u>1,233,484</u>
<b>19 Cash generated / (utilised) to (increase)/decrease working capital</b>			
(Increase) / decrease in receivables – current		7,556	16,364
(Increases)/decrease in unauthorized expenditure		6,545	-779,378
Increase / (decrease) in payables - current		(31,071)	30,273
		<u>(16,970)</u>	<u>-732,741</u>
<b>20 Voted funds and revenue funds surrendered</b>			
Voted funds surrendered		195,899	184,123
Revenue funds surrendered	20.1	(2,084)	1,938
		<u>193,815</u>	<u>186,061</u>
<b>20.1 Undercollected/Overcollected</b>			
Over surrender		(3,125)	3,672
Revenue		1,041	(1,734)
Surrendered		20,525	24,820
		<u>21,566</u>	<u>23,086</u>

# ANNUAL FINANCIAL STATEMENTS

## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 7 of 2003.

<b>Contingent liabilities</b>			<b>2003/04</b>	<b>2002/03</b>
<b>Liable to</b>	<b>Nature</b>		<b>R'000</b>	<b>R'000</b>
Housing loan guarantees to 4927 (4578)	Employees	Annexure 2	107,898	96,322
			<u>107,898</u>	<u>96,322</u>
<b>Commitments</b>				
<b>Current expenditure</b>				
Approved and contracted/ordered			199,982	43,217
Approved but not yet contracted			1,400	114,278
			<u>201,382</u>	<u>157,495</u>
<b>Capital expenditure</b>				
Approved and contracted/ordered			103,200	33,000
Approved but not yet contracted			106,000	12,000
			<u>209,200</u>	<u>45,000</u>
Total Commitments			<u>410,582</u>	<u>202,495</u>
<b>Accruals</b>				
<b>Listed by standard Item</b>				
Inventories			199,982	43,217
Professional and Special services			103,200	33,000
			<u>303,182</u>	<u>76,217</u>
<b>Employee benefits</b>				
Leave entitlement ***			1,332,809	-
Thirteenth cheque			433,012	398,527
Performance bonus			6,942	-
			<u>1,772,763</u>	<u>398,527</u>
*** This figure is per the PERSAL system. It is being audited.				
<b>Key management personnel Remuneration</b>				
Total Remuneration for SMS				
Superintendent General	1		472	418
Senior General Managers	3		1144	762
General Managers	6		1835	1037
Senior Managers	27		7082	3940
	<u>37</u>		<u>10533</u>	<u>6157</u>
<b>Other remuneration and compensation provided to key management and close members of the family of key management personnel</b>				
Motor Car Allowance			3571	1779
Housing Allowances			200	210
Entertainment Allowance			0	5
Newspaper Allowance			0	5
Computer Allowance			0	1
Non Pensionable cash Allowance			121	163
Medical Provision			40	28
13th cheque			878	
10% HOD's Allowance			79	
Total			<u>4889</u>	<u>2191</u>

# ANNUAL FINANCIAL STATEMENTS

## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

### Assistance received in kind Name of Donor and purpose Local

'2002/03  
Revenue

	Received	Rollover 2002/2003	Total	
Transnet	2,490	3,826	6,316	2,632
BHP Billiton	522	896	1,418	1,910
De Beers	395	12	407	935
South African Breweries	125	1	126	125
Zenex Foundation		1,450	1,450	688
Anglo American Education Trust			-	100
Business Trust (JET)			-	4,630
Joint Education Trust - Mahlahle			-	6,476
Gold Fields			-	-
Anglo Platinum	3,200	2,034	5,234	200
Publishing Houses	1,614	449	2,063	-
Samancor Foundation		185	185	
Sasol	400		400	
Human Science Research Council		4	4	
	<b>8,746</b>	<b>8,857</b>	<b>17,603</b>	<b>- 17,696</b>
<b>Foreign</b>				
DFID		25	25	
Embassy of Ireland	11,224	12,654	23,878	548
Canon Collins		66	66	440
Baobab		800	800	2,494
	<b>11,224</b>	<b>13,545</b>	<b>24,769</b>	<b>- 3,482</b>
	<b>19,970</b>	<b>22,402</b>	<b>42,372</b>	<b>- 21,178</b>

All the above listed donations are done through the Education Trust and are therefore not included in the Income Statement.

