Education Sector Report for 2015-16

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

TOWARDS AN EDUCATION AND TRAINING SYSTEM THAT IS DRIVEN BY QUALITY, ACCOUNTABILITY AND IMPACT

CONTENT

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FOREWORD

It is my pleasure to present our second Education and Training Sector Report, following the 2013-14 standalone sector report tabled during June 2015. After discussions with the relevant stakeholders, specific focus areas relating to basic education and higher education and training (sector education and training authorities and technical and vocational education and training colleges) were added to the scope of our 2015-16 sector audit.

These focus areas are key programmes and initiatives that received a fairly significant amount of resources and are geared to support government's strategic imperatives stemming from the national development plan. Our audit of these focus areas was intended to unveil potential shortcomings that need to be addressed to enhance accountability, governance and oversight across the education and training value chain.

The education and training system is facing challenges that have a negative impact on service delivery in areas that include effective teaching, learning and skills development, which in turn has an impact on the capability of students to access employment opportunities. These challenges include service delivery protests, which resulted in the destruction of both basic and higher education facilities.

Significant progress was made in three of the seven basic education focus areas covered in the 2013-14 report: the learner transport scheme, the national school nutrition programme and the distribution of learning and teaching support material. This was a result of the positive response from executive authorities to our recommendations and action taken that yielded improvements in the management of these three focus areas. We also acknowledge the work in progress to address deficiencies in the other reported focus areas of professional development of teachers, infrastructure, information management and early childhood development.

We extended our audit focus to include the implementation of the e-education strategy and continued with the audit of the management of school finances which began during the 2014-15 audit. Our procedures were designed to audit teacher professional development and related systemic issues such as education districts, curriculum support and monitoring of schools.

Notwithstanding the progress by the basic education sector in distributing workbooks, some schools still face challenges relating to text books shortages, excess stock and/or incorrect orders. Other challenges include the lack of credible information to direct the sector's planning, infrastructure backlogs and a lack of

feasibility studies to assess the needs of the sector before rolling out certain interventions, programmes or initiatives.

In higher education and training, skills development and education infrastructure form crucial building blocks to providing quality education and building a skilled and capable workforce. We will continue to evaluate these focus areas and emphasise the deficiencies that may hamper effective service delivery for the requisite infrastructure and compromise the roll-out of skills development initiatives as intended.

For 2015-16, we highlighted the following deficiencies in controls for the higher education sector:

- The impact of skills development interventions was not adequately assessed; for example, tracking whether skills development interventions contributed to the beneficiaries of these programmes obtaining employment.

- The capacity of Setas was inadequate to research the labour skills in demand so as to align their skills development programmes to meet that demand. This is exacerbated by the role players in post-school education and training not forming adequate partnerships and collaboration and using a silo approach to implement skills development initiatives.

- The role players within the post-education and training sector implement independent and isolated programmes, processes and systems, which makes it difficult to track skills development across all sectors of the economy.

Although strides have been made in addressing some of these challenges, more needs to be done to improve the quality and impact of the education and training system in the country. In the 2013-14 education sector report, I highlighted the following deficiencies in establishing and/or implementing key controls at basic and higher education departments:

- Daily/monthly/quarterly management disciplines were not well established, such as preparing monthly/quarterly financial and performance reports to prevent non-compliance with legislation.

- The identification and creation of appropriate capacity were not assessed to determine whether adequate support was available in all areas of administration to achieve project objectives and to address issues that delay service delivery.

- Coordination between various departments and principal actors was not adequately managed to enhance accountability and improve understanding between various stakeholders of their roles and responsibilities in achieving sector objectives.

- Monitoring and evaluation processes were not effective and should be strengthened to ensure frequent monitoring by dedicated staff that can detect, or preferably prevent, delays in service delivery.

- Consequence management processes were inadequate to ensure that officials were held accountable and to create an environment where transgressions will not continue.

During 2015-16, the leadership of the education sector and higher education and training undertook to prepare action plans that embed an approach of addressing control deficiencies across all programmes and initiatives. In doing so, they hope to deal with the internal control deficiencies highlighted and prevent new or similar findings in future.

The control deficiencies reported relate to controls such as monitoring and evaluation, record keeping and effective coordination within the education and training sector. I also emphasise the need for improvement in information management and developing indicators to measure the effectiveness of the programmes, which would ultimately have an impact on achieving quality education and building of a skilled workforce.

I therefore expect that this report will continue to trigger conversations among the role players in the basic education and higher education and training sectors regarding innovative solutions to improve access to quality education and the development of a skilled workforce.

Furthermore, through their focused and determined implementation of our audit strategy, our audit teams will continue to contribute our insight and skills to the pursuit of a better and more dignified life for the citizens of South Africa by means of timely, effective, efficient and economical audit reporting.

As the education and training system matures, the leadership and executive authorities of these sectors should collectively focus on ensuring that their programmes are responsive to the needs of our nation as well as the economy that drives our livelihoods. The ability of both management and the executive to effectively implement, monitor and evaluate the delivery of these imperatives is dependent on transparent and robust internal and accounting control systems that will promote accountability and good governance, and enable oversight by those charged with the responsibility.

Pretoria

November 2016

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EXECUTIVE SUMMARY

Informed by government's education priorities contained in the

National Development Plan (NDP) *2030, and implemented by the medium term strategic framework (MTSF) ...*

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... the AGSA selected and audited a number of

key focus areas ...

⬇

... and identified deficiencies in certain

key controls ...

⬇

Oversight, and education leadership should continuously review and monitor the initiatives aimed at addressing the deficiencies in the key controls and should enforce accountability.

Government's focus areas

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- Institutional management and governance
- Educator skills and capacity
- Infrastructure and resources
- Access and equity
- Curriculum
- Skills planning
- Learner performance and development

Key focus areas

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Basic education

- Basic education
- Professional development of teachers
- Learner/teacher support material
- Managing of school finances
- E-education strategy
- Education districts

Higher education & training

- Skills development
- TVETS infrastructure

Key controls

= Daily disciplines + Capacity + Coordination + Monitoring and evaluation + Consequence management

Oversight

= Portfolio committees + Ministers and members of the executive committee + Heads of department

AN OVERVIEW OF EDUCATION AND TRAINING IN SOUTH AFRICA

A basic education system driven by national priorities

The Department of Basic Education (DBE) will, over the next five years, accelerate planning and implementation of identified projects through Operation Phakisa. This methodology was adopted by the cabinet to fast-track delivery on the priorities encompassed in the *National development plan 2030* (NDP). As part of this strategy, the department prioritised improving the quality of teaching and learning by developing, supplying and effectively using teachers. It would also provide infrastructure and learning material by effectively rolling out and using information technology (IT).

According to the NDP's vision for 2030, the schooling system must be characterised by learners and teachers who are highly motivated, principals who provide efficient administration, and effective curriculum leadership. The NDP also envisages an education system characterised by:

- committed and professional teachers who have good knowledge of the subjects they teach

- schools and teachers that are supported by knowledgeable, accountable and committed education district officials

- readily available learning materials

- basic infrastructure requirements that are met across the board.

In 2011 the DBE launched the implementation plan *Action plan to 2014: Towards the realisation of schooling 2025* (Action plan to 2025). The plan outlined 27 goals, with goal 16 focusing on improving the professionalism, teaching skills, subject knowledge and computer literacy of teachers throughout their careers. In April 2011, the DBE published the *Integrated strategic planning framework for teacher education and development* to guide the implementation of teacher education and professional development. The strategic planning framework identified the following key focus areas for teacher education and development:

- Identification of teacher professional development needs

- Development and delivery of high-quality, content-rich and pedagogically sound courses for teacher professional development

- Establishment and provision of facilities for continuous professional development and curriculum-related training interventions.

The *White paper on e-education* (2004) deals with the use of information and communication technology (ICT) to accelerate the achievement of national education goals. The main intended outcome is to increase access to ICT to support curriculum delivery and improve learner attainment. Effective IT in the education sector will ensure optimal accessibility and use of ICT in education in a manner that will create better access to quality education for all. Furthermore, it will bridge the digital divide, both within our country (urban and rural areas) and between our country and other parts of the world. This will result in:

- achieving the White Paper objectives

- improving IT systems connectivity at schools

- electronic digital teaching and learning resources

- training, support and ICT skills development

- infrastructure at schools and education district offices

- efficient IT technical support and innovation.

There is also a need to fast-track the use of IT systems through reliable connectivity and synchronisation to produce reliable statistics for budgeting purposes.

To this end, all provincial departments embarked on a journey of developing the e-education strategies that will respond to the needs identified in the White Paper. The e-education strategies are aimed at improving ICT integration in schools, providing access to ICT for teachers and learners, developing the capacity of teachers, and ensuring best-practice classroom integration of e-learning. They also assist schools to develop ICT policies and plans, to procure ICT equipment and to apply ICT to support both school administration and curriculum delivery.

Modern-day schools operate in an era of advanced technology. Access to ICT resources is no longer a nice-to-have but an urgent requirement for advancing teaching and learning. A project to provide teachers with ICT infrastructure, e.g. laptops, was not successful due to the model for funding these laptops. This project needs to be resuscitated urgently, and funding is critical.

Curriculum monitoring and support provided by education districts to schools constitute one of the priority areas outlined in the medium term strategic framework (MTSF) and the Action plan to 2014. The Policy on the Organisation, Roles and Responsibilities of Education Districts (Notice 300 of 2013) – referred to as the education districts policy – provides a national framework that includes delegated powers, roles and responsibilities of officials, the key principles for staffing and education district sizes and circuits.

Comprehensive performance audits were conducted in all nine provinces and at the DBE in 2014-15 and 2015-16 to determine whether education districts support and monitor schools in an economical, efficient and effective manner.

The NDP highlights the need to address historical backlogs in education infrastructure. Educational infrastructure should provide a safe environment for teaching and learning. To create such an environment, the national department and provincial education departments (PEDs) must ensure that the construction of new infrastructure and the maintenance and upgrading of existing infrastructure meet the minimum norms and standards for school infrastructure. Schools serve as the terrain where improved learner performance is the key measure of education delivery.

While schools are the main mechanism for delivering quality teaching and learning, support from the DBE, PEDs and education districts, including circuit offices,[1] is also essential to ensure the effective delivery of quality education, as can be seen from the education value chain below.

Figure 1: Education value chain
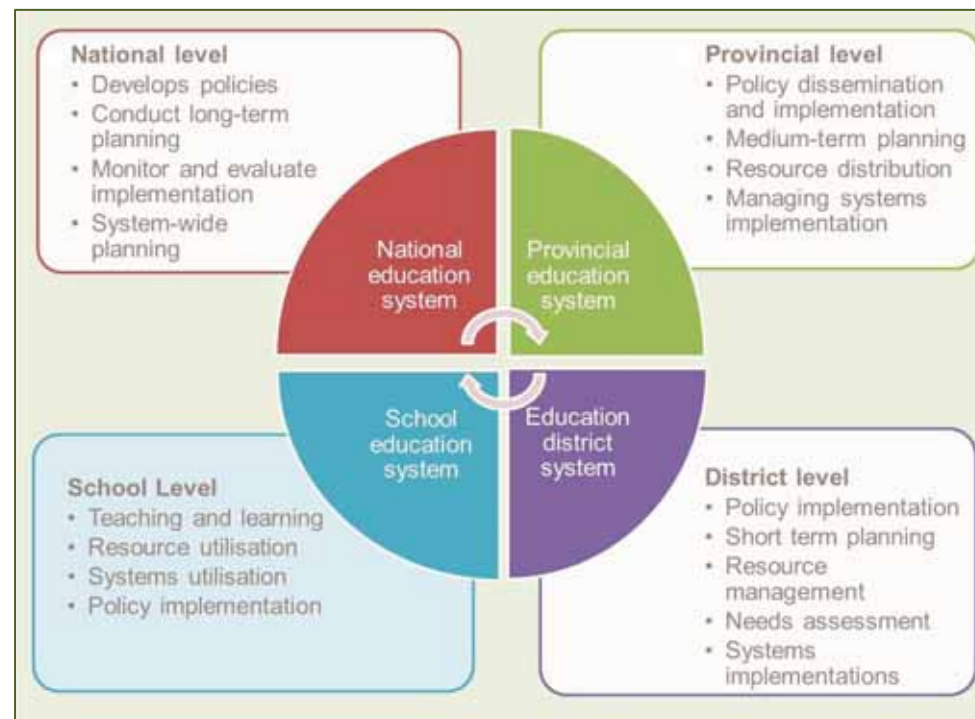
Skills development responsive to labour market demands

Skills development has been identified as a way to address unemployment, as highlighted in the Skills Development Act which provides an institutional framework for devising and implementing national, sector and workplace strategies aimed at developing and improving the skills of the South African workforce.

