



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



A performance audit of the learner transport scheme

at the Eastern Cape Department of Transport

February 2016

Performance Audit

An independent auditing process to evaluate the measures instituted by management to ensure that resources have been procured economically and are used efficiently and effectively



Our reputation promise/mission

The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence.



**The Auditor-General
Mr Kimi Makwetu**

Auditor-General

Table of contents

ACRONYMS AND ABBREVIATIONS	5	PERFORMANCE AUDITING	57
FOREWORD	7	AUDITING CONCEPTS AND APPROACH	58
EXECUTIVE SUMMARY	11	FOCUS AREAS AND KEY AUDIT QUESTIONS	60
KEY AUDIT FINDINGS	15	AUDIT CRITERIA	61
RECOMMENDATIONS	17		
MANAGEMENT COMMENTS	21		
OVERVIEW	25		
BACKGROUND	26		
EASTERN CAPE LEARNER TRANSPORT	27		
PURPOSE AND SCOPE OF THE REPORT	28		
FINDINGS	31		
1. POLICY	32		
2. PLANNING AND COORDINATION	33		
3. IMPLEMENTATION	36		
4. MONITORING AND EVALUATION	42		
SELECTED CASE STUDIES	47		
REGULATORY FRAMEWORK	53		

Acronyms and abbreviations

DoT	National Department of Transport
AGSA	Auditor-General of South Africa
ECDoE	Eastern Cape Department of Education
Department	Eastern Cape Department of Transport
EDO	Education district office
LTS	Learner transport scheme
NHTS	National household travel survey
NRTA	National Road Traffic Act, 1996 (Act 93 of 1996)
NLTA	National Land Transport Act, 2009 (Act 5 of 2009)
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)

POD	Proof of delivery
PS	Primary school
PSR	Public service regulations
SASA	South African Schools Act, 1996 (Act No. 84 of 1996)
SOA	Schedule of adjustments
SS	Secondary school
SSS	Senior secondary school
Stats SA	Statistics South Africa
STS	Scholar transport scheme
TS	Technical school



FOREWORD

I am pleased to present the outcomes of the performance audit on the learner transport scheme at the Eastern Cape Department of Transport.

This report highlights some instances of costly learner transport services. We found that the key root causes were the uneconomical implementation of the learner transport scheme's tariff and cost structure. In addition, a competitive bidding process was not followed to appoint transport service providers and transport operators.

Other causes included the department's reliance on service providers to administer and manage the learner transport scheme, poor demand management, poor route design, inaccurate data and poor monitoring and reporting.

A result of these root causes was that, on certain routes, more learners could have been transported for the amount of money paid by the department. In the 2014 academic year, 94 938 learners qualified for learner transport but only 57 176 could be transported at a cost of R392 036 000 for the 2013-14 financial year. There was a shortfall of 37 762 learners who could not be transported in the 2014 academic year.

The outcomes of this audit have been shared with the management of the audited department and provincial executive. The department has made a number of commitments; key among these is the institution of immediate action to address the findings and recommendations identified in this report.

Knowledge and insights obtained during the performance audit will be integrated into the annual audits and will also focus on progress made with the implementation of corrective measures.

I wish to thank the staff of the Eastern Cape Department of Transport for their assistance during the audit.

Auditor - General

Pretoria
February 2016





EXECUTIVE SUMMARY

The performance audit focused on how the Eastern Cape Department of Transport managed the learner transport scheme and the systems and processes that it used to do so. We also looked at whether the resources deployed were used optimally, so that learners who needed assistance were provided with safe transport and arrived at schools on time and at the lowest cost.

For the 2014 academic year, 94 938 learners qualified for learner transport, however only 57 176 could be transported at a cost of R392 036 000 for the 2013-14 financial year. There was a shortfall of 37 762 learners who could not be transported in the 2014 academic year. This could have resulted in these learners having to walk long distances or making use of private transport in an unsafe environment.

The performance audit found that learner transport services were not economical in all instances. More learners could have been transported at the cost paid for transporting learners on certain routes. The main root causes of the uneconomical learner transport were the uneconomical implementation of the learner transport scheme's tariff and cost structure and the fact that a competitive bidding process was not followed to appoint transport service providers and transport operators. Other causes included a reliance on service providers to administer and manage the learner transport scheme, poor demand management, poor route design, inaccurate data and poor monitoring and reporting.

Attention to the following key findings is crucial in ensuring the economical, efficient and effective provisioning of learner transport.

1. Policy

1.1 The Eastern Cape Department of Transport did not have an approved provincial policy, frameworks or guidelines to manage the learner transport scheme. Effective decision-making could not take place in the absence of clear and consistent policies.

1.2 Effective decision-making could not take place in the absence of clear provincial policies and guidelines on the conditions and qualification criteria for learner transport. There were no provincial policies, frameworks or guidelines to address the following issues:

- The lack of criteria to prioritise learners who qualified for learner transport but, due to budget limitations could not be transported
- Possible alternative arrangements, such as hostel accommodation, for learners who were travelling long distances daily to school
- Setting affordability criteria
- Prioritising and defining rural and farm schools
- Considering curriculum preferences of a single subject choice versus the cost of learner transport
- Clearly defining the recommended shortest and longest distance from school.

2. Planning and coordination

2.1 The respective role players did not properly plan and coordinate the learner transport function before it was transferred to the Eastern Cape Department of Transport from the Eastern Cape Department of Education. The actual transfer was effective from 18 July 2011, seven months into the academic year.

2.2 The Eastern Cape Department of Transport did not have the organisational structure or internal human resource capacity to manage the learner transport scheme. It therefore contracted service providers to manage parts of the scheme.

2.3 The tariff and cost structure of the learner transport scheme that was implemented was not economical in all circumstances. This had a direct impact on the number of learners provided with learner transport. It cost as much as R347 239 and R366 544 each, to transport two learners for the 2014 academic year.

- 2.4 The Eastern Cape Department of Transport did not coordinate with the Eastern Cape Department of Education to prioritise learners who qualified for learner transport. The prioritisation process did not take economic considerations and efficiency of routes into account to ensure that as many learners as possible could be transported.
- 2.5 The learner transport system database, which formed the basis of the cost structure to generate payments, was not accurate.
- A consultant was appointed to design a scholar transport service in preparation for the academic year in January 2013. The consultant measured and verified learner transport scheme distances during 2013. The consultant's close-out¹ report to the department included the details of routes and pickup points that were measured and verified. However, the learner transport scheme database was not updated with these distance measurements. Based on limited testing on selected routes, the total annual value of the kilometre differences between the consultant's close-out report and the database was R1 339 918.
 - The Bloekomlaan pickup point was the longest pickup point on the learner transport database, at 129 km return, allocated to three learners. However, this and several other pickup points were materially inaccurate in distance on one route. The total annual value of the overpayment on this one route was R1 408 718.
 - The total annual kilometre value of overpayments due to inaccurate distances identified on the selected routes was R2 579 856.

3. Implementation

- 3.1 The tariff and cost structure as it was implemented was not economical in all circumstances. A combination of variables contributed to the high cost structure and rendered the learner transport uneconomical:
- Transportation on the highest-value route, Krom River in the Cradock district, cost R4,36 million annually for only 38 learners.
 - Single learners were collected at 331 pickup points at a total cost of R30 289 640, averaging R91 509 per learner.
- 3.2 The distance travelled was an important contributor to the cost of transporting learners to school. A total of 471 learners, who travelled distances of 80 km or more to and from schools per day, were transported at a total annual cost of R17 248 284. Seventy-four learners were transported to and from school each day over distances of between 100 and 129 km.
- 3.3 The costs differed significantly between routes that, for all practical purposes, were the same distance.
- Using the Nyanisweni route to transport learners cost R522 985 more per year than using the Auckland route, although both routes covered the same distance (31 km), and in both cases, 27 learners were transported.
- 3.4 The Eastern Cape Department of Transport only had four months to plan and prepare for the takeover of the learner transport function and did not have the necessary internal human resource capacity. It depended on service providers and consultants to implement and manage the learner transport scheme.
- 3.5 The Eastern Cape Department of Transport did not follow competitive bidding processes to appoint service providers and transport operators.

1. *The purpose of a close-out report is to communicate the finalisation of all project activities to formally close the project.*

3.6 A consultant was appointed for 12 months to monitor the implementation of a new learner transport contract to be awarded. The new learner transport contract was not awarded, yet the consultant continued to provide services and the full consultancy price of R4 013 902 was paid.

4. Monitoring and evaluation

4.1 The Eastern Cape Department of Transport was unable to report on the performance (effectiveness, efficiency and economy) of the learner transport scheme, which severely hindered accountability.

4.2 Reporting processes of key performance indicators and targets for the learner transport scheme were not established, while useful and measureable performance objectives and performance indicators were not developed to report on how well money was spent and whether services were rendered as planned.




4.3 The Eastern Cape Department of Transport did not have the necessary internal human resource capacity to monitor the learner transport scheme effectively. It also did not allocate sufficient staff to monitoring and relied on the service providers to monitor the effectiveness of the learner transport scheme. Monitoring activities were not planned and were performed by the Eastern Cape Department of Transport's district offices on an ad hoc basis, depending on the availability of vehicles.

4.4 The Eastern Cape Department of Transport instituted a system of proof of delivery, according to which the principals of the school had to certify the actual delivery of learners daily, which was not an effective means of monitoring. The following issues impacted the effective monitoring of learner transportation services at school level:

- Principals were not advised of the details of transport operators and vehicles, the names of approved learners and the pickup points and routes.
- Although the Eastern Cape Department of Transport instituted decals or identification signs to be displayed by transport operators, these were not used.
- Transport operators delivered the proof of delivery forms for signature by school principals only at the end of the month; therefore, daily monitoring and completion of the proof of delivery forms were not possible.