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

#### ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS RECEIVED BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2004

NAME OF DEPARTMENT (List each Grant per department from whom received)	GRANT ALLOCATION				EXPENDITURE				
	Division of Revenue Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available R'000	Actual (1) R'000	Unspent R'000	% of Available Spent	Capital R'000	Current R'000
Infrastructure Grant	168,253	-	-	168,253	168,253	-	100.0%	168,253	-
Flood Rehabilitation	4,800	-	-	4,800	4,800	-	100.0%	4,800	-
Financial Management	36,803	-	-	36,803	24,657	12,146	67.0%	-	24,657
HIV/AIDS	18,915	-	11,147	30,062	15,648	14,414	52.1%	-	15,648
Early Childhood Development	13,816	-	1,800	15,616	11,833	3,783	75.8%	-	11,833
	<u>242,587</u>	<u>-</u>	<u>12,947</u>	<u>255,534</u>	<u>225,191</u>	<u>30,343</u>		<u>173,053</u>	<u>52,138</u>

#### Financial Management

Whole school evaluation could not be performed as there was no agreement with the unions. Systemic evaluation could not be implemented due to policy changes at the National Department. Payments for leave audits to national still outstanding

#### HIV/AIDS

Roll overs finalised late and no expenditure could be incurred after that point.

#### Early Childhood Development

A tender by National Department was awarded late for the training of practitioners (Seseko Moteo). Training of site management teams submitted late to provincial tender board.



# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

#### ANNEXURE 3

#### PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2003/04	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>LAND AND BUILDINGS</b>	<b>272,518</b>	<b>298,384</b>	-	<b>13,960</b>	-	<b>584,862</b>
Non-Residential Buildings	272,518	298,384		13,960		584,862

<b>MACHINERY AND EQUIPMENT</b>	<b>52,128</b>	<b>28,067</b>	-	-	-	<b>80,195</b>
Computer equipment	4,145	2,585				6,730
Furniture and office equipment	7,745	5,614				13,359
Other machinery and equipment	29,839	14,841				44,680
Transport assets	10,399	5,027				15,426
	<b>324,646</b>	<b>326,451</b>	-	<b>13,960</b>	-	<b>665,057</b>

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>LAND AND BUILDINGS</b>	<b>77,083</b>	<b>162,434</b>	-	<b>33,001</b>	-	<b>272,518</b>
Non-Residential Buildings	77,083	162,434		33,001		272,518

<b>MACHINERY AND EQUIPMENT</b>	<b>22,738</b>	<b>29,390</b>	-	-	-	<b>52,128</b>
Computer equipment	3,839	306				4,145
Furniture and office equipment	3,506	4,239				7,745
Other machinery and equipment	14,631	15,208				29,839
Transport assets	762	9,637				10,399
	<b>99,821</b>	<b>191,824</b>	-	<b>33,001</b>	-	<b>324,646</b>

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

#### ANNEXURE 4

#### INTER-DEPARTMENTAL RECEIVABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
<b>TOTAL</b>	-	-	-	-

**TOTAL**

- - - -

Include all amounts owing by National and Provincial Departments as well as all Public Entities of those Departments

# ANNUAL FINANCIAL STATEMENTS

## LIMPOPO DEPARTMENT OF EDUCATION VOTE 3

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 MARCH 2004

#### ANNEXURE 5

#### INTER-DEPARTMENTAL PAYABLES - CURRENT

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004	31/03/2003	31/03/2004	31/03/2003
	R'000	R'000	R'000	R'000
National department of Education :				
ECD	301	-	-	-
Leave Audit	203	-	1,610	-
<b>TOTAL</b>	<b>504</b>	<b>-</b>	<b>1,610</b>	<b>-</b>

Include all amounts owing to National and Provincial Departments as well as all Public Entities of those Departments



# **PART 5**

## **HUMAN RESOURCE MANAGEMENT**

# HUMAN RESOURCE MANAGEMENT

## PART 5: HUMAN RESOURCE MANAGEMENT

Table 2.1 Personnel cost by programme:

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Administrative Expenditure	Professional and special Services (R'000)	Personnel cost as a percentage of total Expenditure	Average cost per employee (R'000)
Pr 10: Independent Schools						
Pr. 12: Arts and Culture						
Pr. 13: ECD						
Pr. 2: Administration	37					
Pr. 3: Primary Education						
Pr. 4: Secondary Education	25	16		6	64.2	1.56
Pr. 5: Special Education						
Pr. 6: Technical Education		-3	-3		99.6	
Pr. 7: Teacher Training	226					
Pr. 8: Abet						
Pr. 9: Pre-primary schools						
<b>TOTAL</b>	<b>288</b>	<b>13</b>	<b>-3</b>			