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[1] The circuit office is a field office of the district office and is the closest point of contact between schools and the PED

Figure 2: Effect of education system deficiencies
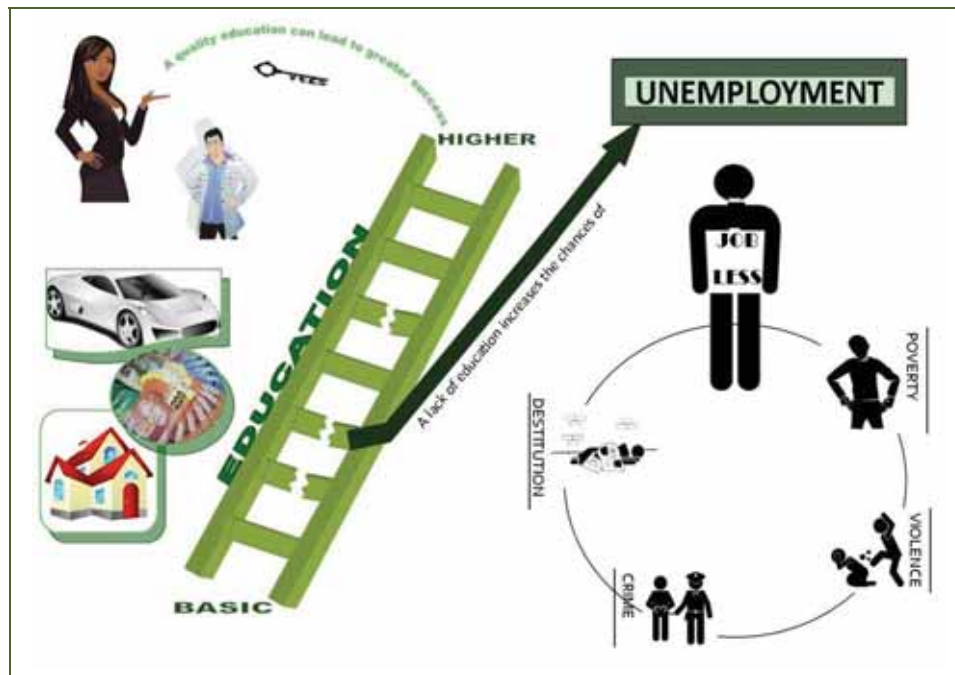
A public perception exists that there are gaps in the system, as depicted by the broken ladder in the above illustration. These gaps are ascribed to challenges in the basic education system, such as inadequate knowledge and skills of teachers, shortages of learner teacher support materials, as well as inadequate education infrastructure and learner transport which could negatively affect the ability of those learners planning to enrol for higher education and training or to enter the labour market.

The national skills development strategy (NSDS) III is the overarching strategic guide for sector skills planning in South Africa. The key driving force of this strategy is to improve the effectiveness and efficiency of the skills development system. The strategy seeks to establish and promote closer links between employers and training institutions and Setas.

The key challenges relating to the skills development system are highlighted in the NDP vision for 2030, which states that despite spending large amounts of money, Setas have not made a major contribution to skills development because of fragmented data systems and a lack of reliable information, while some Setas are experiencing governance problems.

The post-school education system is broad, encompassing 25 universities, 50 technical vocational educational and training (TVET) colleges, 21 Setas, national skills funds (NSFs) and other entities such the Quality Council for Trades and Occupations, National Student Financial Aid Scheme (NSFAS), Human Resource Development Council, Council for Higher Education, etc. Each of these institutions or entities has its own independent board or accounting authority, which poses governance challenges.

What this report is about

In charting a new course and writing a new story, the NDP vision statement notes that the nation seeks to eliminate poverty and reduce inequality. In response to this imperative, government has identified education as an essential service that requires urgent attention and has demonstrated its commitment by allocating considerable resources to this area. The total budgeted expenditure for education and related functions for the 2015-16 financial year was R265 billion (17% of the consolidated government expenditure).

This report focuses on the basic and higher education and training departments where selected focus areas critical for achieving quality teaching and learning were selected. The purpose of the audit was to assess the:

- accountability for supporting and monitoring schools to function effectively

- resource allocation to ensure the basic and higher education and training system functions optimally

- coordination of interventions by the basic and higher education and training role players for achieving the desired impact.

The following is a brief description of the focus areas identified for audit.

Introduction to selected focus areas

Basic education

1. School infrastructure

Learners and teachers need classrooms, electricity, sanitation, security and recreation facilities. The NDP, MTSF and the DBE's action plan 2019 identify the development of infrastructure as a priority for the basic education sector.

The sector aims to eradicate all inappropriate school structures and ensure that all schools are equipped with the necessary basic services. These structures are defined in the regulations relating to the minimum uniform norms and standards for public school infrastructure published in the Government Gazette No. 37081 (29 November 2013).

Why we audited the school infrastructure

Infrastructure in the education sector should provide a safe environment for effective teaching and learning. The South African education landscape is marked by the unequal provision of infrastructure among and within provinces, especially in rural areas. Some schools still experience historical backlogs in respect of buildings, facilities and access to basic services (water, electricity and sanitation).

To address infrastructure needs and backlogs, the DBE, PEDs and treasuries are focusing on making sure that all schools meet the minimum infrastructure standards and all inappropriate infrastructure is eradicated and replaced by 2017.

2. Education district curriculum support and monitoring

Education districts are required to support and monitor curriculum implementation at schools through school visits by education district officials, as illustrated in figure 3. The education districts policy provides a national framework for the delegated powers, roles and responsibilities of education district officials, the key principles for staffing and the organisation of education district sizes and circuits.

Figure 3: Core curriculum support functions provided by an education district[2]
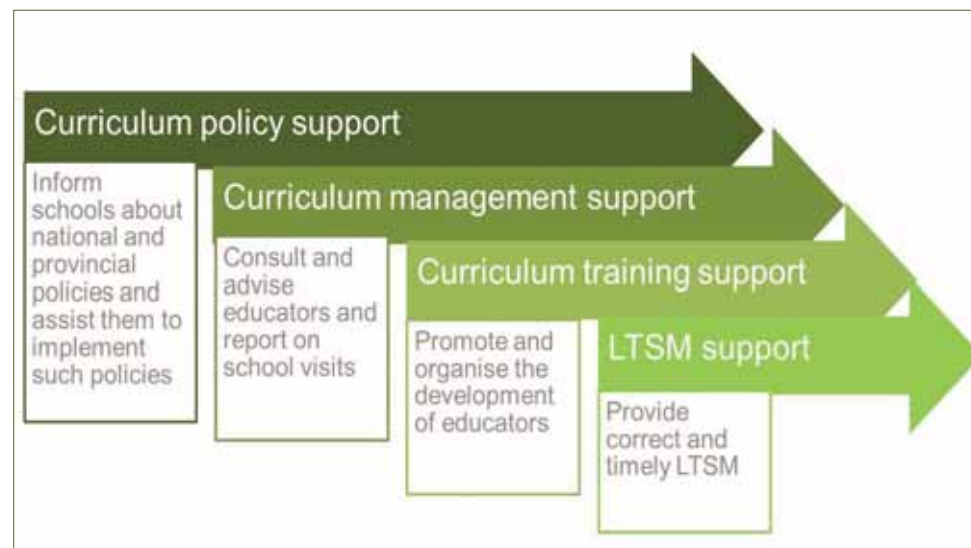
Why we audited curriculum monitoring and support provided by education districts

The education districts audit was to determine whether the education districts were providing schools with curriculum support and monitoring in an economical, efficient and effective manner. Previous research[3] indicated that the position of education districts in the educational hierarchy means that they have great potential to serve as a vehicle for medium- to large-scale educational reform. This potential relies on the education district's ability to fulfil its core functions, such as delivering curriculum support and ensuring that all learners are afforded good quality learning – the quality being measured by learner achievement.

The following sub-focus areas relating to managing the curriculum support provided by education districts were identified and scrutinised during the audit:

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2   Policy on the Organisation, Roles and Responsibilities of Education Districts - district functions par. 50.1
3   *Report by the Joint Education Trust* (Roberts, 2001)

- Policy, guidelines, strategy and planning

- Enabling resources

- Monitoring, support and supervision of schools by education districts

- Monitoring and supervision of education districts by the provincial education department.

We selected 23 education districts and 105 schools for audit. The audit focused on grade 1, 3, 6, 9 and 12 for mathematics, home language and English first additional language in the identified education districts and schools.

3. Teacher professional development

South Africa's underperformance in the education sector, particularly in the areas of maths and science, can be linked to a lack of appropriately skilled teachers for these subjects. Since 1996, government policies have focused on teacher education and professional development. For the education system to achieve quality basic education, teacher professional development is pivotal in ensuring that the knowledge and skills of teachers are enhanced, particularly with regard to subject knowledge and addressing the individual teacher needs.

Why we audited the teacher professional development process

The overall performance of the education system is determined by the teachers' content knowledge, teaching skills and professionalism, among others. Significant strides can be made in the education system's performance if the quality and effectiveness of teacher training and development are enhanced.

It is therefore imperative to review existing teacher professional development programmes to determine whether they are implemented economically, efficiently and effectively. Availability of reliable teacher professional development records and defined teacher professional development processes is critical for assessing the economy, efficiency and effectiveness of interventions to improve the knowledge, skills and professionalism of the teaching workforce. Significant policies have been drafted since 1994 to guide interventions aimed at improving teachers' content knowledge, teaching skills and professionalism.

The 2015-16 teacher professional development audits focused on the following areas:

- Identification of teacher professional development needs based on the integrated quality management system (IQMS) and delivering teacher professional development interventions at school level.

- Education district support, monitoring and evaluation of teacher professional development interventions for schools.

- Monitoring and evaluation by PEDs of the education districts' responsibility for teacher professional development.

- The national DBE's provision for support, guidance, monitoring and evaluation of teacher professional development interventions.

The following DBE sub-focus areas were audited:

- National Institute for Curriculum and Professional Development

- Draft norms and standards for the provincial teacher professional development institute and district teacher professional development centre

- Monitoring and evaluation of teacher professional development interventions.

4. Learner and teacher support materials

Access at the right time to high-quality, appropriate and up-to-date education material for all learners is critical. The DBE must identify LTSM needs, deliver these materials to schools and procure the LTSM according to budget and supply chain management (SCM) legislation.

Why we audited learner and teacher support material

During the 2015-16 financial year, the audit of textbooks – as opposed to workbooks – was prioritised because of a decrease in the number of findings on the audit of workbooks during the previous year. The following value chain aspects were considered:

- Demand management – Processes followed and the audit trails available of the needs analysis as a basis for ordering textbooks. The latter also incorporated an assessment of compliance with the policy to retrieve textbooks. Audit teams performed physical inspections at schools based on a sample of schools selected to determine whether there was a surplus or shortage of textbooks at schools.

- Acquisition management – Compliance with SCM legislation at the DBE to develop the national catalogue, as well as compliance with SCM legislation by section 21 schools when ordering textbooks. We also focused on determining whether PEDs and section 21 schools paid more than the negotiated list price in the national textbook catalogue.

5. Management of school finances

Financial management and discipline at school level is critical to ensure that funds allocated to schools are used for intended purposes and within the parameters of the law to address service delivery needs at school level. The financial management of funds received by schools is regulated by the South African Schools Act, 1996 (Act No. 84 of 1996) (SASA). The funds disbursed are spent on the enablers of quality basic education, such as learning material and maintenance of school infrastructure.

Why we audited the management of school finances

Creating an environment of good financial management and discipline in all spheres of government within the legislative framework is of utmost importance. SASA requires the appointment of auditors who are suitably qualified to audit financial statements of all schools in order to ensure that school finances are used for the purposes intended. This focus area was audited for the first time in the 2014-15 financial year to determine the status of compliance with SASA in the preparation and auditing of schools' financial statements. The scope of the 2015-16 audit was extended to review the monitoring and oversight of the PEDs in order to (a) improve audit outcomes of schools; and (b) ensure compliance by schools with the requirements of SASA.

6. Implementation of e-education

The e-education strategy aims to accelerate access and increased use of information and communications technology (ICT) to improve learning and teaching skills. An assessment of the progress in developing the e-education strategy is fundamental to realising government's objectives to improve learner attainment and teaching skills through the increased use of ICT.

Why we audited information technology

IT controls ensure the confidentiality, integrity and availability of state information and also enable service delivery and promote national security. Good IT governance, effective IT management and secure IT infrastructure are therefore essential within the government education sector.

Education sector information systems in South Africa are characterised by fragmentation (i.e. different systems used across provinces and schools), a lack of adequate performance reporting systems and old unsupported infrastructure. This resulted in over-dependency on and diversion to manual controls instead of actual use of available IT systems. The main reason for auditing education information systems countrywide is to assess the effectiveness and efficiency with which the current information systems are used at both national and provincial level, i.e. basic IT controls, ICT infrastructure and performance management systems.

The 2015-16 IT audit included an assessment of the IT controls in the following areas:

- IT governance

- Security management

- User access management

- IT service continuity

- Auditing of performance systems

- Progress on e-education strategies at provincial level.

The assessment was conducted at the national DBE and all PEDs, namely the Western Cape (WC), KwaZulu-Natal (KZN), Limpopo (LP), Gauteng (GP), Mpumalanga (MP), North West (NW), Free State (FS), Northern Cape (NC) and Eastern Cape (EC).

Higher education and training

7. Skills development

One of the objectives of NSDS III is to increase access to training and skills development opportunities and to achieve the fundamental transformation of inequalities linked to class, race, gender, age and disability in our society. This requires addressing the challenges of skills shortages and mismatches that we face as a country to improve productivity in the economy. The Department of Higher Education and Training (DHET) should play a leading role in forging a close working relationship with the sector education and training authorities (Setas) and should then collectively identify priorities by coordinating all the key role players in our post-education and training system.

Why we audited skills development

The skills development sector audit was conducted at the DHET, NSF and at 21 Setas. The total budget spent on skills development by the DHET, NSF and Setas was approximately R58 billion.

The DHET value-add audit focused on determining whether the department has effectively coordinated the skills development initiatives and provided support to Setas in a manner that would improve the functioning of the high education and training sector.

Our audit focused on research, coordination, partnership development, monitoring and evaluation of skills development programmes by the DHET, Setas and NSF.