Key audit findings

The table below summarises the key audit findings on the learner transport scheme (LTS) at the Eastern Cape Department of Transport as they relate to the aspects of economy, efficiency and effectiveness.

		Key findings
 <p>ECONOMY</p>	<p>Economy Economically acquiring resources includes a competitive procurement process and creating and maintaining an accurate database for planning.</p>	<p>Key findings at the Eastern Cape Department of Transport in this regard included the following:</p> <ul style="list-style-type: none"> • The LTS database used to generate transport claims and actual payments was not accurate. • The route design, together with the cost structure implemented, was not economical on certain learner transport routes.
 <p>EFFICIENCY</p>	<p>Efficiency Using resources efficiently includes achieving an optimal relationship between the outputs and the resources expended by the department. Managing the process to achieve this relationship is also a key consideration.</p>	<p>Key findings at the Eastern Cape Department of Transport in this regard included the following:</p> <ul style="list-style-type: none"> • Proper planning and intergovernmental coordination did not take place before the transfer of the learner transport scheme to the department. • There was a lack of organisational structure and internal human resource capacity. • The tariff and costing structure was complex and added to the administrative burden. • The department was dependent on the use of service providers to implement the learner transport scheme, which had an impact on the monitoring and evaluation function.
 <p>EFFECTIVENESS</p>	<p>Effectiveness The use of resources is considered effective if the objectives that informed the expenditure were met.</p>	<p>Key findings at the Eastern Cape Department of Transport in this regard included the following:</p> <ul style="list-style-type: none"> • Identifying and prioritising processes did not promote the effective provision of learner transport. • Learners that were denied transport had to use private transporters who used illegal and unsafe modes of transport. This included the transportation of learners on the back of bakkies or small delivery vans. • Reporting on the performance of the LTS was not monitored against targets. • There was a lack of internal human resource capacity to monitor, evaluate and report on the LTS.



RECOMMENDATIONS

1. Policy

- 1.1 Provincial frameworks, policies and procedures to render the learner transport scheme should be adopted, communicated, implemented, regularly reviewed and monitored.
- 1.2 Approved provincial frameworks, policies and procedures should address the following:
 - Roles and responsibilities
 - Norms and standards
 - Operating guidelines
 - Qualifying criteria
 - Monitoring and evaluation.

2. Planning and coordination

- 2.1 Intergovernmental coordination of the learner transport provided by the Eastern Cape Department of Transport, the Eastern Cape Department of Education and other role players is required.
- 2.2 Intergovernmental coordination should be through appropriate intergovernmental forums and joint planning committees.
- 2.3 The organisational structure required to manage the learner transport scheme should be determined, approved and implemented.
- 2.4 A dedicated component/unit should implement and manage the functions of the learner transport scheme, with the necessary resources and sufficient staff.
- 2.5 The tariff and cost structure of the learner transport scheme should be scientifically determined and reviewed in line with best practice within the industry and other provinces.

- 2.6 Demand for learner transport should be prioritised to meet the requirements, based on transparent principles as set out in the policies for the learner transport scheme. These policy principles should promote economy and efficiency to ensure that the maximum number of identified and qualified learners benefit from the learner transport scheme.
- 2.7 Management information systems that provide accurate, complete and reliable information should be in place to facilitate decision-making to manage the learner transport scheme.

3. Implementation

- 3.1 The use of service providers and consultants should be managed to ensure transfer of skills and to limit the overreliance on service providers to management of critical functions.
- 3.2 The use of service providers and consultants should be managed to ensure that value for money is received for the services rendered. The performance of consultants should be evaluated against the terms of reference and objectives of the appointment.
- 3.3 The implementation of a tariff and cost structure that has been scientifically determined should have the following variables:
 - The demand on a route and the capacity and mode of transport needed for the route
 - The overall length of the route.
- 3.4 The rationale behind the implementation and cost of pickup point distance versus the overall length of a route should be investigated and reconsidered, including the following aspects:
 - The cost impact of the accumulated distance (kilometre) to and from each pickup point to calculate the cost of learner transport
 - The cost impact of pickup points situated less than a kilometre from each other that can be combined

- The cost benefit of economies of scale that is forfeited when paying for expensive single learners collected at pickup points on long-distance routes because payment is not based on the capacity of the mode of transport over the total distance.
- 3.5 The learner transport scheme route network should be designed holistically, based on the most economical mode and capacity of transport, using roads covering the shortest distances to transport the most learners to and from the nearest schools.
- 3.6 The rationale behind splitting pickup points on the same routes to different schools and the cost impact of this should be investigated and reconsidered.
- 3.7 The tariff and cost structure should take into account the economies of scale of bus transport when the cost of a trip is based on the total number of learners transported over the length of the route versus paying for each pickup distance from school.

4. Monitoring and evaluation

- 4.1 Performance reporting on the learner transport scheme should be seen as an important part of effective management and refers to an integrated system of planning, budgeting, monitoring, reporting, evaluation and accountability.
- 4.2 Reporting processes of key performance indicators and targets should be established to facilitate measuring the performance of the learner transport scheme.

- 4.3 A set of performance indicators that can be defined and are verifiable, should be developed for the learner transport scheme to report on how well money was spent and whether services were delivered as planned. The performance indicators should measure inputs, activities, outputs and outcomes in relation to:
- economy
 - efficiency
 - effectiveness.
- 4.4 The performance targets should be set to be specific, measurable, achievable, relevant and time bound.
- 4.5 A continuous process is required for coordinated monitoring by all role players, evaluation of the performance of the learner transport scheme and the correction of deviations.



MANAGEMENT COMMENTS

The Eastern Cape provincial learner transport policy is being drafted and will take cognisance of these issues. However, given the operating circumstances and the budget required, it may be necessary to treat cases on merit. The issues may be addressed in guidelines and procedures developed in terms of the higher level policy document.

Between July 2011 and December 2014, regular meetings were held between the role players and planning was improved significantly. For any future actions needing functions to be moved from one department to another, sufficient planning time should be allowed to ensure a smooth transition.

The department has begun establishing a fully-fledged Learner Transport Unit. Although training is being undertaken, the budgetary impact of the unit is still being determined within the budget allocation for learner transport.

The Department of Education is responsible for identifying schools and learners to participate in the learner transport system. The primary function of the Department of Transport is to make transport available according to the Department of Education routes, numbers and priorities. The Department of Transport pointed out the costs of transporting learners on long routes to the Department of Education on a number of occasions in order to realize better economies of scale.

Since the beginning of the 2015 academic year, the department has been developing a tendered contract system for learner transport. The draft provincial learner transport policy document has been developed, to be followed by the required procedure manuals to assist in the planning and prioritisation processes. The necessary information systems are being developed.

Performance indicators like the number of proofs of delivery (PODs) processed, PODs outstanding and the period to effect payment to the service provider would have been good indicators to reflect on. Identification tags have been planned for future contracts.



OVERVIEW

The right to basic education

Section 29(1)(a) and (b) of the Constitution of the Republic of South Africa stipulates that everyone has the right to basic education, including adult basic education, and to further education, which the state, through reasonable measures, must progressively make available and accessible. In order to take up this basic human right, learners must be able to get to and from school.

Background

The draft national scholar transport policy of February 2009 provides further context to section 29(1)(a) and (b) of the Constitution:

Learner transport assistance in South Africa came about as a response of provincial Departments of Transport and Education to the problems of the long distances that learners, especially those residing in remote and rural areas, had to travel to get to the nearest suitable public school. This was largely seen as a temporary arrangement for ensuring access to schooling, while engaging in the longer-term process of building schools.²

The national household travel survey (NHTS) 2013, conducted as a joint effort by Statistics South Africa (Stats SA) and the national Department of Transport (DoT), reported that, in South Africa, 63,4% (Eastern Cape 75%) of learners walked all the way to school, with 5,5% (Eastern Cape 6,5%) of learners spending more than one hour a day walking to and from their schools.

In the Eastern Cape, the function of providing learner transport was transferred from the Eastern Cape Department of Education (ECDoE) to the Eastern Cape Department of Transport (the department) with effect from 18 July 2011. The ECDoE remains responsible for identifying learners who qualify for learner transport and for supporting the monitoring systems that the department has implemented. The department has the following responsibilities:³

- To plan the routes and mode of transport and to coordinate the provision of transport to meet the needs of the learners and schools
- To coordinate and manage all processes related to the provision of transport between home and the school
- To monitor the performance of the function
- To procure and pay the service provider in terms of the signed agreement.

2. Final draft of the national scholar transport policy, February 2009

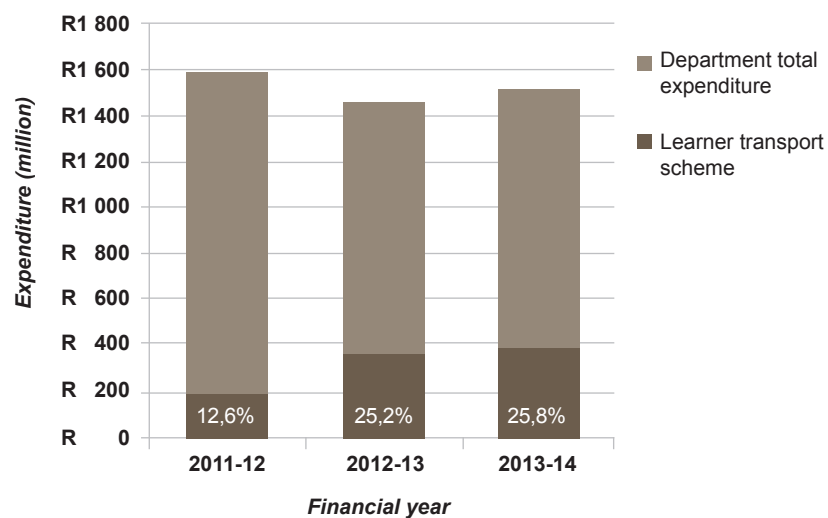
3. These were the main responsibilities agreed in the memorandum of agreement concluded by and between the department and the ECDoE and signed on 26 August 2011.