Table 2.2 Personnel cost by salary levels: 2003/04

Programme	Total Expenditure (R'000)	Personnel Expenditure (R000)	Administrative Expenditure (R'000)	Professional and special services (R'000)	Personnel cost as a percentage of total expenditure	Unit Personnel cost (R'000)
Salary levels 1 - 2	67150	67148	2		7	46086
Salary levels 3 - 5	73811	73811	3		7	84646
Salary levels 6 - 8	685243	685218	25		68	115785
Salary levels 9 - 12	173146	173140	6		17	191739
Salary levels 13 - 14		5	0		1	448800
Professionals	76915			70183		
*Senior Management Service		6732				
<b>Total</b>	<b>1076266</b>	<b>1006054</b>	<b>37</b>	<b>70183</b>	<b>100</b>	

\*The cost includes the salary levels 13 - 14.

# HUMAN RESOURCE MANAGEMENT

Table 2.3: Overtime, Allowances and benefits by programme: 2003/04

	Overtime		Allowances		Benefits	
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost
Administration	156	0.02	962	0.096	2691	0.267
Adult Education						
Arts and Culture						
Pre-primary Educ. Admin.						
Pre-primary Education						
Primary Education						
Secondary Education			13110	1.303	45630	4.54
Special Education			568	0.056	1920	0.191
Statutory						
Suspense Account Control						
Teacher Training						
Tgechnical Education						
<b>Total</b>	<b>156</b>	<b>0.02</b>	<b>14640</b>	<b>1.417551477</b>	<b>50241</b>	<b>4.867</b>

Table 2.4: Overtime, Allowances and benefits by salary levels: 2003/04

	Overtime		Allowances		Benefits	
	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost	Amount (R'000)	% of personnel cost
Salary levels 1 - 2	10	0	557	1	2972	4
Salary levels 3 - 5 -	119	0	850	0	4130	6
Salary levels 6 - 8	162	0	10352	2	36362	5
Salary levels 9 - 12	201	0	2432	0	8267	5
Salary levels 13 - 14					213	3.2
Professionals						
Senior Management						
Service			213	0		
<b>TOTAL</b>	<b>492</b>	<b>0</b>	<b>14404</b>	<b>1</b>	<b>51944</b>	<b>5</b>

# HUMAN RESOURCE MANAGEMENT

Table 3.2: Employment and vacancies by programme, 31 March 2004

	Establishment	No. of employees	Vacancy rate	Additional to the establishment
Administration	599	404	32.6	6
Adult Education	11	6	45.5	
Arts and Culture				
Pre-primary Educ. Admin.				
Pre-primary Education	40	27	33	
Primary Education				
Secondary Education	10270	8110	22.5	849
Special Education	432	330	25.3	14
Statutory	1	1		
Suspence Account Control				
Teacher Training				
Tgechnical Education				
<b>Total</b>	<b>11353</b>	<b>8878</b>	<b>158.9</b>	<b>869</b>

Table 3.3: Employment and vacancies by salary band: 31 March 2004

	Establishment	No. of employees	Vacancy rate	Additional to the establishment
Salary levels 1 - 2	5754	2863	2891	5754
Salary levels 3 - 5 -				
Salary levels 6 - 8	1716	1530	186	1716
Salary levels 9 - 12	1029	296	733	1029
Salary levels 13 - 14	34	30	3	33
Professionals	61746	50878	10868	61746
Senior Management Service	5	6	0	6
<b>TOTALS</b>	<b>70284</b>	<b>55603</b>	<b>14681</b>	<b>70284</b>

# HUMAN RESOURCE MANAGEMENT

Table 3.4 and 3.5: Employment and vacancies by nature of appointment and by critical occupation: March 2004:

Nature of appointment	Establishment	Number of employees	Vacancy rate	Additional to the establishment
Administrative related, Permanent	12	8	33.3	
Agriculture related, Permanebt	3	2	33.3	0
Artisan project and related superintendents, Permanent	2	1	50	0
Auxiliary and related workers, Permanent	1	1	0	0
Buildings and other property caretakers, Permanent	81	47	42	0
Bus and heavy vehicle drivers: Permanent	1	1	0	0
Cleaners in offices and workshops,hospitals etc: Permanent	1625	1124	30.8	2
Cleaners in offices and workshops,hospitals etc: Temporary	52	52	0	6
Client inform. Clerks(switchboard recpt inform clerks)P	1	1	0	0
Communication and information related Permanent	1	1	0	0
Educationists: Permanent	269	174	35.3	2
Educationists: Temporary	5	5	0	1
Engineers and related professionals, Permanent	1	1	0	0
Farming forestry advisors and farm managers, Permanent	2	1	50	0
Finance and economic related: Permanent	4	4	0	0
Financial and related professionals: Permanebt	4	2	50	0
Financial clerks and credit controllers: Permanent	37	12	67.6	0
Foodservices aids and waiters, Permanent	29	9	69	0
Household and laundry workers, permanent	761	417	45.2	0
Household and laundry workers, Temporary	16	16	0	2
Human Resources and Organisat development and related: Perm	2	22020		
Human Resources clerks : Perm	85	58	31.8	0
Human Resources related, Permanent	12	5	58.3	0
Identification experts: Permanent	12	7	41.7	0
Inspectors od apprentices works and vehicles: Permanent	2	0	100	0
Legal related, Permanent	7	7	0	0
Librarians and related professionals: Permanent	1	0	100	0

# HUMAN RESOURCE MANAGEMENT

Nature of appointment	Establishment	Number of employees	Vacancy rate	Additional to the establishment
Light vehicle drivers, Permanent	9	6	33.3	0
Logistical support personnel: Permanent	9	8	11.1	0
Material recording and transport clerks: Permanent	87	4548.3	0	0
Medical Practitioners: Permanent	1	0	100	0
Motorised farm and forestry plant operators: Permanent	1	0	100	0
Nursing Assistant: Permanent	1	1	0	0
Occupational therapy: Permanent	1	0	100	0
Other administrit & related clerks and organisers	646	373	42.3	2
Other administrit & related clerks and organisers	6	6	0	1
Other administrative policy and related officers: Perm.	21	12	42.9	0
Other administrative policy and related officers: Temp.	1	1	0	1
Other occupations: Permanent	1088	735	32.4	278
Other occupations: Temporary	568	568	0	551
Professional Nurse: Permanent	7	6	14.3	0
Rank: Administrative clerk grade 1: Permanent	8	0	100	0
Rank: Administrative Officer: Permanent	2	0	100	0
Cleaner: Permanent	42	0	100	0
Rank: Education specialist (O) Permanent	110	0	100	0
Rank: Education specialist: Chief (O) Permanent				
Rank: Education specialist : deputy chief (O) Permanent	37	26	29.7	0
Rank: Education specialist: senior (O), Permanent	7	16	14.3	0
Rank: Education specialist Senior (O), Temporary	1	1	0	0
Rank: Education therapist , senior, Permanent	1	1	0	0
Rank: Education therapist 3	2	33.3	0	0
Rank: Education specialist: first (O), Permanent	59	47	20.3	0
Rank: General foreman: Permanent	27	0	100	0
Rank: General worker (labourer-delivery), Permanent	36	0	100	0
Rank: Head of department ©, Permanent	2	1	50	0
Rank: Head of department (s), Permanent	842	743	11.8	0
Rank: Head of division (t) Permanent	6	6	0	0
<b>Total</b>	<b>6656</b>	<b>31114.6</b>		<b>846</b>

# HUMAN RESOURCE MANAGEMENT

**Table 5.1: Appointments, promotions and terminations: 01 April 2003 to 31 March 2004**

	01-Apr-04	Appointments and transfers	Promotions	Terminations	Net % change
<b>African</b>					
Male		88	748	5382	17.297
Female		216	1276	6543	21.029
<b>Asian</b>					
Male		0	2	8	0.026
Female		0	0	1	0.003
<b>Coloured</b>					
Male		178	1881	243	0.781
Female		241	2608	244	0.784
<b>White</b>					
Male		36	386	137	0.440
Female		145	1058	394	1.266
<b>Totals</b>		904	7959	12952	41.627