Skills development funding – National Skills Fund

In terms of the NSDS III, the NSF is a 'catalytic' fund enabling the state to drive key strategies and assist non-levy-paying cooperatives, non-governmental organisations and community structures to meet the training needs of the unemployed and vulnerable groups. NSDS III envisaged that the NSF should operate at the highest standards of efficiency and effectiveness, making use of its resources to have a major impact on skills development in the country.

Skills development implementation - Setas

NSDS III requires that national and sector skills development be professionally researched, documented and communicated to enable effective skills planning. In accordance with the NSDS III, Setas have to enter into innovative partnerships to enhance the competence of college lecturers, partnering on projects with other Setas or forming partnerships that assist students with job placements. The NSDS III also stressed that Setas should consistently monitor and evaluate implemented skills programmes, with findings shared and verified through mechanisms established by the DHET. The DHET, in turn, will align its monitoring and evaluation systems to government-wide frameworks to enable achievement of outcomes and impact of skills development interventions.

There is presently no formalised structure within the post-education and training sector that ensures that all key role players within the post-school education portfolio engage on sectoral issues. The present structures operate in isolation, without collective decision-making, i.e. there are numerous independent oversight forums such as the Seta CEOs forum, the TVET college heads forum and universities of South Africa forum consisting of the vice chancellors of universities. There are no linkages among these, which affects the impact that development and implementation of policies, programmes and resources have on the quality of the post-school education system.

8. TVET college infrastructure

The DHET identified technical vocational education and training (TVET) colleges as one of its key priorities. It planned to construct 12 new TVET colleges and refurbish two existing TVET campuses. An assessment of the progress in realising the objective to construct the new TVET colleges was imperative.

Why we audited the school infrastructure

We audited the planning phase of the following three TVET colleges to identify shortcomings in project delivery and maintenance:

- The Thabazimbi TVET campus in Limpopo, a new college with a double-storey classroom block, administration block, library, workshops, student centre and maintenance facilities.

- The Bhambana TVET in Jozini in KwaZulu-Natal, a new college with classroom blocks, administration block, library, workshops and student accommodation.

- The Nkandla TVET in KwaZulu-Natal, a new college with classroom blocks, administration block, workshops and student accommodation.

What we found

Audit findings from these focus areas are grouped in the following key phases:

- **Demand management** (start of the SCM process where the needs analysis is performed to determine the quantities of the goods and services required)

- **Acquisition management** (critical supply chain process that involves compiling bid documents and criteria, and inviting, evaluating and awarding bids)

- **Project management** (this stage involves the contract management/ management of the contracts agreed with the suppliers, which includes the delivery of the goods and services procured, the evaluation of the performance of suppliers, etc.)

- **Commissioning and use** (this stage involves the effective use of the goods and services procured as desired).

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BASIC EDUCATION FINDINGS

SCHOOL **INFRASTRUCTURE**

NATIONAL ⋯⋯⋯⋯⋯⋯➤ **PROVINCIAL**

DESCRIPTION

- **ASIDI grant**

- **Provincial education** infrastructure grants

KEY FINDINGS

- Did not support and guide **PEDs to implement Giama and U-AMPS**

Inadequate supervision to ensure that:
- **contractors complete projects** within agreed time frames and budgets,
- **contractors identify and address** poor workmanship defects before project closure
- **routine maintenance** is planned.

ROOT CAUSES

- Daily/monthly/quarterly management disciplines
- Monitoring and evaluation

RECOMMENDATIONS

- **A plan of action,** with responsibilities and time frames, should be developed to address the key findings raised
- **The methodology** spelt out in the IDMS should be formally adopted by all PEDs
- **Additional criteria** should be applied when appointing contractors to ensure that planned projects will be delivered
- **Skilled built-environment** specialists should be employed to address skills shortages
- The need for routine maintenance at schools should be closely monitored so that **adequate funding can be secured.** A formal policy and U-AMPS should be in place

School infrastructure

1. Needs-driven systems – Demand management

Figure 4: Key findings on demand management (infrastructure planning)

The deficiencies associated with demand management compromised the optimal use of infrastructure that was rolled out in some provinces. The lack of basic services such as water, sanitation and electricity inherently compromised optimal use of the facilities constructed.

The following are examples illustrating the findings shown above:

- In the Eastern Cape, Limpopo and North West the needs, objectives, acceptance criteria, project criteria and risks were not defined and properly documented due to non-adherence to existing standards that are in place. We could therefore not determine whether the processes to ensure end user needs were addressed.

- In North West, the appropriate information was not always available when needs were identified, for example the use of the geographic distribution of populations should have been used when the size of schools were estimated.

At Mamakgatlape PS in Limpopo the need for water as a basic service was not assessed prior to commencing the project. At Ndengeza PS in North West the need to replace electrical infrastructure was not identified despite it being considered a basic service and, as a result, the needs of the learners were not addressed.

2. Implementation – Project management

To ensure that infrastructure is delivered as planned, project managers adopted a systematic and coordinated approach. In the course of the audit we found that some of provinces had more than one key finding. The main reasons for ineffective project management are reflected in figure 5 below.

Figure 5: Key findings on project management
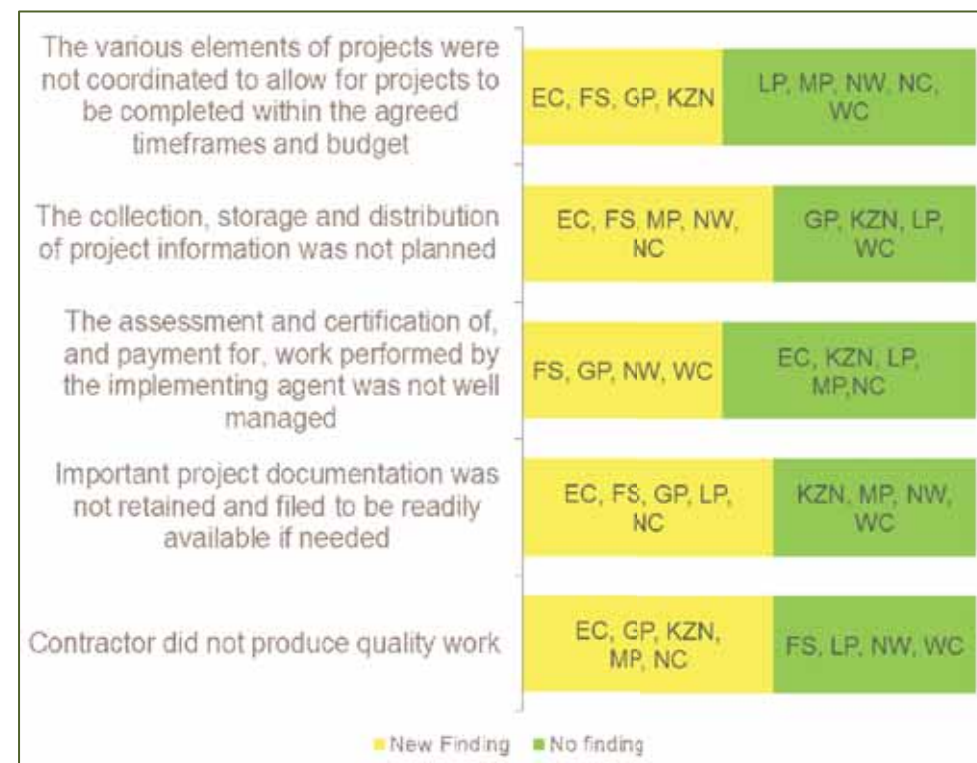
Projects exceeded their agreed time frames and budgets because project managers did not monitor and report on the performance of contractors and take corrective measures when needed negatively impacting service delivery of the required infrastructure. The following are examples of the findings above:

- At the Kaja Secondary School in the Eastern Cape, the completion of a six-month contract, which began in September 2011, had been delayed for nearly three years. The reasons could not be established.

- The construction of the nutrition centre at Malakabeng PS in the Free State was delayed by seven months.

- In the Eastern Cape, Free State, Mpumalanga, North West and Northern Cape, project information such as practical completion dates could not be drawn from -reliable project management system. This was as a result of information not filed centrally and could result in inaccurate reporting on the stages of completion when required.

- At Ekuthuleni PS in Gauteng, plaster is coming off the wall at the windows and cracks are appearing in the wall apron (see picture below) as a result of poor workmanship and project management.

Picture 1: Horizontal crack above door

Picture 2: Cracked light screen

Picture 3: Cracks visible on apron

Picture 4: Plaster cracking around windows

- Project information is easy to access when project managers have included the collection and storage of project documents and information in their planning.

- It was difficult to determine what issues occurred while projects were being implemented. The minutes of site meetings, close out reports and the construction programme for projects in Eastern Cape, Free State, Gauteng and Limpopo -were not in the project files.

- It was not always possible to confirm the final cost of projects at the Makeleketla Primary and Makabelane Combined schools in the Free State were not available.

Figure 6: Key findings on the ASIDI programme
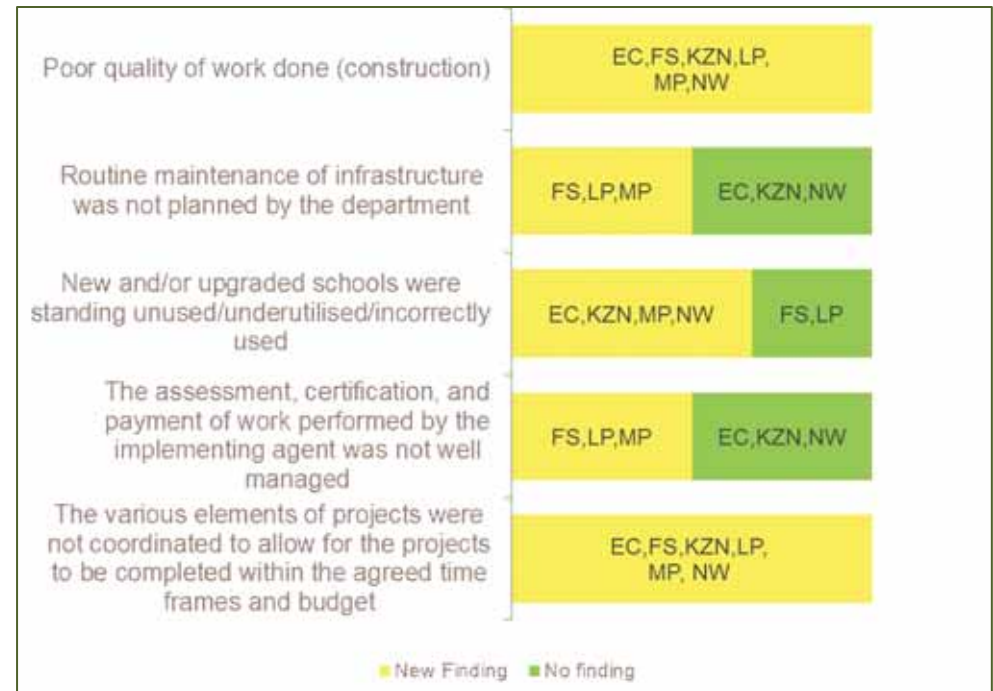
- At the Thwaluphahla SSS in the Eastern Cape we found deep cracks in the walls and the screening of the ablution block floor was of poor quality.

- The routine maintenance of the fire extinguishers at the Vredefort PS in the Free State had not been done. On enquiry, we heard that such maintenance was not planned and scheduled.

- Classrooms at the Toevlug PS in North West are used as storerooms.

- Although the ablution block at Mukovhawabale PS in Limpopo had been built, the completion certificate was not issued.

- The three-month sanitation project at the Busby PS in Mpumalanga was not completed on time. It took 18 months due to poor progress monitoring.

Deficiencies in project management controls resulted in low spending on a number of infrastructure projects. The appointment of service providers further delayed completion of projects as initially intended, while a number of contractors had to be terminated due to poor performance or liquidation.

The department has acknowledged that more effort is needed to ensure that all schools meet the minimum uniform norms and standards by 2017. The lack of monitoring identified during the audit last year remains a concern. The department failed to replace the inappropriate structures, with the biggest backlog being in the Eastern Cape.

3. Programme evaluation – Commissioning and use

Infrastructure maintenance

Figure 7: Key findings on maintenance
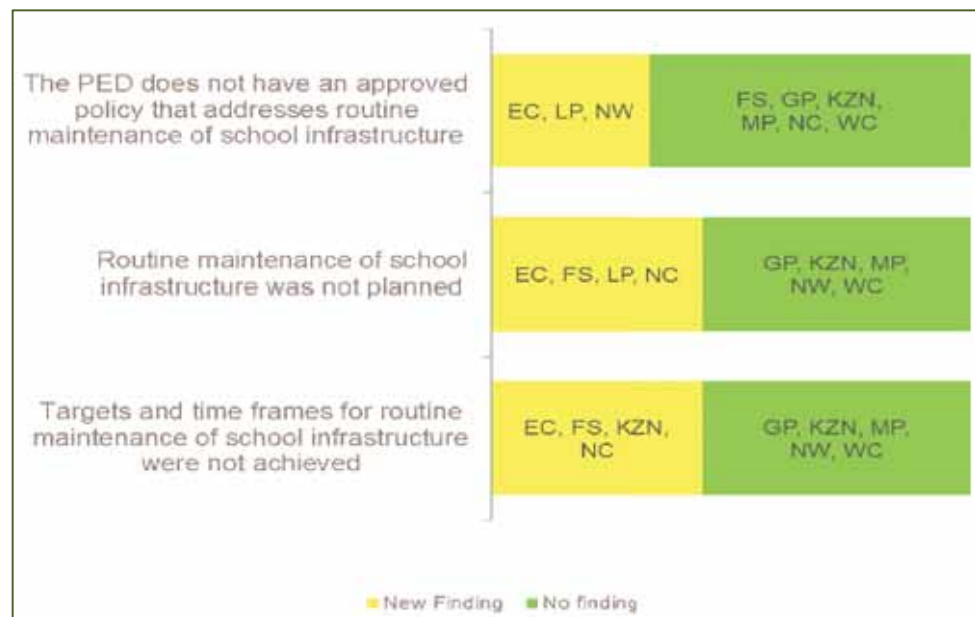
We found that the user asset management plans (U-AMPs) of many PEDs did not contain the minimum information prescribed by the Government Immovable Asset Management Act (Giama). We also noted the following:

- The PEDs do not have a formal policy to address routine maintenance at schools.