Eastern Cape learner transport

Expenditure on learner transport

The LTS was structured as sub-programme 2.7 under programme 2: Transport operations vote 10, in the department's budget and programme structure. Total expenditure on the LTS was R957 million for the three-year financial periods 2011-12 to 2013-14 and accounted for 21% of the department's total expenditure. The expenditure on the LTS, as disclosed in the financial statements, covered the direct cost of providing learner transport by the transport service providers and did not include the department's employee and administrative cost. Graph 1 depicts the total expenditure on the learner transport system and that of the department for the three-year financial period 2011-12 to 2013-14.

Graph 1: Total expenditure for the three-year financial period from 2011-12 to 2013-14



Source: Annual financial statements 2011-12 to 2013-14

Scope of the learner transport scheme route network

The LTS route network consists of 1 316 routes⁴ and 3 276 pickup points. A total of 652 schools participated in the LTS, and 57 176 learners benefited in the 2014 academic year.

Scope of the activities of the learner transport scheme

94 938 Learners needed transport	1 524 Bus and taxi operators
57 176 Learners were transported	1 316 Routes
652 Schools participated	80 919 Km travelled per day
3 276 Pickup points	2 687 Vehicles

This report is presented in an environment where the need for learner transport annually exceeds the resources to transport learners. Learners in the Eastern Cape face many challenges to access educational facilities, including the difficult topography, the rural and dispersed nature of communities, poor road networks, a backlog in school building and poor socio-economic conditions, as well as the inability of many parents to afford safe and reliable private transport.

Private transportation of learners in unsafe and overloaded, illegal bakkies are widespread in the Eastern Cape.

It is recognised that the LTS in the Eastern Cape is a complex undertaking with the critical responsibility of daily transporting more than 57 000 learners safely. The scheme contributes directly towards ensuring a quality education and indirectly to alleviating poverty and improving the lives of citizens of this province.

4. The total count of the names of routes as per the STS master database August 2014

Against this background, the department has to manage the provision of transport to ensure that learners who need assistance to travel to schools are provided with safe transport and arrive on time. The resources deployed for the scheme should be put to optimal use to ensure that the most learners can be transported in the most cost-effective manner.

Purpose of the report

This performance audit was conducted at the department in accordance with section 188(4) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read in conjunction with sections 5(1)(d) and 29(3) of the Public Audit Act, 2004 (Act No. 25 of 2004).

The purpose of this report is to facilitate public accountability by bringing the findings of the performance audit on the LTS to the attention of the department.

The audit provided substantiating evidence for the findings set out in this report. The documented findings include examples of the consequences of deficient management measures and should not be regarded as comprehensive.

The report highlights deficiencies and makes recommendations in the hope that these will give rise to sustained corrective action. This report should contribute constructively to establishing and implementing management measures and controls that will improve value for money.

Audit scope

The performance audit focused on how the department managed the provision of transport for learners who needed assistance to travel to schools safely and arrive on time in the most cost-effective manner. The audit also looked at the systems and processes that were put in place. For the purposes of this report, the LTS is the learner transport function and programme as these reside within the department. The audit was divided into the following four sub-focus areas:

- Policy
- Planning and coordination
- Implementation
- Monitoring and evaluation.

The performance audit on the learner transport scheme commenced in October 2014 and covered the three financial years from 2011-12 to 2013-14 and the 2011-2014 academic years. A selection of 20 LTS routes was subjected to detailed testing and analysis, focusing on the 2014 academic year⁵ (unless otherwise stated). As part of the analysis of LTS routes, a selection of education district offices (EDOs) and schools were visited. Table 1 depicts the names of the selected routes, EDOs and schools that were visited.

5. An academic year refers to the school term that opens in January and closes in December of a year.

Table 1: Learner transport routes selected for detailed testing and education district offices and schools visited

No.	Name of route	Name of EDO	Name of school
1	Diko	Butterworth	Ncedisizwe SS
2	Krom River	Cradock	Matthew Goniwe Combined
3	Mortimer		JA Calata SS
4	Maryland		(Note 1)
5	Shelford	East London	Hebron PS and Umtiza HS
6	Komga various (note 2)		Siviwe PS and Hlumani SSS
7	Engcobo various (note 2)	Engcobo	Zwelivumile SS
8	Mount Pleasant	Fort Beautort	(Note 1)
9	Thornhill	Port Elizabeth (note 2)	Zuney Intermediate
10	Aeroville	Graaff-Reinet (note 2)	(Note 1)

Note 1: A school was not selected for a visit on this route.

Note 2: Learner transport route database only names the pickup points on the route to the school.

No.	Name of route	Name of EDO	Name of School
11	Kwandwe Game Reserve	Grahamstown (note 3)	George Dickerson PS
12	Taleni	Idutywa	Willowvale SS and Xolilizwe SS
13	Kasa		Elliotdale TSS
14	Lady Frere	Lady Frere	Thambekile SS and Mtikrakra SS
15	Tshandatshe	Libode	Toli SS
16	Libode various (note 2)		Ngubezulu SSS
17	Bizana	Mbizana	Vulindlela TS and OR Tambo
18	Mdyobe	Qumbu	Tolweni SS
19	Barkly East	Sterkspruit	Pallo Jordan
20	Bloekmlaan	Uitenhage (note 3)	Clarkson PS

Note 3: An EDO was not selected for a visit on this route.





FINDINGS

1. Policy

Key audit question

Did the policies and strategic planning for learner transport promote economy, efficiency and effectiveness



1.1 Lack of provincial policy, frameworks and guidelines

1.1.1 An approved provincial policy, frameworks or guidelines to manage of the LTS were not in place. This was because the department's leadership did not prioritise and direct the development of a provincial policy on learner transport. Furthermore, a national policy was not finalised. The revised draft national policy was published on 13 November 2014 for public comments. In the absence of an approved provincial policy, the department followed the draft national learner transport policy and the revised ECDoE policy guidelines. The status of these policies and guidelines for scholar transport these policies was as follows:

- The revised draft national learner transport policy was published for public comments in the Government Gazette, Notice 1004 of 2014 on 13 November 2014.
- The revised policy guidelines for scholar transport was generally used by the ECDoE to determine the conditions and qualification criteria for the provision of learner transport.

1.1.2 The revised policy guidelines for scholar transport was outdated and addressed mostly the administration of the scholar transport by the ECDoE before the transfer of the LTS function to the department. It, furthermore, addressed a system of subsidised transport and boarding allowances to beneficiaries, which was not applicable within the LTS.

1.1.3 Effective decision-making could not take place in the absence of clear provincial policies and guidelines on the conditions and qualification criteria for learner transport. The number of learners that the ECDoE

identified (the demand) to be transported annually had a direct impact on the sustainability of the LTS. The department could not make effective decisions on strategic planning and demand management due to a lack of clear guidelines on the identification and prioritisation processes (refer to paragraph 2.3.1). At EDO and school level, effective decision-making could not take place in the absence of clear and consistently applied policies that were monitored. The following issues were not clearly addressed in provincial frameworks or guidelines:

- The lack of criteria used to prioritise of learners who qualified for learner transport, but due to budget limitations could not be transported
- Possible alternative arrangements, such as hostel accommodation, for learners who were travelling long distances daily to school
- Transporting learners who could not afford school fees to no-fee schools that were located further than their nearest appropriate school versus the cost of learner transport
- The use of available public transport, which was perceived to be unreliable and out of the scheduled school times, versus the cost of learner transport
- Prioritising and defining rural and farm schools
- Considering curriculum preferences of a single subject choice versus the cost of learner transport
- Defining the poorest-of-the-poor and affordability criteria
- Considering providing schools with the necessary resources, such as teachers and computers, for teaching versus the cost of learner transport
- School rationalisation versus the cost of learner transport. Learners who had to walk through unsafe areas were not defined in qualification criteria
- The recommended shortest and longest distance from school was not clearly defined.



Photograph 1:
Learners walking to school

1.2 Recommendations

- 1.2.1 Provincial frameworks, policies and procedures for the LTS should be adopted, communicated implemented and regularly reviewed, and adherence to these monitored.
- 1.2.2 Approved provincial frameworks, policies and procedures should address:
 - roles and responsibilities
 - norms and standards
 - operating guidelines
 - qualifying criteria
 - monitoring and evaluation.

2. Planning and coordination

Key audit question

Did the planning and coordination of learner transport promote economy, efficiency and effectiveness

Was management information available for decision-making that promoted economy, efficiency and effectiveness



2.1 Proper planning and intergovernmental coordination did not take place before the transfer of the learner transport scheme to the department

- 2.1.1 The respective role players did not properly plan and coordinate the LTS before it was transferred to the department from the ECDoE. The executive council of the Eastern Cape decided to transfer the scholar⁶ transport function from the ECDoE to the department at the start of the 2011-12 financial year.

The department was informed of the decision to transfer the scheme on 12 February 2011, after schools had started for the year. The department did not have enough time to plan and prepare for the transfer of the function, which caused a further delay, and the actual transfer was only effective from 18 July 2011 at the start of the third school term. A memorandum of agreement between the two departments for administration of the transfer of the LTS was only signed on 26 August 2011, eight months into the academic year. The ECDoE continued to provide learner transport services for the period 1 April 2011 to 24 June 2011.