**Table 5.2 Annual turn-over rates by salary band:**

Salary band	Employment 01.04.03	Appointments and transfers	Terminations and transfers	Turno-ver rates
<b>Table 5.2 Annual turn-over rates by salary band:</b>				
Salary levels 1-2	2863			
Salary levels 3-5 (Temporary)	1530	122	97	0.063398693
Salary levels 6-8	296	486	624	40.78431373
Salary levels 9-12	30			
Salary levels 13-14	50878		12517	24.60198907
Professionals	6		1	16.666666667
SMS	55603	608	13239	69.61636816
<b>Totals</b>				

**Table 5.3: Annual turn-over rates by critical bands**

Occupations	Appointments and transfers	Terminations and transfers	Turn-over rates
Administrative related, Permanent		1	
Buildings and other property caretakers, Permanent		1	
Cleaners in offices workshops hospitals etc, Permanent	100	18	
Cleaners in offices workshops hospitals etc, Temporary	45	0	
Educationists, Permanent		3	
educationists, Temporary		1	
Financial clerks and credit controllers	1		
Household and laundry workers, Permanent	1	48	
Household and laundry workers, Temporary		1	
Human resource clerks: Permanent	5	2	
Human resource related: Permanent	4		
Legal related, Permanent	2		
Light vehicle drivers, Temporary	1	1	Turn-over rates
Material- recording and transport clerks, Permanent	1	1	
Medical practitioner, Permanent		1	
Messengers porters and deliverers, Permanent		1	
Other administrat & related cclerks and organisers	20	14	
Other administrat & related cclerks and organisers	3	0	
Other administrative policy and related officers, Permanent	0	1	
Other occupations, Permanent	122	205	20500
Other occupations, Temporary	598	720	4253.3
Secretaries and other keyboard operating clerks, Permanent	1	1	
Security officers, Permanent		1	
Senior Manager, Permanent		1	
<b>TOTAL</b>	<b>904</b>	<b>1022</b>	<b>5677.8</b>

# HUMAN RESOURCE MANAGEMENT

Table 5.4: Reasons why staff are leaving the department Per 1000 000 employees

Death	178
Resignation	353
Expiry of contract	11532
Dismissal: Operational reasons	8
Dismissal: Misconduct	11
Discharge: Ill-health	174
Retirement	226
Other	35
<b>Total</b>	<b>12517</b>

Table 6.1: Progress made with respect to affirmative action: 2003/04

Educators	31.03.03	Target 2004/05		Medium term target	
		Actual number 31.03.04	Variance	2004/03/05	2004/03/06
<b>Educators</b>					
African					
Male	22802	23572	770		770
Female	26626	2756	23870		937
Asian					
Male	52	239	187		187
Female	51	239	188		188
Coloured					
Male	21	208	187		187
Female	21	209	188		188
White					
Male	396	583	187		44
Female	27607	1097	27607		17
<b>Non educators/support staff</b>					
African					
Male	2382	2399	17		33
Female	2084	2171	87		63
Asian					
Male	2	3	10		1
Female	0	0	0		0
Coloured					

Male	2	2	0	1
Female	2	2	0	0
White			0	
Male	20	21	1	1
Female	232	232	0	0

Table 6.2: Progress made with respect to affirmative action: Senior Management Service.  
2003/04 Financial year:

	Target for 31.03.04	Actual number 31.03.04	Variance	2004/03/05	2004/03/07
African					1
Male	16	25	9		
Female	2	8	1		2
Asian					
Male	1	2	1		
Female	0	0	0		
Coloured					
Male	1	1	0		
Female	0	0	0		
White					
Male	0	0	0		
Female	1	1	0		

# HUMAN RESOURCE MANAGEMENT

Table 8.1 Foreign workers 310.04

By grade and salary band	31.03.04		01.04.04		Change
	Number	% of total	Number	% of total	
Lower skilled (levels 1-2)	1	100	0	25	0
Highly skilled (levels 6-8)	0	0	4	75	3
	1	100	4	100	3

Table 9.1 Sick leave 01 April 2003 to 31 March 2004

Grade (salary band)	Total days in percentage		Number Employees	% of total employees	Average per employee	Estimated cost
		Certification				
Lower skilled (levels 1-2)	2553	85.1	437	14.3	6	326
Skilled (levels 3-5)	2142	86.3	310	10.1	7	388
Highly skilled production workers (9-12)	12685	83.6	2023	66.1	6	4125
Highly skilled supervision (9-12)	1836	85.1	285	93.6	6	975
Senior Management (13-16)	64	96.9	6	0.2	11	98
Total	19280	84.3	3061	100	6	5912