- Most schools do not perform routine maintenance. In the Eastern Cape, the floors were ingrained with dirt, litter was piled up behind classroom doors, and fire extinguishers were missing from their brackets.

- In the Free State, we found that door handles of classrooms were missing and broken wash basins lay on the floor. There were water puddles in the ablution facilities, the doors of storage cabinets were falling off, weeds grew in paved areas and doors were missing in the administration blocks. Planning of maintenance posed a challenge because it is done on an ad hoc basis.

- In Limpopo, we observed broken windows, leaking urinals, wash-troughs ripped from the wall and missing toilet seat covers. In the Northern Cape, we noted distribution boards with exposed cables and loose-hanging gutters.

- The PEDs do not set targets and time frames to ensure routine maintenance is performed during the year. Targets are not set because routine maintenance is performed only when a crisis occurs.

EDUCATION DISTRICT CURRICULUM **SUPPORT AND MONITORING**

NATIONAL → **PROVINCIAL** → **DISTRICT**

DESCRIPTION

National:
- **Develop policy**, and monitor and evaluate PEDs' work

Provincial:
- **Customise national policy** to the provincial environment
- **Monitor** and **evaluate** work done by **education districts**

District:
- **Monitor, support** and **evaluate** of schools

KEY FINDINGS

National:
- **No feasibility study** before issuing the education district policy

Provincial:
- **Eight PEDs** were still implementing the national policy
- **Performance** of education district's curriculum support was not adequately assessed by PEDs

District:
- **Uneven allocation** of subject advisers to education districts – vacancies exceeded 10%
- **Subject advisers** did not adequately visit schools and follow-up on progress

ROOT CAUSES

National:
- **Lack of awareness and understanding** of a needs-driven policy development system

Provincial:
- **Lack of funding** to implement national norms
- No set performance indicators and targets in accountability documents to measure education districts' performance on curriculum support

District:
- **District improved strategies** were not aligned to PED strategies
- School visits were **not planned and coordinated** to effectively and efficiently use the available transport budget and other resources

RECOMMENDATIONS

National:
- **Review the applicability** of the norms for structuring education districts and circuits to allow for allocations informed by provincial needs and demographics

Provincial:
- **Finalise** the **implementation plan** for the education district policy
- **Plan and coordinate** the existing resources optimally while there are vacancies
- **Measure the changes** in the educational outcomes that are attributable to the education districts' curriculum monitoring and support actions

District:
Provide **effective curriculum support** and efficiently and economically monitor and evaluate curriculum support interventions

Management information systems and processes should be developed and implemented to:
- identify schools on which education districts need to focus
- track and assess the monitoring and support provided to schools by education districts

Education district curriculum support and monitoring

4. Needs-driven systems – Demand management

The DBE issued the education district policy in February 2013 without first performing a comprehensive feasibility study. An investigation into the practicality and feasibility of implementing the norms as per the education district policy was only undertaken after the policy was published.

As a result, eight PEDs were still in the process of implementing the policy during July 2016. Five of the eight provinces had also not developed implementation plans indicating the various actions required to implement the policy as well as the relevant responsibilities and target dates.

The education district policy stipulates that, taking into account factors such as geographical, staff and financial implications:

- an education district must comprise of no fewer than five and no more than 10 education circuits.[4]

- an education circuit must be responsible for no fewer than 15 and no more than 30 schools. However, in any education district, the average number of schools per circuit must not exceed 25.

Our audit found that education districts were not optimally organised, which resulted in education districts and circuits being responsible for more or less circuits/schools than the national norm. For example, education districts had to support up to 33 circuits, 230% more than the maximum national norm. The PEDs' education district sizes, compared to the national norm, are reflected in figure 8.

Figure 8: Education district sizes compared to the national norm, 2016

- ■ % of districts with more than 12 circuits per district (more than 20% above norm)
- ■ % of districts with between 11 and 12 circuits per district (20% above norm)
- ■ % of districts within national norm (between 5 and 10 circuits per district)
- ■ % of districts with less than five circuits per district
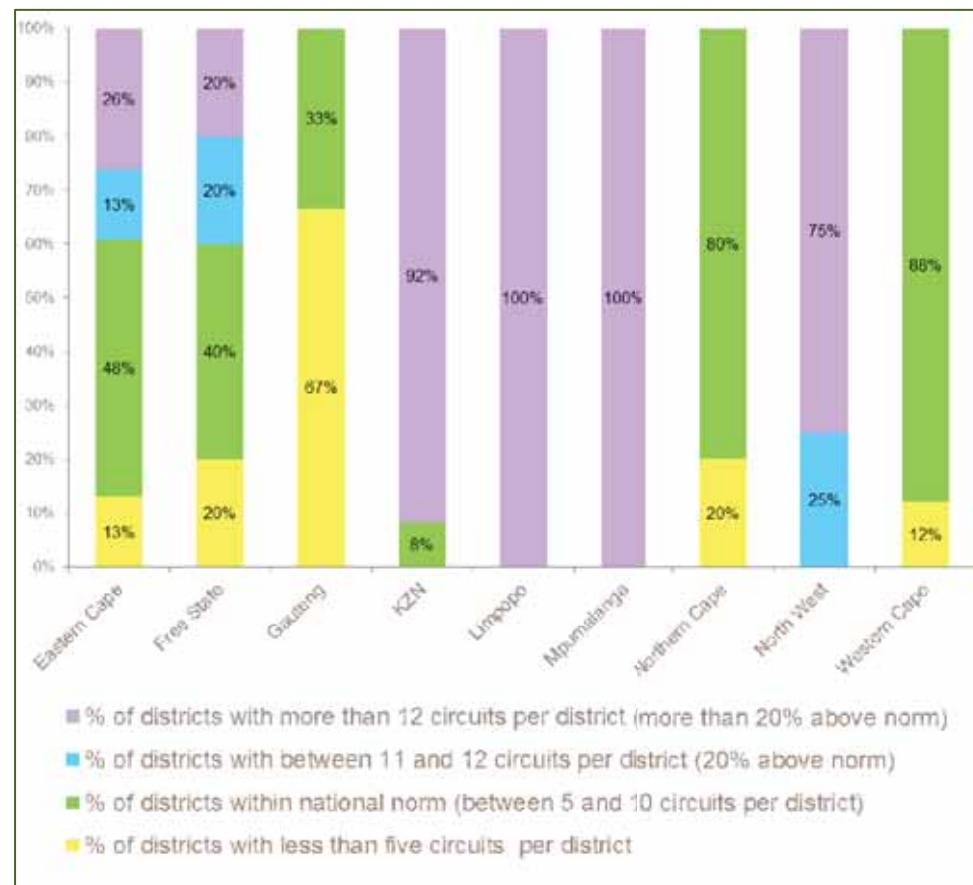
In the Northern Cape and Western Cape, 80% and more of education districts met the national norm for number of circuits per education district. Sixty-seven per cent of education districts in Gauteng were responsible for fewer than the minimum of five circuits per education district during 2016. On the other hand, education districts in KwaZulu-Natal, Limpopo, Mpumalanga and North West were in most cases responsible for more circuits than the national norm during the same period.

Another example is where education circuits had to support more schools than the national average of 25. The circuits in Johannesburg East were on average responsible for 94 schools during 2016, 277% more than the average national norm. The PEDs' education circuit sizes, compared to the national norm, are reflected in figure 9.

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4   An education circuit is an area within an education district. It is a second-level administrative sub-division of a PED

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Figure 9: Average education circuit sizes compared to the average national norm, 2016
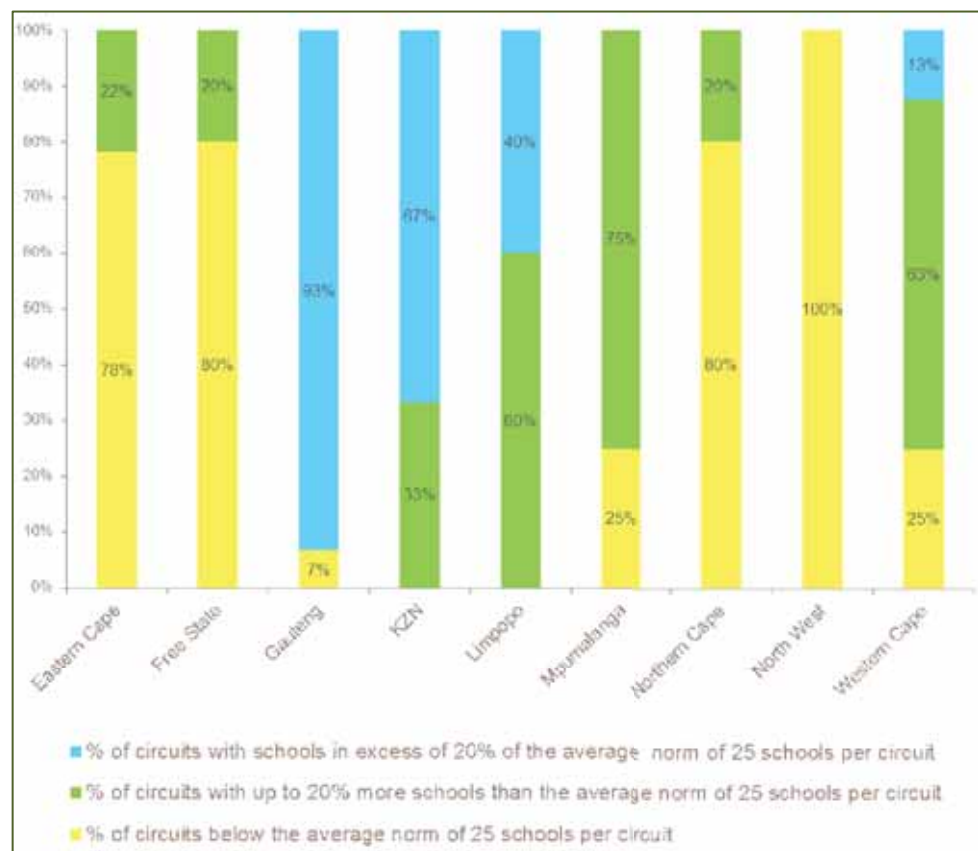
All provinces except North West exceeded the average national norm of 25 schools per circuits. Ninety-three per cent of the circuits in Gauteng were on average responsible for more than 30 schools per circuit. This is due to the fact that the Gauteng PED has implemented an education district office model that functions in circuits as well as school clusters. Transversal teams, led by a cluster leader and consisting of curriculum, human resource and financial specialists, support and monitor schools at a school cluster level.

The lack of feasibility studies conducted by the education sector has resulted in challenges to structure the education districts and circuits according to the norms indicated in the education districts policy, resulting in shortages of curriculum support and monitoring staff, financial challenges and inadequate support and monitoring for some education districts and circuits.

5. Planning driven system – Acquisition management

Education districts did not provide equal curriculum support to schools to improve the quality of teaching and learning because of the uneven allocation of curriculum support resources. The following contributed to this:

Figure 10: Uneven allocation of curriculum resources
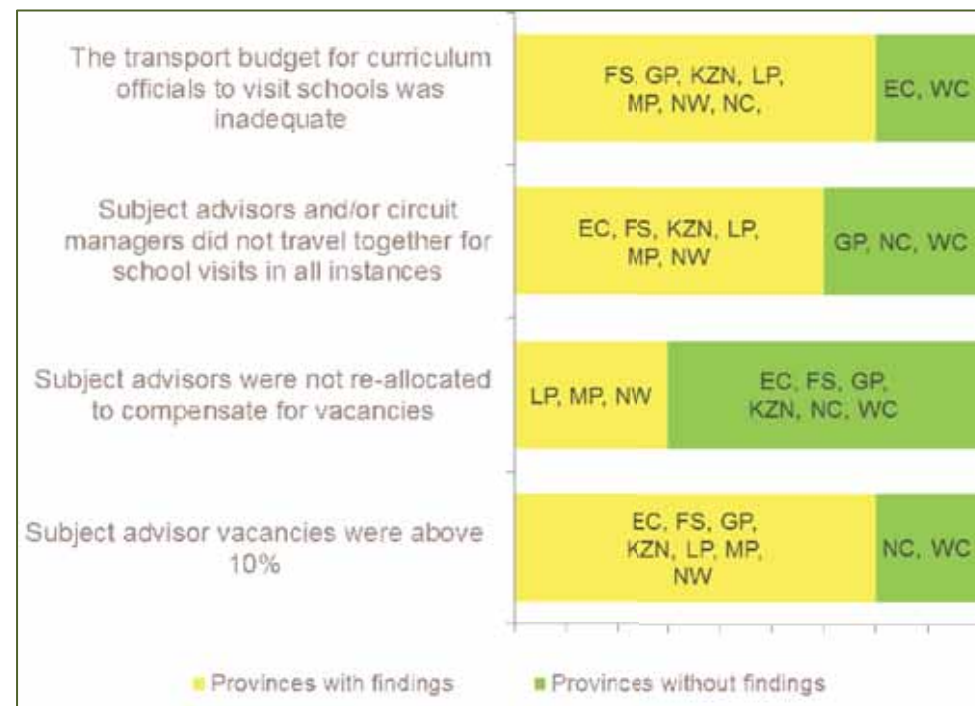
Of the 23 education districts audited, 19 presented information on subject adviser vacancies. Twelve of the 19 education districts (63%) had vacancies in excess of 10% during 2016. Subject adviser vacancies per education district during 2016 are reflected in figure 11.