6. The terms scholar and learner have the same meaning in this report.

2.2 There was a lack of organisational structure and internal human resource capacity

- 2.2.1 The department did not have the organisational structure or the internal human resource capacity to manage the LTS. The scheme was transferred to the department without any of the organisational structures or human resources being transferred from the ECDoE. The budget that was transferred only made provision for the direct cost of providing learner transport to beneficiaries.
- 2.2.2 When the functions of the LTS were transferred to the department, they were added to the existing duties and responsibilities of the directorate of public transport officials. Managing, operating and monitoring the scheme were dealt with within the sub-directorate of public transport, by a senior manager, a manager, a senior administration officer, an administration officer and six interns. There were no signed performance contracts for these staff.

2.3 The identification and prioritisation processes did not promote the effective provision of learner transport

- 2.3.1 For the 2014 academic year, the ECDoE identified 94 938 learners who qualified for learner transport. The department was only able to provide learner transport to 57 176 learners based on the available budget; a shortfall of 37 762 learners. The department did not coordinate with the ECDoE and did not establish strategic demand processes to ensure that the maximum number of learners could be transported. Prioritising learners was not based on documented criteria that was communicated and did not take economic considerations of route design and the tariff and cost structure into account.
- 2.3.2 The ECDoE annually provided the department with the details of the schools, routes, pickup points and number of learners who needed to be transported (demand). The department then communicated to the ECDoE whether the numbers could be transported, given its available budget. In response, the ECDoE prioritised the learners in an attempt to cut the numbers to match the gap between demand and the number of learners who, according to the department could be transported.

- 2.3.3 The shortfall between demand and the number of learners who could be transported was normally too big, and it was too late in the academic year for the ECDoE to effectively prioritise. The ECDoE was there for not able to prioritise based on criteria or the merits of individual approved applications and simply resorted to cutting the numbers.
- 2.3.4 The EDOs and principals indicated that, on instructions from the education head office to limit the numbers, they simply reverted to the previous year's numbers. At some EDOs numbers had been the same since 2012.
- 2.3.5 The process and criteria applied for prioritising were not documented or clear, while the applications between EDOs and schools were inconsistent. At schools, the process was perceived as unfair. In some instances, principals, together with parents, had to make alternative transport arrangements. In other instances, transport operators claimed that they transported all the learners on the route, irrespective of the allocated numbers.

2.4 The LTS database was used to generate transport claims and actual payments were not accurate

- 2.4.1 The LTS database variable (the distance return in kilometres from the pickup points to school) was not accurate. The LTS database contained the underlying data used to generate transport claims and actual payments for transport services. The LTS database was not reviewed comprehensively in respect of route quantities, and distances measured by a consultant were not updated on the LTS database. Refer to paragraph 3.10 for details on the appointment of the consultant. The department was furthermore, reliant on a third party through the service provider to maintain the LTS database and management information.
- 2.4.2 For seven of the 20 selected routes, a number of distances from the pickup point to the school were identified to be inaccurate based on reasonability tests and simple distance measuring using maps. The total number of inaccurate kilometre variances was estimated to be 844 km at a total annual kilometre value of R2 579 856.

2.4.3 For one of the 20 selected routes and five routes from an overview of the LTS database, pickup points that were duplicated were identified on the LTS database. A total of 96 km and 25 learners were duplicated at a total annual value of R379 186.

2.4.4 For two of the 20 selected routes, pickup points that could not be verified on the database were identified. In these instances, the principals of the schools stated that they could not confirm that the pickup point existed or identify learners allocated to the pickup point. The total annual cost of these two identified pickup points was R407 588. The following two pickup points could not be verified for existence:

- Saphulanduku on the Bizana route to Oliver Tambo Technical Secondary School
- Heather Towers, with one learner allocated on the Transit Camp route to the George Dickerson Primary School

The link between the LTS database and payments

The service provider collected the PODs from schools and prepared the payment claims for the services rendered by the bus and taxi operators. PODs and claims were prepared based on the LTS database of pickup points distances and number of learners. The department, after verifying the invoices and PODs, made monthly payments to the service provider, who, in turn, made payments (less a 10% levy) to the bus and taxi operators. Refer to paragraph 3.9 for the detail on the appointment of the service provider.

2.4.5 The department depended on the service provider to administer and maintain the LTS database in terms of the negotiated contract. The department had developed the database using a third party with which it had had a contract, from 20 June 2011 to 31 March 2012. However, the department no longer has a contract with the third party. Therefore, management information, when needed, had to be requested through the service provider from the third party with whom the service provider was now in partnership.

2.4.6 The LTS database was not comprehensively reviewed in respect of route distances to ensure the accuracy of payments made to the service provider. The contract (SCMU10-11-0006) with the service provider states:

The schedule of quantities in Appendix A, will be subjected to a comprehensive review and adjustment within three months after the commencement date. This review is required due to the expected material data irregularities and inaccuracies in the dataset, included in Appendix A.

Although these material data irregularities and inaccuracies were expected in the dataset, the following processes as detailed in the contract were not performed by the contracting parties:

- Develop evidence to support the schedule of adjustments (SOA) based on fieldwork undertaken on relevant scholar transport routes
- Review and analyse the SOA, including a review of the supporting documents
- Follow any further processes that department might feel were necessary to gauge the accuracy or reasonableness of the SOA
- Engage until a final documented agreement was reached on the SOA, after which an addendum to this contract, specifying the required changes, had to be prepared and signed by both parties.

2.4.7 The consultant measured and verified LTS route distances during 2013. The consultant's close-out report to the department included the details of routes and pickup points that were measured and verified. However, these details did not reconcile with the scholar transport scheme (STS) master database (August 2014). It was not evident that the consultant's measurements were accepted and confirmed as correct by the department and that the LTS database was updated with accurately measured distances.

- A limited test of seven schools identified a 407 km difference between the STS master database and the consultant's close-out report. The examples added up to an annual kilometre value of R1 339 918.

2.4.8 The following main differences were identified between the consultant's work and the STS master database:

- Names of pickup points and routes, which could not be reconciled
- The pickup points and distances
- The number of routes and number of pickup points per route, which could not be reconciled.

2.5 Recommendations

- 2.5.1 Intergovernmental coordination to provide learner transport should be improved between the department, the ECDoE and other role players.
- 2.5.2 Intergovernmental coordination should be through appropriate intergovernmental forums and joint planning committees.
- 2.5.3 The organisational structure required to manage the LTS should be determined, approved and implemented.
- 2.5.4 The cost of using service providers to manage and administer the LTS should be considered versus the cost of using in-house capacity. The activities that could be more economically outsourced should be determined.
- 2.5.5 The tariff and cost structure of the LTS should be scientifically determined and reviewed in line with best practice in the industry and other provinces.
- 2.5.6 The provision of learner transport services should be tendered to invite competitive bidding.

2.5.7 The provision of learner transport according to available resources should be prioritised, based on transparent principles set out in the LTS policy. These policy principles should promote economy and efficiency to ensure that the maximum number of identified and qualifying learners benefit from the LTS.

2.5.8 Management information systems that provide accurate, complete and reliable information should be in place to facilitate decision-making to manage the LTS.

3. Implementation

Key audit question

Did the implementation of learner transport promote economy, efficiency and effectiveness

Did the use of consultants and service providers for the implementation of learner transport promote economy, efficiency and effectiveness



3.1 Learner transport was not delivered economically

3.1.1 Certain LTS routes were not economical, and the department paid as much as R347 239 and R366 544 each to transport two learners (refer to paragraph 3.1.5.). These certain routes were made uneconomical by the implementation of the negotiated tariff and cost structure that made it expensive to transport a few learners on certain of the routes. The tariff and cost structure was not scientifically determined beforehand. The department followed a non-competitive bidding process and entered into a negotiated contract that specified the tariff and cost structure with the service provider (refer to paragraph 3.9.3.). Furthermore, the LTS database was not comprehensively reviewed in respect of route quantities to ensure the accuracy of payments made to the service provider (refer to paragraph 2.4.6.). Other causes of uneconomical learner transport included:

- poor route design (refer to paragraph 3.4)
- inaccurate data (refer to paragraph 2.4)
- poor monitoring (refer to paragraphs 4.2 and 4.3).

3.1.2 The uneconomical learner transport on certain routes contributed directly to the number of learners whom the department was able to provide with learner transport. In the 2014 academic year, there was a shortfall of 37 762 learners who were not transported. Many more learners could have been transported for the cost of transporting a few learners on uneconomical routes (refer to paragraph 2.3.1.).

3.1.3 Parents of learners who were not provided with learner transport and who met the qualifying criteria due to their inability to afford safe and reliable private transport had to resort to alternative means to get their children to school. These learners either had to resort to walking or hitching lifts, or in many instances, their parents resorted to the use of private transporters who used illegal and unsafe modes of transport. Private transportation of learners in unsafe, overloaded and illegal bakkies is widespread in the Eastern Cape. Photographs 2, 3 and 4 depict learners being transported in overloaded and cramped conditions at the back of bakkies. Photograph 3 depicts learners being offloaded on the shoulder of the busy N2 highway. Photograph 4 depicts a bakkie without a rear door, making it unsafe.



Photograph 2:

Learners being transported in overloaded and cramped conditions in the back of bakkies



Photograph 3:

Learners being offloaded on the shoulder of the busy N2 highway.



Photograph 4:

Learners being transported in a bakkie without a rear door, making it unsafe.

3.1.4 One hundred and forty-seven learners were transported at a cost of more than R2 500 per learner per week. The total annual cost⁷ was R23 661 013, which is an average cost per learner of R160 959. Table 2 depicts learners transported at an average weekly cost of more than R2 500 per learner.