Table 9.2: Disability leave(temporary and permanent) 01.04.03 to 32.03.04

Grade/salary band	Total percentage		Employees	% of total employees	Average per employee	Estimated cost
		Certification				
Lower skilled (levels 1-2)	549	97.4	45	13.8	12	70
Skilled (levels 3-5)	864	99.1	37	11.4	23	168
Salary levels 6-8	5159	99	213	65.5	24	1671
Highly skilled production workers (9-12)	715	98.8	28	8.6	26	365
Senior Management (13-16)	12	100	2	0.6	6	18
Total	7299	89.9	100	99.9	22	2292

Table 9.3: Annual leave: January 2003 to December 2003:

GRADE (SALARY BAND)	Total days taken	Employees	Average per employee
Levels 1-2	8189	840	10
Levels 3-5	4495	443	10
Levels 6-8	10852	2349	5
Levels 9-12	5004	469	11
Levels 13-16 (SMS)	350	14	25
Total	28890	4115	7

Table 9.4 Leave pay-outs:

	Total amount i (R'000)	Number of employees	Average payment per employee
Capped leave payouts on termination	2018	81	24914
Current leave pat-out	0	1	0
<b>Total</b>	<b>2018</b>	<b>82</b>	<b>24610</b>

# HUMAN RESOURCE MANAGEMENT

## 3.7. COLLECTIVE AGREEMENTS

### 3.7.1. PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL.

AGREEMENTS	WITH UNION/REP.BODY	SUBJECT MATTER OF AGREEMENT
1. RESOLUTION 2 OF 2003	DENOSA NAPTOSA NEHAWU PSA SADTU	Amendment to Resolution 12 of 2002: Pension Restructuring.
2. RESOLUTION 3 OF 2003	DENOSA HOSPERSA/NUPSA NAPTOSA NEHAWU POPCRU PSA SADTU SAPU	Annual wage increase for 2003/2004 financial year.

### 3.7.2 EDUCATION LABOUR RELATIONS COUNCIL

#### COLLECTIVE BARGAINING.

AGREEMENTS	ELRC PARTIES	SUBJECT
NO 1 OF 2003	SADTU/SAOU/NAPTOSA	Evaluation
NO 2 OF 2003	Do	Transfer
NO 3 OF 2003	Do	Protocol
NO 4 OF 2003	Do	Post & salary structure
NO 6 OF 2003	Do	Levy
NO 8 OF 2003	Do	IQMS
NO 9 OF 2003	Do	Conciliators
NO 10 OF 2003	Do	FTSS

## 3.10 DISCIPLINARY STEPS

### 3.10.1 NON EDUCATORS

OCCUPATIONAL LEVELS	MALE					FEMALE					TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	TOTAL		
Top Mgt.	-	-	-	-	-	-	-	-	-	-	-
Snr. Mgt.	1	-	-	-	-	-	-	-	-	1	1
Professional to Mid-Mgt	5	-	-	3	-	-	-	-	-	8	8
Skilled Tech. To supervisor	45	-	-	7	9	-	-	-	-	64	64
Semi skilled	51	-	-	11	13	-	-	17	-	92	92
Unskilled	67	-	-	17	19	-	-	15	-	118	118
TOTAL	169	-	-	38	41	-	-	35	-	283	283
People with disabilities	-	-	-	-	-	-	-	-	-	-	-
Disciplinary Steps Re-Expenditure	-	-	-	-	-	-	-	-	-	-	-

# HUMAN RESOURCE MANAGEMENT

## 3.10.2 EDUCATORS

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	AFRICA N	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Teachers (s)	175			1	102			4	282
Lecturers (T)									
Lecturers (C)									
Sen. Lecturers (T)									
HO.DEP. (S)									
Sen. Lecturers (C)									
H.O.DIV. (T)									
H.O.DEP(C)									
Sen .H.O.D. (C)									
Principal (S/T)									
Dep. Principal (S)									
Rector (C)									
Vice-Rector (C)									
<b>TOTAL</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>282</b>
People with disabilities									
Disciplinary Steps Re-Expenditure	8								8

# HUMAN RESOURCE MANAGEMENT