Figure 11: Subject adviser vacancies per education district, 2016
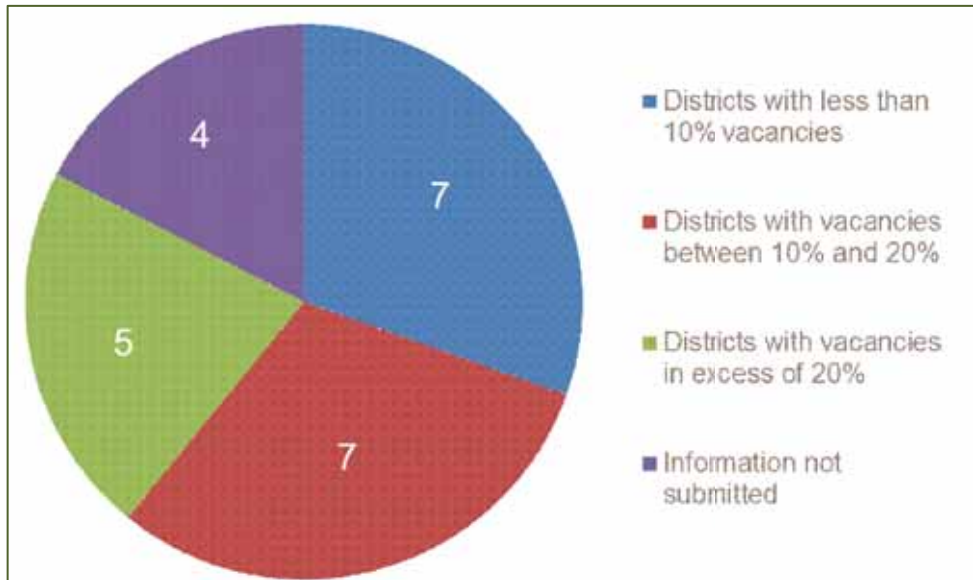
The above limitations on the use of resources resulted in a limited number of visits to schools and/or subject advisers not being able to visit all the schools identified for additional support within their education districts during 2014.

6. Implementation – Project management

Goal 18 of the Action plan to 2014 emphasises that education district officials should pay more attention to pacing the year's teaching and learning processes in schools, in particular at those schools that do not perform well in ANA, to ensure that learners cover all the topics and skills areas that they should. Although there are no set norms for the number of school visits, at least one visit per year by the education[5] district to the school should focus on this matter.

However, our analysis indicated that 48,57% of the classes audited did not receive any on-site curriculum monitoring and support by subject advisers during 2014. Figure 12 shows the average number of curriculum monitoring and support visits to classes for primary and secondary schools audited per province during 2014.

Figure 12: Average number of curriculum monitoring and support visits to classes for primary and secondary schools audited per province, 2014
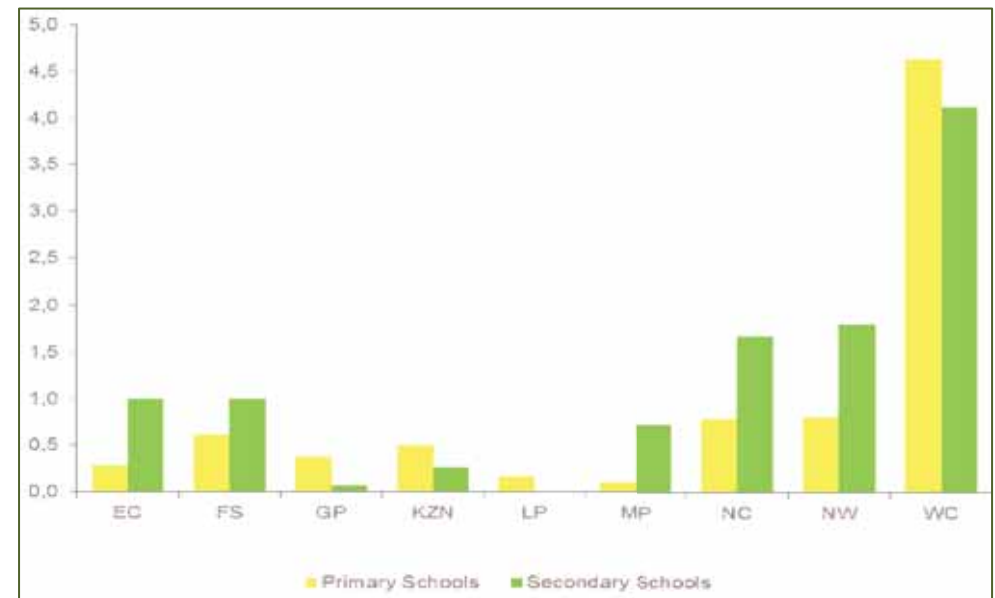
Except for the Western Cape, primary schools classes audited in all provinces on average received less than one curriculum support visit during 2014. In Limpopo none of the audited secondary school classes received on-site curriculum support during 2014, while the education districts in five other provinces conducted on average one or less on-site secondary school visit during the same period. The Gauteng PED consolidated existing learner and educator support programmes as a strategy to provide curriculum monitoring and support to schools as an alternative to on-site curriculum monitoring and support.

More on-site curriculum monitoring and support by subject advisers during 2014 did not always result in a higher level of learner performance improvement[5] when compared to those schools where less or no on-site curriculum support was provided during the same period.

The PEDs also aimed to improve learner performance in 2014 by crafting and implementing various improvement plans based on the 2013 learner performance. However, in some instances, the increased curriculum support for identified[6]

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[5] Auditors' calculation of learner performance improvement was based on 2013 and 2014 ANA and national senior certification results
[6] Identified schools refer to the schools identified by the education districts for additional support in the nine provinces

primary and secondary schools in 2014 did not yield better results in terms of a bigger increase or smaller decrease in learner performance from 2013 to 2014 when compared to schools not identified for additional support.

The following deficiencies in the on-site curriculum support and learner performance improvement strategies contributed to the poorer percentage point improvement and/or regression of schools identified to receive additional support, as indicated in figure 13.

Figure 13: Deficiencies in on-site curriculum support and learner performance improvement strategies, 2014

7. Programme evaluation – Commissioning and use

The DBE failed to perform its monitoring and evaluation functions at the PEDs in a timely and comprehensive manner because of:

● inadequate capacity to provide oversight

● its focus on the development of guidance and programmes, which the department is not legislated to perform.

Key findings on monitoring and evaluation of education districts by PEDs are indicated in figure 14.

Figure 14: Key findings on monitoring and evaluation of education districts by PEDs

TEACHER PROFESSIONAL **DEVELOPMENT**

NATIONAL → **PROVINCIAL** → **DISTRICT** → **SCHOOL**

DESCRIPTION
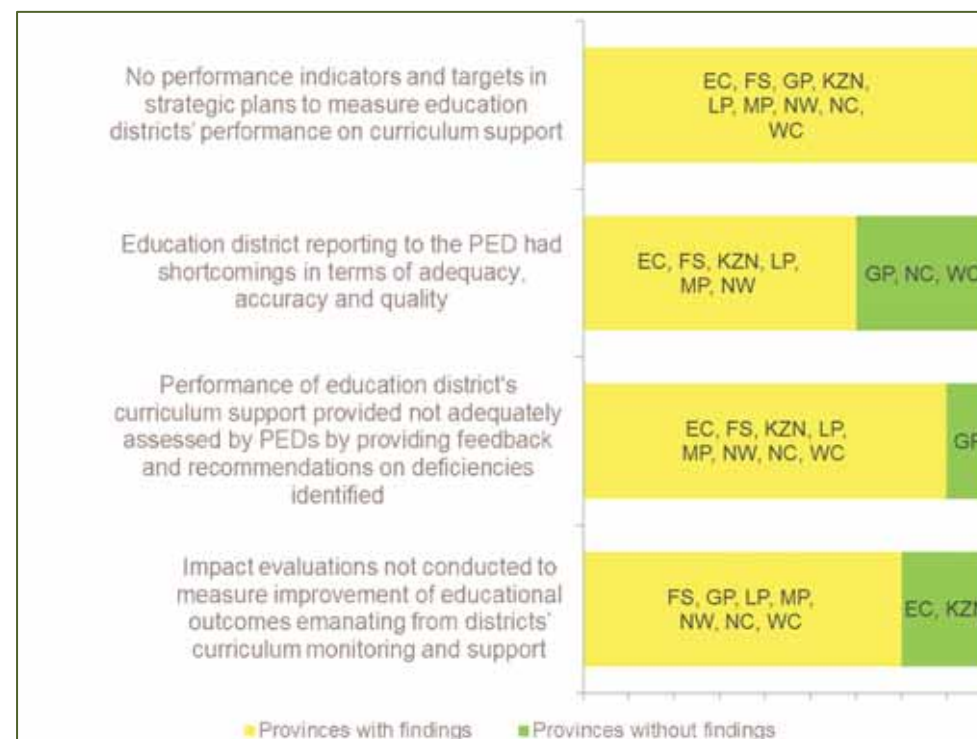
NATIONAL
- **Policy** development
- **Monitoring and evaluation**

PROVINCIAL
- **Monitoring and evaluation** of work by provincial departments

DISTRICT
- **Customisation** of national policy to the provincial environment, and monitoring and evaluation of work done by education districts

SCHOOL
- **Monitoring,** support and evaluation of schools

KEY FINDINGS

NATIONAL
- **Has not finalised the norms and standards** for provincial teacher development institutes and district teacher development centres

PROVINCIAL
- **Did not effectively monitor implementation** of teacher development interventions
- **Did not effectively assess** the **effectiveness** and impact of interventions

DISTRICT
- **Do not adequately support schools** with teacher development interventions, and monitor and evaluate their effectiveness

SCHOOL
- **Do not adequately support schools** with teacher development interventions, and monitor and evaluate their effectiveness

ROOT CAUSES

NATIONAL
- **Coordination** between various departments and principal actor

PROVINCIAL
- **Coordination** between various departments and principal actors
- Daily/monthly/quarterly **management disciplines**
- **Monitoring and evaluation**
- **Consequence** management

RECOMMENDATIONS

- Processes for correctly **identifying and addressing** individual teacher needs must be strengthened. Roles and responsibilities of education districts and schools structures responsible for teacher professional development must be enforced

- **Record-keeping** must be improved to ensure that historical teacher training data is recorded on an integrated and accessible system

- The current **monitoring and evaluation** processes of teacher professional development activities must be reviewed with particular emphasis on impact for achievement of the desired outcomes

- The education districts and **school structures (DSG and SDT)** should develop, implement and consistently monitor the action plans

Teacher professional development

8. Needs-driven systems – Demand management

Demand management deficiencies were found in the area of needs identification. Needs assessments were not carried out or were based on incorrect information

Figure 15: Identifying and addressing teacher professional development needs by school

DSG and SDT did not provide adequate support to teachers to identify IQMS teacher development needs and capture them in the personal growth plan (PGP)

EC, FS, LP, MP, NW,NC,KZN

■ Finding raised

While all schools visited were aware of the requirement to identify teacher professional development needs, we found that schools and education distric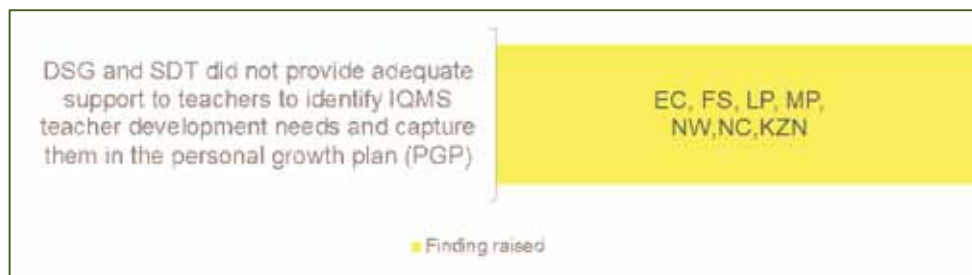ts do not adequately address individual teacher professional development needs identified by the IQMS. This finding is supported by the fact that teachers complete the personal growth plans on an annual basis but these are not reviewed by the development support group (DSG) and integrated into the school improvement plans (SIPs) by the staff development team (SDT). The individual development needs of teachers are only identified for the sake of compliance as it relates to performance appraisal. In the Western Cape we found that 63% of the schools audited did not incorporate their IQMS teacher professional development needs into the SIP.

Priority teacher professional development needs are, however, identified by the DBE through diagnostic system evaluations such as the national senior certification and the annual national assessment (ANA) in the event of curriculum redesign and changes. This approach overemphasises subject-content-related training and neglects skills and professional development. The risk is that the basic education sector might not attain the NDP goal of a highly motivated, competent and committed teaching workforce.

Capture and keep teacher professional development intervention records safe

The lack of a uniform information management system for capturing records of teacher professional development interventions affects the preservation of records of teachers who attended training. The department is currently implementing the continuing professional teacher development CPTD system. However, the system is not designed to capture the historical teacher training records which are currently stored on hard copies of attendance register files.