Table 2: Number of learners transported at a cost of more than R2 500 per learner per week

Interval of weekly cost per learner	Number of learners interval	Annual value of interval	Average annual value per learner
R2 500 to R2 999	39	R4 308 961	R110 486
R3 000 to R3 999	56	R7 700 609	R137 511
R4 000 to R4 999	12	R2 028 282	R169 024
R5 000 to R5 999	21	R4 523 363	R215 398
R6 000 to R9 880	19	R5 099 798	R268 410
R2 500 to R9 8 80	147	R23 661 013	R160 959

Source: STS master database (August 2014)

3.1.5 As noted in table 2 above, 19 learners were transported at an average cost of R6 000 or more per learner per week. This transportation cost at least R241 207 per learner per year. The highest cost of transportation for two of the 19 learners was R347 239 and R366 544 per learner per year.

7. Annual cost was calculated based on 201 days and proportionally adjusted for tariffs effective July 2014.

The total annual value of transporting the six learners with the highest cost was R1 906 476. Table 3 depicts the six individual learners with the highest cost.

Table 3: The six instances of learners with the highest transportation cost

Name of school	Route name	Return kilometre distance	Number of learners	Total annual value per learner
Kude Kwalapha	Krom River	90 km	1	R292 542
Michausdal	Hofmeyr	90 km	1	R292 542
George Dickerson	Transit Camp	92 km	1	R298 977
JA Calata	Mortimer	95 km	1	R308 629
Kude Kwalapha	Krom River	107 km	1	R347 239
Clarkson	Bloekomlaan	113 km	1	R366 544

Source: STS master database (August 2014)

3.2 Implementation of tariff and cost structure did not promote economy

3.2.1 The tariff and cost structure, as it was implemented, was not economical in all circumstances. The department did not consider in their route design the variables of the tariff and cost structure that were high cost contributors. The department also did not coordinate and communicate these economic considerations to the ECDoE during the process of identifying and prioritising learners (refer to paragraph 2.3.). The combination of the following variables that were high cost contributors to the cost structure made certain routes uneconomical:

- Long pickup point distances
- Many pickup points to a school
- Few learners per pickup point.

3.2.2 The high number of pickup points on a route, combined with long distances and the low number of learners at these pickup points, had the effect of raising the cost of transporting individual learners. There were 331 pickup points with only one learner allocated to each. Transportation for these 331 learners cost a total of R30 289 640 at an average value of R91 509 per learner. Transportation for 152 of the 331 learners cost R22 493 692 at an average cost of R147 985 per learner. Table 4 depicts pickup points with only one learner each, grouped in intervals of weekly cost of below R2 000 per learner and more than R2 000 per learner.

Table 4: Pickup points with one learner each

Interval of weekly cost per learner	Number of learners interval	Annual value of interval R	Average annual value per learner
R351 to R1 999	179	R7 795 948	R43 552
R2 000 to R9 871	152	R22 493 692	R147 985
Total R351 to R9 871	331	R30 289 640	R91 509

3.2.3 The application of the LTS tariff and cost structure had the effect of large cost differences between routes that, for all practical purposes, were equal in terms of the service delivered (same number of learners and same total distance). Table 5 provides a comparison of routes on the LTS database with 27 learners within a range of 12 to 45 km, the number of pickup points and the total annual value of the route. The following serve as examples from table 5:

- The Nyanisweni route cost R522 986 more per year than the Auckland route, although both transported 27 learners and both routes measured 31 km.
- The Ebende route cost R247 301 more per year than the Auckland route, although both transported 27 learners and the Ebende route was 19 km shorter.

Table 5: A comparison of the cost of learner transport scheme routes with a constant of 27 learners

Route name	Name of school	Distance of farthest pickup point to school	Number of pickup points	Total annual value of the route
Auckland	Dinizulu HS	31 km	1	R161 709
De Kraal	Woodlands PS	21km	3	R231 209
Gxwederha	Jabavhu	43 km	3	R298 977
Ebende	Bom bela SS	12 km	7	R409 010
Nyanisweni	Madikezela SS	31 km	10	R684 695
Van der Waltshoek	Upper Klipdrift PS	55 km	9	R987 092

3.2.4 Of the 10 routes with the highest total annual value, five were in the Cradock district. The routes in the Cradock district also had the lowest number of learners compared to the other routes. The highest-value route, Krom River in the Cradock district, cost R4,36 million annually and only

transported 38 learners to school. Table 6 depicts the 10 routes with the highest total annual value and the number of learners transported on each route, ranked in order of total value.

Table 6: The routes ranked in order of value (10 highest)

Rank	Name of route	District name	Number of learners on route	Total annual value of the route
1	Krom River	Cradock	38	R4 365 285
2	Mortimer	Cradock	88	R3 696 794
3	Bloekomlaan	Uitenhage	85	R3 517 629
4	Aeroville	Graaff-Reinet	718	R2 315 580
5	Maryland	Cradock	65	R2 256 072
6	Taleni	Dtywa	307	R2 212 772
7	Bellavista	Cradock	80	R2 070 082
8	Baroda	Cradock	67	R2 042 173
9	Shelford	East London	426	R1 998 997
10	Thorny Croft	Port Elizabeth	131	R1 873 386
TOTAL				R26 348 768

Source: STS master database (August 2014)

3.3 The tariff and costing structure was complex and added to the administrative burden

An element that contributed greatly to the cost structure was the number of pickup points and the distance from each pickup point to the school. The LTS route design consisted of 3 264 pickup points, with a total distance of 80 919 km, which served 652 schools. The large number of pickup points, where distances needed to be accurate, contributed to the complexity of the costing structure and resulted in inaccurate payments to the transport service operator.

3.4 The route design, together with the cost structure, was not implemented economically on learner transport routes to multiple schools from the same pickup points

3.4.1 The cost structure was not economical as applied in instances where learners were transported together on one route and dropped off at more than one school. Although the learners were allocated to the same pickup point (splitting/ sharing of pickup points) and transported together on a route, separate PODs for each school were submitted for payment. The kilometre value from the first pickup point to the first school was effectively multiplied/duplicated by the number PODs submitted for each of the other schools on the route.

3.4.2 We identified six of the 20 selected routes where learners were transported from outlying areas on one route to more than one school within the main town area. Multiple PODs were submitted, one for each school on the same route, based on the total distance of the route to the school.

3.5 Pickup points within a 1 km walking distance of each other

The route design did not always consider the distance between pickup points to ensure that the kilometre value of the route was economical. For six of the 20 routes selected, we found that pickup points were in close proximity to each other (less than 1 km). Combining the pickup points could be feasible, as the walking distances were less than 1 km. In two instances, the principals indicated that learners were picked up in one spot and, in practice, the pickup points were combined. The total annual kilometre value of the pickup points that could be combined was R206 960.

3.6 Learners were transported to schools farther than their nearest appropriate school

For three of the selected routes, learners were transported to schools farther than their nearest appropriate school.

3.7 Learners transported within a 2,5 km (5 km return) distance from school.

Forty-one pickup points were 2,5 km or less from the school (5 km or less return from the schools per day). A total of 173 learners were transported over distances of 5 km return or less per day at a total annual value of R2 187 712.

3.8 Learners transported at distances further than 39 km (80 km return) from school

Fifty-eight pickup points were more than 40 km from the school (80 km or more return from the schools per day). Some learners travelled as far as 127 km daily. A total of 471 learners were transported over distances of more than 80 km return daily at a total annual value of R17 248 284. Of the total of 471 learners, 74 were transported over distances longer than 100 km return at a total annual value of R3 115 421. EDOs and principals indicated that, although hostel accommodation could be seen as an alternative to transportation of learners over long distances, there was no policy in place in this regard.

3.9 The department was dependent on the use of service providers to implement the learner transport scheme

- 3.9.1 The lack of internal human resource capacity and organisational structure in the department necessitated the department contracting with service providers to implement and provide management services for the LTS.
- 3.9.2 The service provider was paid a portion of 10% of the total cost of the annual expenditure on the LTS for management services, amounting to approximately R39,2 million for the 2013-14 financial year (R94 million for the financial period 2011-12 to 2013-14). This was based on an agreement between transport operators and the service provider that they could levy 10% of each payment for administrative duties performed.

- 3.9.3 The department followed a non-competitive bidding process and had a negotiated contract with the service provider to provide the learner transport services in terms of section 41(1)(b) and section (41)(2) of the National Land Transport Act, 2009 (Act No. 5 of 2009). The service provider consisted of all 94 registered minibus taxi associations in the province, which formed a legal entity to enter into a contract with the department and enable their members to transport learners.

3.10 The use of a consultant to design a scholar transport service

- 3.10.1 The department appointed a consultant to design a scholar transport service in preparation for the 2013 academic year. The appointment was in anticipation of the contract with the service provider closing at the end of December 2012. The service level agreement with the consultant was signed on 10 August 2012 at a contract amount of R4 139 340 for a duration of 17 months.
 - 3.10.2 The tender notice and invitation to tender indicated that the contract would be for a period of 17 months. The design of the services and preparation of the contract documentation was allocated no more than three months and the contract evaluation and award, two months. Monitoring and adjustments that might be required for the services after the contract was awarded was allocated 12 months.
 - 3.10.3 Although a new service provider was not appointed at the end of December 2012 and the services envisaged after the appointment of a new contract were not required, the consultant continued for the full duration of the 17-month contract period and was paid R4 013 902. The scope of its services was extended to include monitoring the LTS. Although the duration of the consultancy was 17 months, ending by March 2013, the consultants were paid until 7 November 2014.
- ### **3.11 Recommendations**
- 3.11.1 The use of service providers and consultants should be managed to ensure transfer of skills and to limit overreliance on service providers for the management of critical functions.

- 3.11.2 The use of service providers and consultants should be managed to ensure that value for money is received for the services rendered, and their performance should be evaluated against the terms of reference and objectives of the consultancy.
- 3.11.3 The implementation of a tariff and cost structure that has been scientifically determined should reflect the fair price for transporting learners on routes and should be implemented so that the price paid for comparable transport services is the same.
- 3.11.4 The implementation of a tariff and cost structure that has been scientifically determined should have the following variables:
- The demand on a route and the capacity and mode of transport needed for the route
 - The overall distance of the route.
- 3.11.5 The rationale behind implementing and costing pickup point distances versus the overall distance of a route should be investigated and reconsidered. The following aspects should be taken into account:
- The impact on the cost of the accumulated distance of each pickup point, to calculate the cost of the learner transport.
 - The impact on costs of pickup points that are within walking distance of less than a kilometre of each other that can be combined.
 - The cost benefit of economies of scale that is forfeited to pay for expensive single learners at pickup points on long distances because payment is not based on the capacity of the mode of transport over the total distance.
- 3.11.6 The LTS route network should be designed holistically based on the most economical mode and capacity of transport, using the roads with the shortest distances to transport the most learners to their nearest schools.

- 3.11.7 The rationale behind splitting pickup points on the same routes to different schools and the impact on cost of this implementation should be investigated and reconsidered.
- 3.11.8 The tariff and cost structure should consider economies of scale of bus transport when the cost of a trip is based on the total number of learners transported over the length of the route versus paying for each pickup distance from school.

4. Monitoring and evaluation

Key audit question

Did the monitoring, evaluation and reporting of learner transport promote economy, efficiency and effectiveness

Were measures instituted to ensure effective law enforcement and road safety of the learner transport



4.1 Reporting on performance of the learner transport scheme was not monitored against targets

- 4.1.1 The department was not able to report on the performance of the LTS, which severely hindered accountability. Reporting processes relating to key performance indicators and targets for the LTS were not established, and useful and measurable performance objectives and performance indicators were not developed to report on how well money was spent and whether services were delivered as planned. Performance reporting on the scheme should be seen as an important part of effective management and refers to an integrated system of planning, budgeting, monitoring, reporting, evaluation and accountability.

4.1.2 The AGSA's audit of predetermined objectives for the financial year ended 31 March 2014 revealed that the reporting processes relating to key performance indicators and targets had not been established to facilitate measuring the performance of the learner transport scheme and contractors.

4.1.3 The department's budget and programme structure was divided into four programmes. The LTS was structured as a sub-programme of programme 2: transport operations. The department reported on the overall performance of the four programmes through a set of 20 strategic objectives and 77 performance indicators and targets. The LTS expenditure accounted for 21% (R957 million) of the total expenditure of the department for the three-year financial period 2011-12 to 2013-14. Although the expenditure on the scheme accounted for a material proportion of the department's budget, only one of the 20 performance objectives and one of the 77 performance indicators were set to measure and report on the performance of the scheme. Table 7 details the one performance indicator as set in the department's annual performance plan, 2013-2015.

Table 7: Programme 2.7 performance indicator

Performance indicator	Estimated performance	Medium-term targets		
	2012	2013	2014	2015
Number of learners benefiting from the scholar transport scheme	54 471	55 000	58 000	60 000

Source: EC Department of Transport annual performance plan for the period 2013 to 2015

4.1.4 The performance indicator for the LTS was not well defined and verifiable and did not measure inputs, activities, outputs and outcomes in relation to:

- economy
- efficiency
- effectiveness.

4.1.5 The legal requirements for departments to plan and report on performance against predetermined objectives are specified in the Constitution, the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Treasury regulations for departments, constitutional institutions and public entities and the Public service regulations (issued in Government Notice R.1 of 5 January 2001).

Section 40 of the Public Finance Management Act requires accounting officers to prepare annual reports within five months after the end of a financial year, which fairly present the department's performance against predetermined objectives

4.2 There was a lack of internal human resource capacity to monitor, evaluate and report on the performance of the learner transport scheme

4.2.1 The department did not have the internal human resource capacity to monitor the scheme effectively. The expenditure on the scheme only provided for the direct cost of providing learner transport by the transport service providers and did not include the department's employee and administrative costs. The department did not allocate sufficient staff to monitoring and relied on the service providers to monitor the effectiveness of the LTS programme. Monitoring activities were not planned and were performed by the department's district offices on an ad hoc basis, depending on the availability of vehicles.

4.2.2 The contract (SCMU10-11/12-0006) with the service provider stipulated penalties for non-performance such as no trips, late delivery, vehicle breakdown and vehicles in an unsatisfactory condition. Monthly reports by the consultant indicated many instances of non-performance by the service provider. However, no penalties were ever levied by the department.

4.3 The monitoring of the learner transport at school level was not effective

4.3.1 The monitoring responsibility of the ECDoE through its EDO and school principals, as set out in the memorandum of agreement between the two departments, was as follows:

- To provide the department with reports on the performance of the function
- To put in place such systems as the department might determine necessary to ensure proper accountability and verification that services had been rendered as per contractual agreement.

4.3.2 The department instituted a system of POD, according to which the principals had to certify the actual delivery of learners daily. The POD was not a very effective means of monitoring. The following issues were identified:

- Principals claimed that they were not able to effectively monitor the learner transport at school level. The details of the transport operator and vehicle, the number and identification of approved learners and details of the pickup points and routes were not communicated to the principals by the EDO and the department.
- The POD was pre-printed with vehicle registration numbers; however, learners were transported in vehicles with different registration numbers. In these instances, the principals still approved the PODs and did not follow up on whether the vehicles had operator licences.
- Although the department instituted identification signs to be displayed by transport operators, these were not used by the transport operators.

The transport operators delivered the PODs to school principals only at the end of the month. Daily monitoring and completion of the PODs were thus not possible. During school visits, we found that signed PODs were not completed using tick marks to indicate that the services had been delivered. The principals noted that they could not recall the learner transport events over the past three to four weeks.

The pre-printed PODs did not indicate the number of learners or the names of learners. It was therefore not possible to monitor and determine whether the correct number of learners was transported. Any movement of learners to other schools or non-attendance by learners could not be monitored.

4.4 Individual learners who qualified for learner transport were not identifiable

4.4.1 A system of monitoring was not implemented to determine whether only the individual approved learners were transported. The ECDoE did not supply the department with the names of the learners who were identified for learner transport.

4.4.2 During the audit, it was not possible to ascertain or identify individual learners on the LTS. A test of the existence of learners and whether they received a transport service for the full year on expensive pickup points was not possible in the absence of a final approved list of names from the ECDoE and given the poor monitoring at school level.

- It cost as much as R347 239 and R366 544 to transport two learners for the 2014 academic year. The total annual cost for transporting 147 learners was R23 661 013 at an average cost of R160 959 per learner for the 2014 academic year.
- At the George Dickerson PS, R298 977 was paid to transport one learner during the 2014 academic year. The principal claimed that the pickup point did not exist or could not identify the learner or location of the pickup point. This was despite him having approved the PODs for the service.

4.5 Recommendations

- 4.5.1 Performance reporting on the LTS should be seen as an important part of effective management and refers to an integrated system of planning, budgeting, monitoring, reporting, evaluation and accountability.
- 4.5.2 Reporting processes relating to key performance indicators and targets should be established to facilitate measuring the performance of the LTS.
- 4.5.3 A set of performance indicators for the LTS, which are well defined and verifiable, should be developed to report on how well money was spent and whether services were delivered as planned. The performance indicators should measure inputs, activities, outputs and outcomes in relation to:
- economy
 - efficiency
 - effectiveness.
- 4.5.4 The performance targets should be SMART:
- Specific in clearly identifying the nature and required level of performance
 - Measurable in identifying the required/actual performance
 - Achievable based on the existing resources and capacity
 - Relevant to the achievement of the specific objectives
 - Time bound in specifying the period or deadline for delivery.
- 4.5.5 A continuous process of coordinated monitoring with all role players, evaluating the performance of the LTS and correcting deviations should exist.
- 4.5.6 The POD system, where the principals have to certify the actual delivery of learners daily, should be improved to facilitate monitoring at school level.

A close-up photograph of a computer keyboard. The central focus is a bright yellow key with the words "Case Study" printed in bold, black, sans-serif font. The key is slightly raised and stands out against the surrounding dark grey keys. Other visible keys include a right-pointing arrow key above, a "Shift" key with an upward-pointing arrow to the right, and various other keys with symbols like double quotes, curly braces, and a question mark. The lighting is soft, creating subtle shadows and highlights on the keys' surfaces.

**Case
Study**

SELECTED CASE STUDIES

Selected case studies from the selected routes

The following seven examples from the 20 selected routes serve as case studies of the findings and the impact they had on the learners who needed transport.

1. Kwandwe Game Reserve and Transit Camp route, Grahamstown district



- 1.1 A principal claimed that a learner failed due to his low class attendance because he relied on lifts, as learner transport was not prioritised and available from his home in Salem. There were three learners from the Salem pickup point (a return distance of 42 km) who were transported to other schools in Grahamstown.
- 1.2 At a school, 201 learners were approved for learner transport by the principal, but only 65 were provided with learner transport. Of these learners, 57 learners were from within the town of Grahamstown (Joza location). They were transported from nearer appropriate schools at a return distance of 8 km. They were approved for learner transport because of their curriculum preference to have Afrikaans and English as language subjects.
- 1.3 At the same school, the audit identified a pickup point, Heather Towers (a return distance of 92 km), for which the learner transport scheme paid R298 977 in the 2014 academic year, but which could not be verified; nor could the allocated learner be identified. This was despite the principal having approved the POD for the service.