Another deficiency is that seven PEDs, excluding Gauteng and the Western Cape, have provincial registry systems to capture the records of teacher professional development interventions undertaken in the province. Western Cape and Gauteng have provincial teacher professional development institutes which have well-developed systems to capture records of teachers nominated and those who attended training. In the other seven provinces, teacher professional development records are kept by the different units that conducted teacher professional development interventions. Although the human resource development unit consolidates the records of teacher training conducted, the data is not a holistic reflection of the training conducted in the province.

9. Planning driven system – Acquisition management

Acquisition management deficiencies were found in some of the areas audited. In many of these instances, SCM legislation was not complied with.

The delay in finalising the National Institute for Curriculum and Professional Development and draft norms and standards for provincial teacher professional development institutes and district teacher professional development centres has a negative effect on teacher professional development at national, provincial, education district and school level.

Figure 16: Monitoring and evaluation of teacher professional development interventions

The provincial departments and education districts did not monitor and/or evaluate the effectiveness of teacher development interventions	EC, LP, FS, KZN, MP, NC, NW	WC, GP

■ Finding raised   ■ No finding
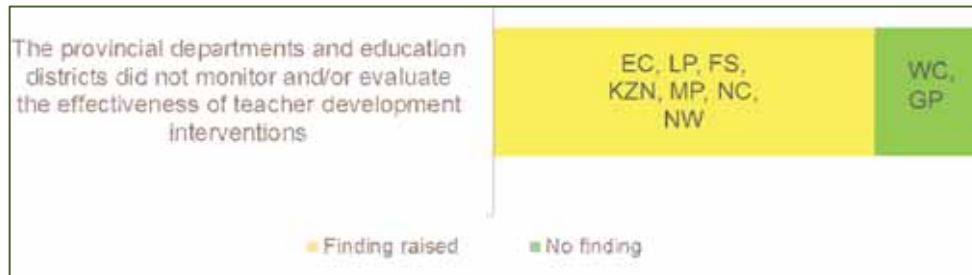
We found that education district officials visited schools on an annual basis to provide support on curriculum, performance management and school readiness. However, there is not enough evidence that the education districts officials visited schools to provide support on the implementation of teacher professional development and monitoring of the effectiveness of training attended by teachers. It is recommended that the department establish and implement a monitoring and evaluation framework to ensure that individual teacher professional development interventions are consistently monitored and the effectiveness of the process is regularly assessed.

LEARNER-TEACHER **SUPPORT MATERIALS**

NATIONAL → **PROVINCIAL**

DESCRIPTION

- **Establishment** of the national catalogue

- **Transfer of funds** from the provincial departments to the section 21 and non-section 21 schools

KEY FINDINGS

- **Acquisition** management
- **Non-compliance** with treasury and SCM regulations on the establishment of the national catalogue

- **Demand** management
- **Text books** were ordered based on the number of learners, without considering retrieved stock
- **Excessive text book** stock received from PEDs and kept at schools
- **Acquisition** management
- **Text books** purchased at a price higher than quoted in the catalogue

ROOT CAUSES

- Monitoring and evaluation
- Consequence management

- Coordination between various departments and principal actors
- Monitoring and evaluation

RECOMMENDATIONS

- Planning processes must be strengthened by credible information systems which will detect incorrect information submitted
- Key role players for all phases of the value chain require the development of standard operating procedures to be updated and, if necessary, training should be provided
- Improved monitoring of schools by district offices

Learner-teacher support materials

10. Needs-driven systems – Demand management

Demand management deficiencies were found in most of the areas audited. Needs assessments were not carried out or were based on incorrect information

Controls in place to ensure that demand management operates effectively would require planning processes to be sound for determining the number of learners who require textbooks. For this purpose, a number of factors should be taken into account, for example the number of learners per school, languages (first or second language), textbooks presently available as per the retrieval policy, a reasonable estimated surplus to be on hand to address learners migrating within schools and provinces, as well other province-specific matters during the year.

Figure 17 below reflects challenges that still exist in demand management with regard to the needs analysis, particularly in ensuring that the quantities delivered are not under- or oversupplied. This was noted at both section 20 and section 21 schools.

Figure 17: Findings on learner and teacher support materials
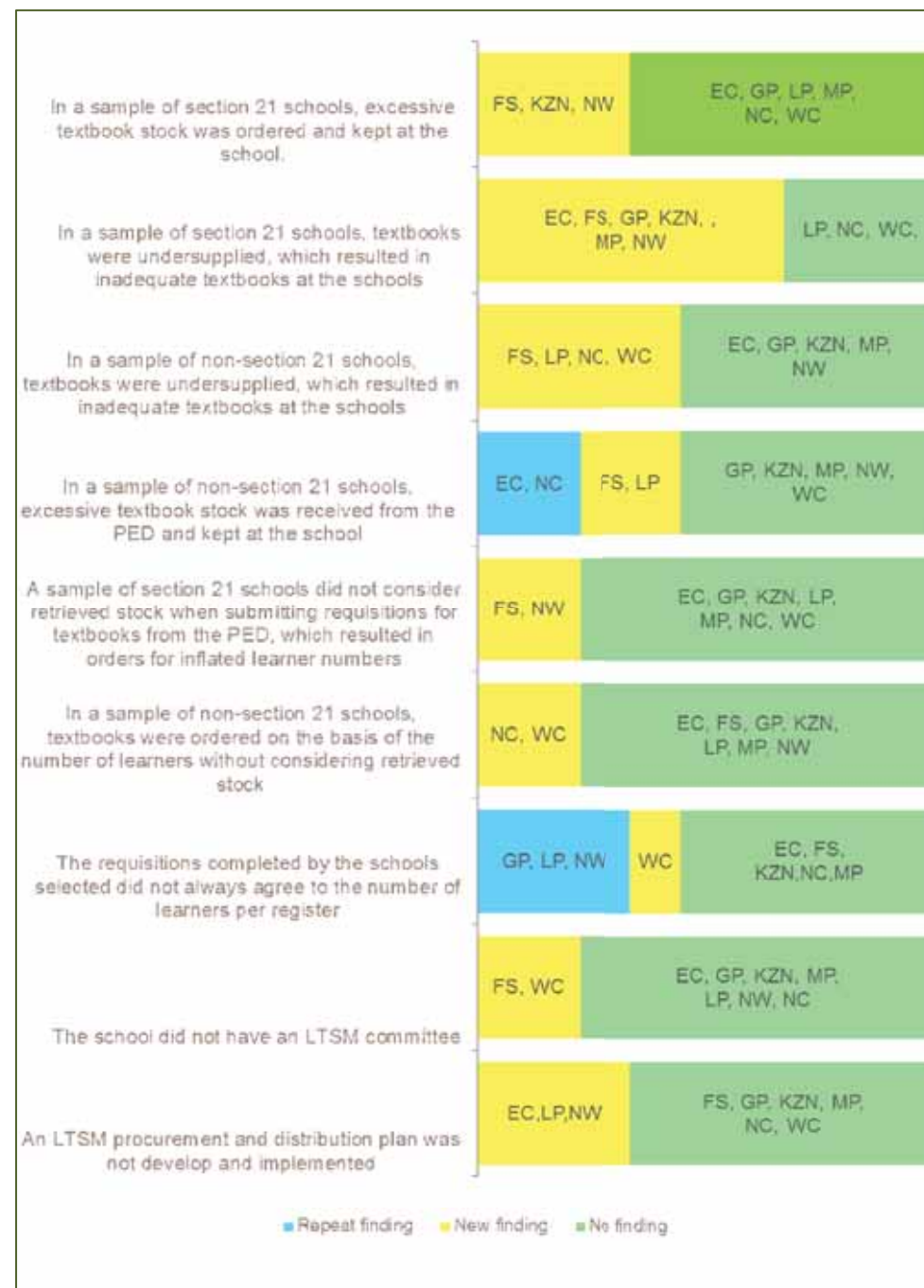
The basis for the needs analysis is the preparation and subsequent implementation of the distribution plan. It is for this reason that all public schools in all provinces are required to develop and implement an LTSM procurement and distribution plan. We noted a lack of preparation and/or implementation of the distribution plan at the Eastern Cape, Limpopo and North West PEDs. In some instances this had a negative impact on the coordination and distribution of textbooks within the agreed time frames and budget. The impact of the latter was most severe at the Eastern Cape PED where we found during our visits to the education district offices that in four of the six education districts visited, no textbooks were delivered, while in two of the six education districts, distributors only started delivering some of the textbooks towards the end of April 2016. During discussions, education district managers and LTSM coordinators cited budget constraints at head office as the reason for non-delivery of these textbooks. Enquiries with the school principals and teachers indicated that the non-delivery of textbooks had an impact on teaching in the classroom.

In order to ensure that incorrect/invalid learner numbers are not used as a basis for ordering textbooks, each school must complete a requisition form for ordering core textbooks. The requisition form must indicate the estimated number of classes and learners per grade, language and subject for the following year and the required quantities. However, controls were not effective in verifying the accuracy of the requisitions, thus the audit revealed matters in this regard in four of the five provinces (GP, LP, NW and WC).

Non-compliance by schools with the retrieval policy when submitting requisitions to order textbooks resulted in orders for inflated learner numbers in both section 20 schools (NC and WC) and section 21 schools (FS and NW PEDs), which demonstrated compliance by most PEDs.

Weakness in planning resulted in the under- and/or oversupply of textbooks to both section 20 and section 21 schools.

The undersupply of textbooks was noted at section 20 schools (FS, LP, NC and WC) as well section 21 schools (EC, FS, GP, KZN, NW and MP). Some of the reasons for the latter were as follows:

- At the Eastern Cape PED, there were shortages in all learning areas from grade 1 to grade 7 because the implementation plan was not implemented as indicated, resulting in non-delivery and late delivery of textbooks. The schools procured textbooks during September 2015 as per the completed requisition forms but the delivery was late, as confirmed during our visits to the schools during March and April 2016. We noted that learners were sharing textbooks

and teachers were making copies and writing notes on the chalkboard. This presents its own challenges, for example some learners are slow in writing, others skip lines and afterwards these notes are not easy to understand.

- In terms of the Western Cape PED's policy, the responsibility rests with the school principal to ensure that each learner has the required textbooks. The role of the education district and head office is to support the school when there are blockages they cannot resolve. The school principal is responsible for ensuring that correct supplies are delivered at the schools by following up with suppliers. Only in cases where they have ordered from the centralised procurement system, is it possible for the PED to intervene and/or offer support.

- At the Free State PED, the school and department did not procure sufficient textbooks for the learners. Management's assessment discovered that appropriate LTSM retrieval systems do not exist. Education district services will request education district directors and circuit managers to conduct training at schools on the best practices to retrieve textbooks. Certain schools did not have LTSM procurement committees and the department did not exercise appropriate oversight of schools that procure their LTSM directly from suppliers.

- At the Limpopo PED, our audit revealed shortages as a result of incorrect learner numbers provided to the PED and delays in the delivery of textbooks to schools ranging from four to 60 days after school opened, as noted during our visits to a sample of schools during April 2016. During our school visits we noted that the Limpopo PED had developed a textbook-tracking document (grade 1-12 textbook supply – information template for monitoring). This document assists in reducing the extent of delay in delivering textbooks and helps to determine whether the delays are attributable to poor performance by the departmental officials, the South African Post Office as the delivering agent, or the publishers. However, the monitoring tool developed was not properly implemented as there were still textbook shortages at schools, while incorrect and excess textbooks indicated on the monitoring tool were still in school storerooms.

During our visits to the schools, we noted that some schools had ordered excess textbooks and kept them in their school libraries or storerooms. According to the education district managers, excess textbooks should be reported and returned to the education district offices so that they can be distributed to other schools where textbooks are needed. However, education district officials did not monitor compliance by schools. We noted that excess textbooks could be used during the

following academic years; however, the limited resources available should be used effectively to ensure that the key challenges facing the education sector are addressed.

Other deficiencies identified were as follows:

- Identification of LTSM needs was inadequate, resulting in the over- and undersupply of textbooks at a sample of schools selected.

- Compliance with the retrieval policy was not being enforced, resulting in the procurement of unnecessary textbooks.

- Non-compliance with the relevant SCM legislation by the DBE, PEDs and section 21 schools.

- Procurement of textbooks at prices higher than the national catalogue prices.

Picture 5: Excess CAPS textbooks still in packages

Picture 6: More excess CAPS textbooks

Picture 7: Some more textbooks in blue plastic packages

Picture 8: Excess textbook in school storeroom

11. Planning driven system – Acquisition management

Acquisition management deficiencies were found in some of the areas audited. In many of these instances, SCM legislation was not complied with.

A ministerial committee for LTSM was formally established on 3 February 2010, as published in the Government Gazette No. 32924. The committee issued an unsigned report dated July 2010, which focused on the following:

- Develop guidelines for a national LTSM catalogue aligned to the curriculum and assessment policy documents.

- Recommend an optimal list with price guidelines, allowing for teacher choice, quality control and cost-effectiveness.

- Advise on strategic issues relating to LTSM.

The ministerial committee's report further suggested that, in order to reap the full benefit of economies of scale and consistently apply rigorous quality assurance measures, a centralised ordering system was needed. This implies having one LTSM procurement system for section 20 and section 21 schools across all provinces.

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We noted that there is no legal requirement for section 21 schools to procure textbooks using the national LTSM catalogue; hence textbooks can be purchased by obtaining a specific number of quotations or via the national LTSM catalogue.