2. Bloekomlaan route, Uitenhage district



A pickup point, Bloekomlaan, was the farthest pickup point on the LTS database at 129 km return. A simple reasonability test, using street maps, indicated that the return distance between Clarkson PS and Humansdorp was approximately 134 km. Bloekomlaan pickup point was less than halfway to Humansdorp. The variance between the database and actual pickup points caused an overpayment to the transport service provider on the route of R1 408 718.

3. Krom River and Mortimer route, Cradock district



3.1 Splitting/sharing pickup points to different schools on the same route

The seven schools on the route were all situated in the town of Cradock. The Mortimer/Krom River route included the same roads, and 81 learners from 39 pickup points were transported to Cradock. Separate PODs and invoices were issued for each school, and payments were made for each school although the same route was travelled, effectively multiplying the kilometre value by seven. Five of the seven schools were primary schools that ought to be appropriate nearest schools for all the primary school learners. The average cost to transport each of the 81 learners was R103 883.

3.2 Inaccurate pickup point distance

Kude Kwalapha PS was within 1 km from Nxuba SPS. The Limebank pickup point en route to the two schools was shared. The distances on the LTS database from the pickup points to the schools were 107 km and 50 km, respectively, for schools that were 1 km apart. This 57 km inaccuracy in distance between the schools resulted in overpaying the service provider by R197 562.

3.3 Distances of 80 km and more

Thirteen learners were allocated to nine pickup points on the Mortimer/Krom River route at distances of 80 km return and longer. The long distances and single learners allocated per pickup point contributed to the high cost of the route. The total annual value of the nine pickup points was R2 487 679, with an average cost of R191 360 per learner.

4. Maryland, Amajuba and four other routes, Cradock district



4.1 Splitting/sharing pickup points to different schools on the same route

The five schools serviced by the route, with the exception of Teviot PS, were situated in the small town of Hofmeyr in the Cradock district. Learners allocated to the same pickup point and route were transported together to the different schools in Hofmeyr. Separate PODs and invoices were issued for each school, and payments were effected. This splitting/sharing of pickup points to different schools effectively multiplied the kilometre value of the shared pickup points by the number of schools

4.2 Long distances

Thirty learners were allocated to six pickup points at distances of between 80 km and 120 km return. The long distances and single learners allocated per pickup point contributed to the high annual value of the routes. The total annual value of the six long distance pickup points was R1 804 126, with an average cost of R60 137 per learner. The average cost of three of the six pickup points, with fewer than four learners per pickup point (six learners), was R140 784 per learner per year.

4.3 Learners transported farther than the nearest appropriate school

Seventeen learners who were allocated to two pickup points on the Teviot route, which passed through the town of Hofmeyr (where other learners were dropped off), were delivered 20 km outside the town at Teviot PS. Hofmeyr had appropriate schools for these learners. The annual kilometre value was R115 221.

5. Shelford route East London district



5.1 Pickup point distances in close proximity

Three of the pickup points were less than 1 km apart. The walking distances were less than 1 km, and it would have been more economical to combine the pickup points. The principal of Hebron PS confirmed that Vernon, Griffiths shop and Nyozi shop pickup points were combined and that the learners from those pickup points were, in practice, collected at one point. The annual kilometre value of the pickup points that could be combined was R76 048.

5.2 Learners transported to no-fee school

Six learners were picked up at a pickup point next to the primary school in Kidds Beach. The principal indicated that the learners were transported to Hebron PS because the parents could not afford the school fees and the learners had to be transported to a no-fee school. The cost to transport the six learners on the route was R97 736.

6. Mount Pleasant route, Fort Beaufort district



All 33 learners from the Mount Pleasant pickup point in the Yellow Woods area were transported 59 km return on the same route that followed the road to Fort Beaufort. The learners were dropped off at six different schools within Fort Beaufort. This route was allocated to two operators with 65-seater buses. Six separate PODs were issued, and payments were made for each school over the same distance, effectively multiplying the kilometre value by six. Five of the six schools were primary schools. A combination of the route if the learners were transported together to the farthest school would have saved R782 478 of the annual kilometre value of the route per year.

7. Tshandatshe route, Libode district



The distance of a number of pickup points on the database was incorrect. Nine of the 12 pickup points had 38 km as the distance on the database. The sequence of the pickup points along the route was confirmed with the principal of Toli SSS. It was confirmed that the pickup point distances on the database were incorrect and could not possibly be the same distance. The variance of these pickup points between the database and actual distances caused an overpayment to the transport service provider on the route of R328 850.

Summary of findings relating to selected routes

Route name	Duplicate pickup points Par.2.4.3	Pickup points in close proximity Par.3.5.1	Split/sharing pickup on the same route to different schools Par.3.4.2	High number of pickup with few learners per pickup point Par.3.2.2	Inaccurate LTS database distances Par.2.4.2	Distances of 80km and more Par.3.8.1	Learners transported farther than the nearest appropriate school Par.3.6.1	Pickup points could not be verified Par.2.4.4
1. Kasa		x			x			
2. Diko		x	x	x				
3. Krom River			x	x	x	x		
4. Mortimer			x					
5. Maryland		x	x	x	x	x	x	
6. Taleni		x					x	
7. Shelford		x						
8. Mount Pleasant			x					
9. Lady Frere							x	
10. Thornhill	x	x			x			
11. Bizana								x
12. Komga			x	x	x			
13. Tshandatshe					x			
14. Mdyobe								
15. Engcobo (various)								
16. Libode (various)								
17. Barkly East								
18. Bloekomlaan					x			
19. Kwandwe Game Reserve (Transit Camp)								x
20. Aeroville								
Total	1	6	6	4	7	2	3	2



REGULATORY FRAMEWORK

The Constitution of the Republic of South Africa of 1996

Section 29(1)(a) and (b) of the Constitution of the Republic of South Africa stipulates that everyone has the right to basic education, including adult basic education, and to further education, which the state, through reasonable measures, must make progressively available and accessible.

The National Land Transport Act (NLTA) (Act No. 5 of 2009)

The purpose of the National Land Transport Act is to prescribe national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly in the provinces and others matters contemplated in section 146(2) of the Constitution. The National Land Transport Act stipulates that where a public transport service is dedicated to transporting learners, students, teachers or lecturers, the minister may prescribe regulations on special requirements for those services, including, but not limited to, requirements for supervision of learners, special requirements for drivers, requirements for insurance, documents that must be kept in the vehicle and special vehicle markings, as well as requirements that drivers of other vehicles must stop in the vicinity of vehicles loading or offloading learners or students.

National Road Traffic Act (NRTA) (Act No. 93 of 1996)

The aim of the National Road Traffic Act is to provide for road traffic matters that shall apply uniformly throughout the Republic and for matters connected with these. Matters concerned refer to registration and licensing of motor vehicles, fitness of drivers and fitness of vehicles.

The National Education Policy Act (Act No. 27 of 1996)

The act empowers the minister of Basic Education to determine national norms and standards for educational planning, provision, governance, monitoring and evaluation. The Department of Basic Education is responsible for formulating policy, setting norms and standards and monitoring and evaluating all levels of education.

South African Schools Act 1996 (SASA) (Act 84 of 1996)

Section 3 of the 1996 South African Schools Act 1996 provides for a compulsory general education phase for ages seven to 15 or grades 1 to 9. Provincial members of executive councils are responsible for providing school places for every child of eligible age.



PERFORMANCE AUDITING

Auditing concepts and approach

Background

The auditing of government institutions is based on the premise that the accounting officer is responsible for instituting measures to ensure that resources are procured economically and used efficiently and effectively.

The primary objective of performance auditing is to confirm independently that these measures do exist and are effective. A structured reporting process is used to provide management, Parliament and other legislative bodies with information on shortcomings in management measures and, where applicable, examples of their effects and suggestions for improvement.

Audit approach

Performance audits are conducted according to the *Performance audit manual, 2008* which contains the policies, standards and guidelines for the planning, execution, reporting and following up of performance audits in the public sector. In view of the complexity of the environment to be audited, each performance audit focuses on a delimited segment of the activities of a particular institution. Preference is, therefore, given to the more important aspects. The management of the department was given detailed information on the objectives of the audit and the audit questions to be addressed during the audit. Arrangements were made to establish a steering committee consisting of the audit team and the department's senior staff. The main purpose of the steering committee was to ensure the creation of a structured communication line and the cooperation of all the relevant parties. During the steering committee meetings, agreement was sought on matters such as the audit criteria, findings and conclusions. Issues were deliberated, and the representatives of the department were afforded the opportunity to submit timely inputs into the final management report. This approach should lead to the prompt implementation of corrective steps where weaknesses have been noticed.

It is, however, in no way the intention or practice of the steering committee to provide the institution with a veto power in respect of the nature and scope of the performance audit or the resultant report. A steering committee is a consultative,

consensus-seeking forum, but the relevant statutory powers remain vested in the AGSA. A steering committee meeting was held with the department's management on 21 May 2015, where consensus was reached on the factual correctness of the findings contained in the report.

Mandate

This performance audit was conducted in accordance with the mandate conferred by section 188 (4) of the Constitution, read in conjunction with sections 5(1)(d) and 29(3) of the Public Audit Act, 2004 (Act No. 25 of 2004).

While it is not within the auditor-general's mandate to question policy, the auditor-general does assess the effects of policy (in terms of the principles of economy, efficiency and effectiveness) and the overall management measures that lead to policy decisions.

Purpose of performance auditing

Performance auditing is an independent, objective and reliable examination of whether government undertakings, programmes, systems, activities or organisations are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance auditing seeks to provide new information, analysis or insights and, where appropriate, recommendations. Subject matter is not limited to specific programmes, entities or funds, but can include topics related to service delivery, value for money or effects of regulations.

Performance auditing places special focus on citizens. The primary questions being asked are whether government is doing the right thing and doing this in the right and least expensive way.

The reports generated through the performance auditing process inform Parliament and other institutions charged with oversight of the extent to which audited entities:

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

Advantages of performance auditing

Performance auditing benefits government by:

- promoting good governance, accountability and transparency
- creating mechanisms for change and improvement
- contributing to learning and change and serving as a basis for decision-making.

Promoting good governance, accountability and transparency

Performance auditing assists those charged with governance and oversight to improve their performance. This is done by examining whether decisions by the legislature or executive authorities are efficiently and effectively implemented and whether citizens have received value for money. It provides constructive incentives for the responsible authorities concerned to take appropriate action.

Performance auditing affords taxpayers, financiers, ordinary citizens and the media an insight into the management and outcomes of different government activities. It contributes in a direct way to providing useful information to the citizen, while also serving as a basis for governmental learning and improvement.

Creating mechanisms for change and improvement

In the private sector, a company's success can be assessed by its ability to generate a profit. A company that does not continually improve will, ultimately, be forced to leave the market. There is no similar mechanism in the public sector. While it is possible to reorganise activities in the public sector and even close some agencies, even the most unsuccessful key ministry will keep some necessary functions. This requires the public sector to create different mechanisms to measure results and ensure continual improvements in government entities. Performance budgeting, management and reporting are commonly used as such mechanisms. Performance auditing plays a role in highlighting problems and promoting change.

Contributing to learning and change and serving as a basis for decision-making

Performance auditors are not a part of the system they audit, which makes it easier to objectively listen to the views and knowledge of different stakeholders at different levels of the public administration. This enables performance auditors to impart new knowledge and understanding to stakeholders. Such new knowledge promotes learning and change.

As resources are scarce, the efficient and effective achievement of objectives is emphasised. Decisions need to be made on how to prioritise different programmes and ministries. Performance auditing serves as a basis for decisions on how to prioritise and make better use of available resources.

Difference between performance auditing and other types of auditing

The three recognised types of government auditing are:

- financial auditing
- performance auditing
- compliance auditing.

The concept of regularity auditing covers both financial and compliance auditing. Performance auditing may include dimensions of compliance, but not as an end in itself. In performance auditing, compliance with rules and regulations is a tool to assess the performance of the audited entity.

The main differences between regularity auditing and performance auditing are highlighted below.

Aspect	Performance auditing	Regularity auditing
Purpose	Assess whether the performance of the audited entity meets the three E's (economy, efficiency and effectiveness)	Assess financial statements, financial management and whether the accounts are true and fair
Starting point focus	Presumed problems The performance of the organisation/programme and its activities	Done on an annual basis The accounting and financial management systems
Academic base	Interdisciplinary (economics, political science, engineering, health, education and other related disciplines)	Accounting, auditing and financial management

Performance audit process

The audit process was standardised and guided by the which sets out the policies, *Performance audit manual, 2008*, standards and guidelines for the planning, execution, reporting and follow up of performance audits conducted in the public sector.

As required by the performance audit manual, sufficient audit evidence was obtained for the findings and illustrative examples contained in this report. These examples have been included to illustrate the consequences and effects of deficient management measures and are not collectively a full reflection of the extent of audit work conducted at entities.

In view of the complexity of the environment to be audited, each performance audit focuses on a delimited segment of the activities of a particular institution. Preference is, therefore, given to the more important aspects.

Focus areas and key audit questions

The performance audit on the learner transport scheme at the Department of Transport of the Eastern Cape Provincial Government sought to answer the following key questions:

Focus area	Overall audit question
Overall	Is the learner transport scheme effective in providing learners access to educational institutions and is the service delivered efficiently in the least expensive way?

Focus area	Key audit questions
Overall	Is the learner transport scheme effective in providing learners access to educational institutions and is the service delivered efficiently in the least expensive way?
Policy	Did the policies and strategic planning for learner transport promote economy, efficiency and effectiveness?
Planning and coordination	Did the planning and coordination of learner transport promote economy, efficiency and effectiveness? Did the management information available for decision-making promote economy, efficiency and effectiveness?
Implementation	Did the implementation of learner transport promote economy, efficiency and effectiveness? Did the use of consultants and service providers for the implementation of learner transport promote economy, efficiency and effectiveness?
Monitoring and evaluation	Did the monitoring, evaluation and reporting of learner transport promote economy, efficiency and effectiveness? Did the monitoring measures instituted promote effective law enforcement and road safety of the learner transport?

Audit criteria

The performance audit on the learner transport scheme at the Department of Transport of the Eastern Cape Provincial Government was conducted in accordance with the following audit criteria:

Focus area	Audit criteria
Policy	<p>Approved provincial frameworks, policies and procedures to render the learner transport scheme should be communicated, implemented, reviewed regularly and adherence there to monitored.</p> <p>The approved provincial frameworks, policies and procedures should address:</p> <ul style="list-style-type: none"> • Roles and responsibilities • Norms and standards • Qualifying criteria • Monitoring and evaluation.
Planning and coordination	<p>Organisation</p> <p>The organisational structure required to manage the learner transport scheme should be determined, approved and implemented.</p> <p>A dedicated component/unit should exist to implement and manage the functions of the learner transport scheme.</p> <p>The necessary resources and staff should be made available for managing the learner transport scheme.</p>

Focus area	Audit criteria
	<p>Planning and coordination</p> <p>Intergovernmental coordination should exist through appropriate intergovernmental forums and joint planning committees.</p> <p>Strategic planning for the learner transport scheme should consider factors that might affect future demand for learner transport such as the building of schools, school rationalisation and poor road conditions and should be coordinated through appropriate intergovernmental forums.</p> <p>Annual planning for the learner transport scheme must start with identifying learners in need of learner transport. This information should feed into the development of provincial learner transport strategies and plans.</p> <p>Demand management</p> <p>Identifying learner transport beneficiaries should be in line with the qualifying criteria prescribed in the policies on the learner transport scheme.</p> <p>Prioritising the demand for learner transport to meet available resources should be done based on transparent principles set out in the policies on the learner transport scheme. These policy principles should promote economy and efficiency to ensure that the maximum number of identified and qualified learners benefit from the learner transport scheme.</p> <p>Procedures</p> <p>Approved standard operating procedures should be documented, communicated and implemented, and compliance with these should be monitored.</p> <p>Budgeting</p> <p>Budget allocations should be aligned with the objective and performance targets in the strategic and operational plans for the planned learner transport scheme.</p>

Focus area	Audit criteria
	<p>Management information</p> <p>Management information systems that provide accurate, complete and reliable information should be in place to facilitate decision-making in terms of the management of the learner transport scheme.</p> <p>Management information systems should be supported by updated information technology, communication, electronic equipment and appropriate devices. Updated technology should be used to monitor transport vehicles where this would promote efficiency, economy and effectiveness.</p>
Implementation	<p>Tender processes and contract administration</p> <p>Measures should exist to ensure that all contracts awarded comply with the tender requirements. A comprehensive needs analysis and feasibility studies that include cost estimates should be conducted prior to the renewal of learner transport contracts and appointment of service providers.</p> <p>Use of consultants and service providers</p> <p>Adequate measures, including penalty clauses, should exist to ensure that service providers and transporters comply with all contractual obligations, and these should be strictly enforced.</p> <p>Service level agreements with service providers and transporters should exist and be used to determine the awarding of future contracts or the extension of existing contracts.</p> <p>The use of service providers and consultants should be managed to ensure that skills are transferred and that reliance on service providers to manage critical functions is limited.</p>

Focus area	Audit criteria
	<p>Management of payments</p> <p>Measures should exist to ensure that learners using the LTS are properly recorded and identified to ensure completeness and validity of contractors' claims.</p> <p>Measures should exist to ensure that contractors or transporters are remunerated according to the approved contract based on distance travelled and number of learners transported, and the correct rate is used.</p> <p>Measures should exist to ensure that payments to contractors and transporters are accurate and paid on time.</p> <p>Route design, distance verification and rate reviews</p> <p>The rates and rate formula that are used as the basis to pay for transporting learners should be reviewed annually. The review should include comparisons with the transport industry norms and benchmarking against other similar schemes.</p> <p>All new routes should be verified, and the shortest distance from the pickup point to the destination school should be identified and measured. The verification process should also look at the justification of the route in terms of nearest appropriate school and availability of public transport in the vicinity.</p> <p>The most economical mode of transport should be used for each route based on the learner numbers.</p>

Focus area	Audit criteria
<p>Monitoring and evaluation</p>	<p>Monitoring and reporting of performance</p> <p>Measurable objectives, norms, standards, targets and key performance indicators should be established to facilitate performance measurement.</p> <p>The key performance indicators should be well defined and verifiable and measure inputs, activities, outputs and outcomes in relation to economy, efficiency and effectiveness.</p> <p>The performance targets, read in conjunction with the relevant key performance indicators, should be:</p> <ul style="list-style-type: none"> • specific in clearly identifying the nature and required level of performance • measurable in identifying the required/actual performance • achievable based on the existing resources and capacity • relevant to the achievement of the specific objectives • time bound in specifying the period or deadline for delivery. <p>A continuous process to monitor and evaluate performance and to correct deviations should exist.</p> <p>Law enforcement and road safety measures should be instituted to ensure that all inspections are performed regularly. Measures should exist to ensure that vehicles are roadworthy and that the safety of learners transported is not compromised.</p>



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

PR404/2015
ISBN: 978-0-621-44203-8