The development of the national catalogue has streamlined the provisioning and procurement of textbooks in the sector. Prior to the introduction of the national catalogue, the nine provinces had their own provincial catalogue with varying levels of quality, number of titles, prices and processes to develop the catalogue.

The guiding principle in developing the national catalogue is to ensure quality of the highest standard. Only the best eight books per subject are listed in the catalogue. Although schools and teachers may choose any of the eight, the entire curriculum would be covered and the content would be of high quality.

Figure 18: Findings on procuring LTSM according to National Treasury and SCM regulations
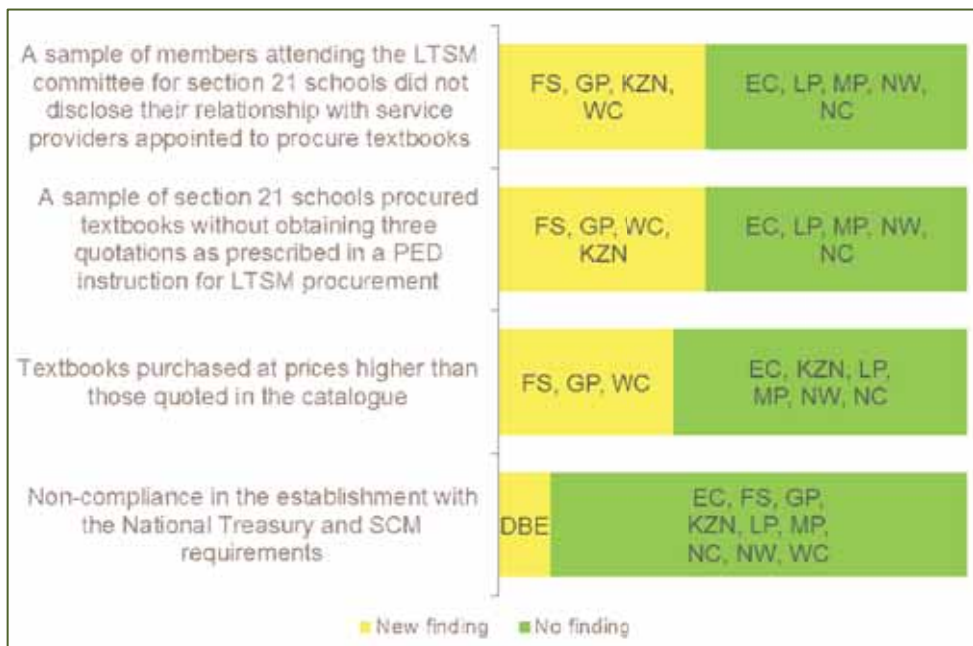
Non-compliance by the DBE in setting the National Treasury and SCM requirements was noted as a result of the following:

- The DBE did not establish and maintain an appropriate procurement system for compiling the national LTSM catalogue.

- The DBE could not provide any correspondence indicating that the procurement process followed in respect of LTSM textbooks was exempt from compliance with Treasury Regulations. Furthermore, no evidence could be found that the LTSM unit had complied with treasury regulation 16A6.4 of the Treasury Regulations in respect of procurement through the prescribed deviation process.

- The DBE did not advertise in the public domain, such as newspapers or the tender bulletin, to invite publishers to submit their material. In terms of the National Treasury Regulations, bids should be advertised in at least the government tender bulletin for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine.

As indicated earlier, one of the reasons for establishing the national LTSM catalogue was to ensure economies of scale. In this regard it is not compulsory for section 21 schools to make use of the national LTSM catalogue. They could instead obtain three quotations before procuring textbooks.

Instances (FS, GP and WC) were noted where textbooks were purchased at prices higher than those quoted in the national LTSM catalogue. Variances of as much as 80% were noted at some schools. Root causes cited included the following:

- Section 21 schools were not accountable to PEDs because of their independence

- Schools did not use the guidance of the PED

- Adequate systems of internal control were not in place at schools to procure LTSM.

We noted that section 21 schools are not obliged to procure from the national LTSM catalogue. Oversight by the education sector is necessary to ensure that state funds provided via grants are spent economically and that possible fraud risks are adequately mitigated.

Non-compliance was noted at a sample of section 21 schools visited in the Free State, Gauteng, KwaZulu-Natal and Western Cape where the required numbers of quotations were not obtained before ordering textbooks. Furthermore, we noted that members of the LTSM committee for section 21 schools did not disclose their relationship with service providers appointed to procure textbooks (FS, GP, KZN and WC). Our scope did not extend to determining whether any interest exists, but rather whether the declaration was disclosed. The sector should therefore mitigate this risk by ensuring that controls are in place to detect possible interests that members of section 21 schools approving orders with suppliers of textbooks may have.

MANAGEMENT **OF SCHOOL FINANCES**

NATIONAL	PROVINCIAL	DISTRICT	SCHOOL

DESCRIPTION

- **Policy** formulation
- **Transfer of funds** from the provincial department to schools
- **Monitoring** of schools
- **Management** of funds as per the requirements of the SASA

KEY FINDINGS

- Does not have detailed information of the **audit outcomes of schools** to ensure effective oversight and monitoring
- **Did not prepare guidelines** as required by section 42(b) of the SASA on the preparation of the annual financial statements by schools
- Did not have action plans to **monitor and improve** the audit outcomes of schools

ROOT CAUSES

- Monitoring and evaluation
- Daily/monthly/quarterly management disciplines
- Coordination between various departments and principal actors
- Monitoring and evaluation
- Identification and creation of appropriate capacity

RECOMMENDATIONS

- DBE in conjunction with the PED's prepare norms and standards for compliance to the requirements of the provisions of the SASA in respect of the management of school finances which also incorporates the preparation of financial statements

Support and coordination provided by the PED and districts to schools must be evaluated with reference to the following:
- Record-keeping controls, good practices regarding financial disciplines, funding to appoint auditors, training in basic financial disciplines, etc
- Standard operating procedures issued to schools are adequate and detailed enough to ensure compliance with SASA
- Resources available at school level must be evaluated to ensure that suitably qualified auditors are appointed to audit financial statements

Management of school finances

12. Implementation – Project management

We found project management deficiencies in some of the areas audited. In many of these instances, projects and work were not monitored or evaluated.

Deficiencies in project management were also identified in the schools' finance management, as indicated by Corruption Watch in its report titled Loss of principle, which revealed that between January 2012 and July 2015 more than 1 000 reports have been received from the public regarding corruption in schools across South Africa.[7] The status and use of school finances at some of the schools audited could not be determined because of the following:

- The financial statements of these schools were not audited

- The appointed auditors were not qualified as per the SASA criteria.

As a result of the above, financial statements of schools might not be fairly stated because the guidelines set might not have been adhered to in the preparation of the financial statements. Furthermore, possible abuse of funds might not be detected timeously on account of the late submission to the heads of department of the PEDs.

Assurance could not be obtained that the funds transferred to schools were used for the purposes intended because of a lack of financial statements, as well as audited financial statements, as required per SASA.

Where school finances were not audited, there is a risk that instances of abuse of school funds may not have been detected. Assurance by the PEDs on the spending of funds cannot be provided without audited financial statements.

Figure 19: Findings on the management of school finances (non-compliance by schools)

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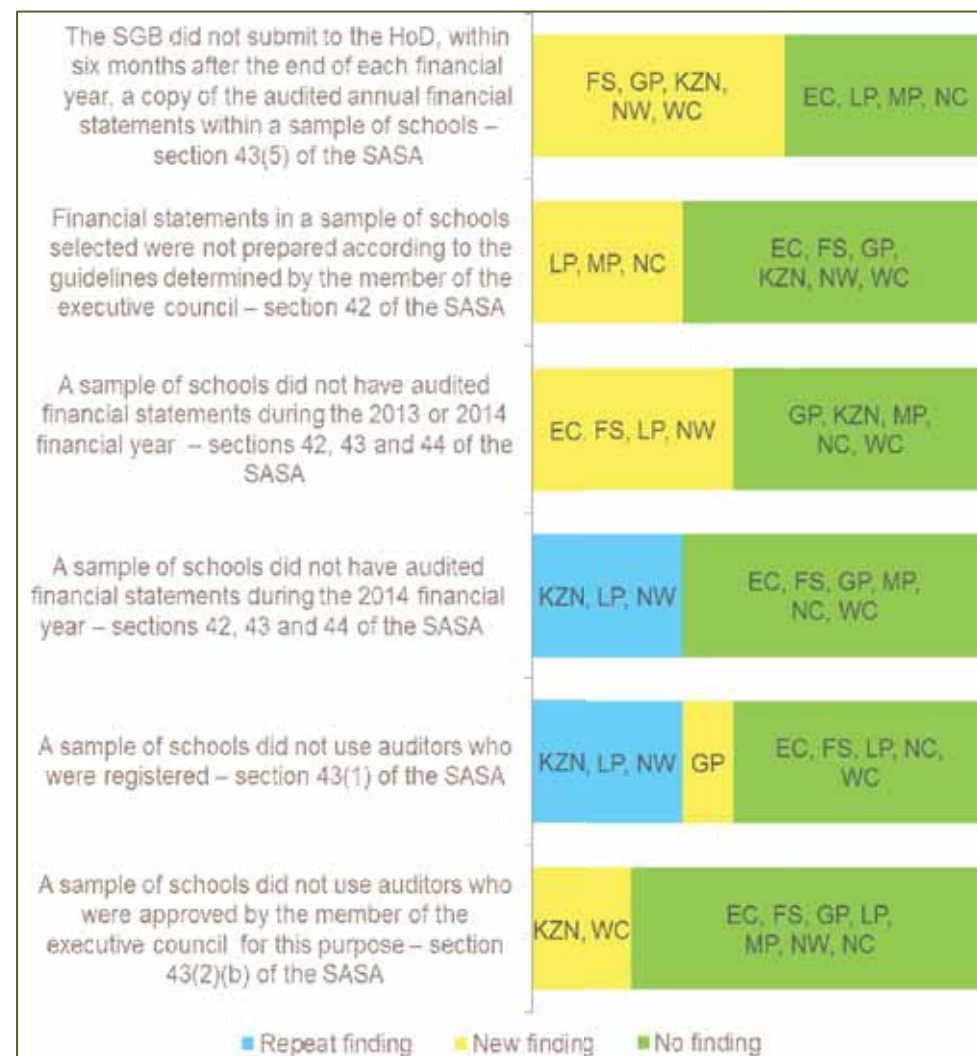
7   Source: Corruption Watch, http://www.corruptionwatch.org.za/cw-report-exposes-money-mismanagement-in-schools/

In KwaZulu-Natal and the Western Cape, schools selected for audit did not appoint auditors who were approved by the member of the executive council despite the requirements of section 43(1) and (2) of the SASA. This was because compliance by schools with the SASA requirements was not adequately enforced and monitored by the PED and education district offices.

13. Programme evaluation – Commissioning and use

Deficiencies in coordination between and within departments and the commissioning and use of projects have a negative impact on the effectiveness of the project and service delivery.

Considering the extent of funds transferred to schools by the PEDs on an annual basis, it is necessary that the processes in place at the PEDs are adequate in terms of monitoring and oversight of the use of school funds. The latter is necessary to ensure that:

- consequence management processes are followed where necessary,

- action plans are followed up to ensure an improvement in the audit outcomes of schools,

- schools are adequately supported by the PEDs with regard to transversal issues that exist and also to ensure consistency in reporting by all schools within the PEDs.

Figure 20: Findings on the management of school finances
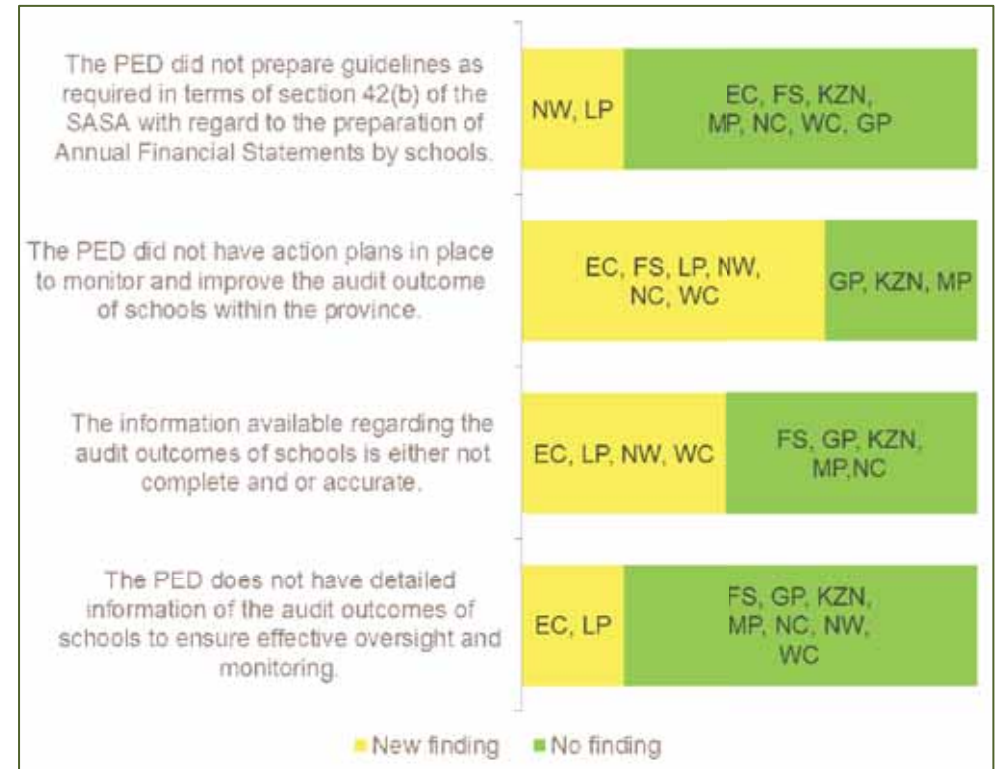
In order to ensure that controls over monitoring of schools are effective, it is necessary to maintain proper record keeping to enable monitoring to take place.

The audit noted instances where detailed information of the audit outcomes of schools, i.e. current and prior year audit outcomes, was not recorded (EC and LP) and also instances where the information available regarding the audit outcomes of schools was not complete and/or not accurate (EC, LP, NW and WC), i.e. incorrect audit outcomes captured, schools not included, name and qualifications of school auditors not recorded, etc. This could have a negative impact on oversight for the improvement of audit outcomes of schools to ensure that funds transferred are used for the purposes intended.

E-EDUCATION **STRATEGY**

NATIONAL ·····► **PROVINCIAL**

DESCRIPTION

- The **monitoring** of the **implementation** of e-education strategy

- **Development and implementation** of e-education strategy

KEY FINDINGS

- Did not adequately **monitor implementation** of the E-education White Paper by provinces and provide support where is needed

- **Inadequate development and implementation** of e-education strategies

ROOT CAUSES

- **Identify and create** of appropriate capacity
- **Monitoring and evaluation**
- Daily/monthly/quarterly **management disciplines**

- **Identify and create** appropriate capacity
- **Monitoring and evaluation**

RECOMMENDATIONS

- The departments should assess and prioritise the implementation of the basic IT controls around user access management, while security and IT service continuity controls should be monitored regularly to ensure compliance.

- Management should identify and create appropriate capacity to support implementation of the necessary basic IT controls

- A conditional grant should be used to fund Emis priorities, while the national department should have the authority to monitor spending on Emis in the provinces

- The national department should prioritise and fast-track the implementation of Lurits in order to address the challenges noted on Emis. This will also assist with effective reporting on the Lurits performance management system

- Provincial departments should consult with the national Department of Basic Education and other provincial departments to get a basic understanding of the white paper requirements for the implementation of the e-education strategy

- Independent data quality audits should be conducted by all provinces to ensure that the information on the system is always accurate

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E-education strategy

14. Implementation – Project management

We found project management deficiencies in some of the areas audited. In many of these instances, projects and work were not monitored or evaluated.

Figure 21: Overall Status of e-education strategy Implementation
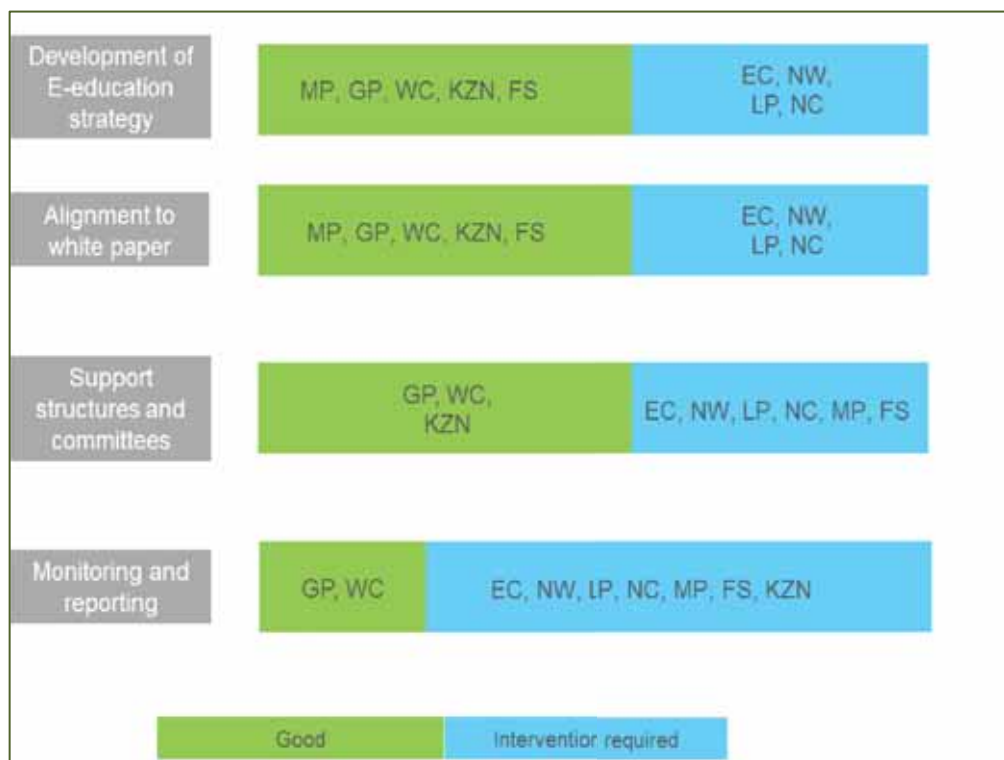
Figure 21 indicates that five provinces have developed the strategies that drive the initiatives of e-education, including the establishment of committees for effective monitoring of these initiatives. However, four provinces (EC, NW, LP and NC) have not developed the e-education strategies as required by the national e-education white paper. This is due to budget constraints, which prohibit the provincial departments from having adequately skilled resources to assist in driving and implementing the e-education strategy initiatives.

These provinces have consulted with the National Treasury to source funding for the e-education project initiatives.

In addition, Gauteng and Western Cape are continuously monitoring implementation of the strategy and report to the provincial members of the executive councils monthly and quarterly, while the rest of the provinces do not have adequate monitoring mechanisms.

Inadequate progress and a lack of monitoring and prioritisation by senior management in the provinces could result in this strategy not being implemented, thus ultimately impacting on the achievement of quality education in the country.

Information and communications technology

15. Information system audit findings

What are the key messages arising from the audit?

- Basic IT security and user access policies and procedures are not adequately implemented, and the monitoring and evaluation mechanisms should be enforced.

- Adequacy of IT skills and capacity remains a challenge at most provincial departments, as current resources are not able to address business and support needs through IT.

- Lack of consequence management at most departments is a challenge as firm action is not taken when commitments are not honoured and repeat findings are raised.

- Project management on the learner unit record information and tracking system (Lurits) upgrade is inadequate as user sign-offs are effected without thorough verification of the system functionality.

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The main challenges facing the department

Lurits 2 may not be able to meet the requirements of performance reporting due to weaknesses identified. The reporting module has not yet been configured on the system, although user sign-off has already taken place and reported as satisfactory. This may result in the department being unable to report on all education indicators.

Figure 22: Status of IT focus areas in the education sector
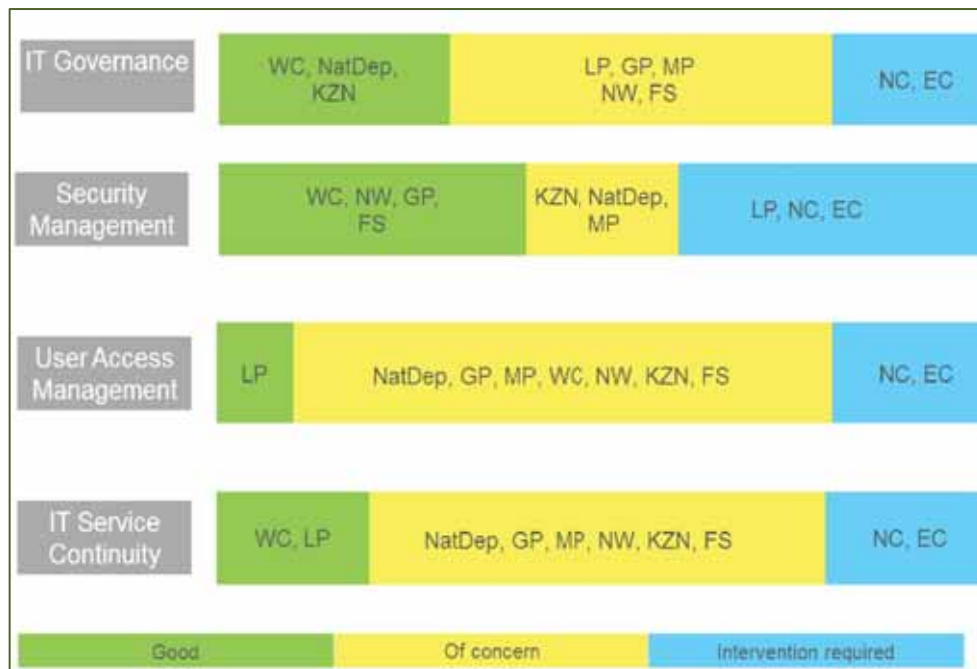
Figure 22 above indicates the status of IT controls per focus area. The overall assessment of the IT environment within the education sector indicates that most of the auditees (LP, GP, MP, NW and FS) have designed the necessary IT controls but are struggling with the implementation thereof. Moreover, the Northern Cape and Eastern Cape have not designed the basic IT controls and are attracting recurring findings which have not been addressed in the past three years. The Western Cape has managed to avoid findings in three of the focus areas.

There was significant improvement in the IT governance focus area as most auditees adopted and developed IT governance processes and structures during the financial period. Implementation of the designed IT governance processes has

commenced at most departments. Some of the key findings that still need to be addressed by the sector relate to the following:

- The departments are struggling to implement the necessary controls over security of systems. Concerns related to security parameters that were not configured in accordance with the security policies and procedures developed, which in turn increased the risk of unauthorised access being gained to financial information.

- IT security and user access policies and procedures that direct how users should be created, amended and deleted have been drafted. However, these were not consistently implemented by senior management and not enforced during the financial period.

- Most departments have developed the disaster recovery plans or backup processes and procedures, which were previously a challenge, to ensure that that their financial systems can be recovered in the event of a disaster. However these have not been approved and implemented.

Status of Emis-earmarked funds

An education management information system (Emis) is a management information system designed to manage information about an education system. It serves as a repository for data collection, processing, analysis and reporting of educational information, including schools, leaners, teachers and staff. The Emis information is used by ministries of education, non-governmental organisations, researchers, donors and other education stakeholders for research to achieve the following objectives:

- Policy and planning

- Monitoring and evaluation

- Decision-making.

Emis information is specifically used to create indicators that monitor the performance of an education system and to manage the distribution and allocation of educational resources and services.

The following priorities were set by the heads of education committees (Hedcom) for the utilisation of Emis funds. The audit focused on determining whether these priorities have been met:

- Emis business plans as required by Hedcom should be available and clearly outline how departments plan to spend funds

- Rolling out South Africa - School Administration Management System (SA-SAMS) and providing training on its use

- Administering the Lurits

- Auditing the quality of data

- Reporting tools and data warehousing

- Providing support for geographic information system and business intelligence needs.

The following challenges, which were reported in 2014-15, were also noted in 2015-16 at most of the departments:

- Provinces are still diverting Emis funds to priorities other than those they are intended for. Data quality audits are not always conducted by the provinces and some provinces are not adequately resourced to meet Emis priorities.

- Most provinces improved on the roll-out of SA-SAMS to schools and have training plans in place. However, in the Free State and North West, some schools are still using manual forms, which are prone to error. The errors noted relate to the learners' names and ID numbers not being captured correctly on Emis from the manual forms. Some learner information was captured more than once.

- The roll-out of the Lurits 2 to all provinces is still in progress due to inadequate project monitoring as the departments do not have mechanisms and processes in place to monitor progress. There is also a lack of awareness in some provinces of what needs to be done from a provincial level point of view.

The above weaknesses could result in the following challenges if not addressed:

- The Lurits that will replace Emis may not function effectively by producing credible and reliable learner information, resulting in incorrect strategic decision-making by stakeholders.

- Planning, budgeting and spending on salaries, infrastructure and learner materials may be based on inaccurate data. This may result in wrong decision-making when funds are allocated to schools, without considering the actual needs of the schools due to incorrect information gathered on Lurits.

- Emis funds are being diverted to other priorities. Failure to meet Emis priorities could result in aggravation of the above-mentioned issues.

Progress on the upgrade of Lurits

Lurits aims to collect unit record data for each learner in South Africa, from grade R through to grade 12. The system also tracks the movement of each learner from one school to another. Even inter-provincial movements of learners can be traced. Each learner will be assigned a unique tracking number which remains with the learner throughout their schooling. Individual educator records are also housed on Lurits. The Lurits will be replacing the Emis system once it is fully implemented.

Subsequent to the implementation of the Lurits in 2008, changes to the 2013 survey forms introduced a need for additional information. This resulted in a need to upgrade the initial Lurits application (phase 1 implementation).

The objectives to be achieved by the implementation of the Lurits 2 application were as follows:

- To improve the data of learners and educators by expanding the functionality on Lurits to include additional data such as learner and educator attendance, discipline, finance, assets, etc. in line with the Integrated Financial Management System moratorium.

- To align existing the Lurits application with the 2013 surveys by adding new fields that were not collected in 2008, thus making it possible to do away with paper surveys.

- To improve the validation of learners by improving the user interface to accommodate interfaces with the national population register and social pension system; to verify the identification numbers, status of learners and social grant information; and to ensure that all children are enrolled in school.

- To ensure that a single national master list is available for the DBE and all stakeholders.

- To collect information to report on all education indicators.

- To identify reports for all levels of Emis users.

- To provide ANA functionality to accommodate learner registration and capturing of marks.

The department undertook the Lurits 2 project in order to address the requirements mentioned above. Several delays have been experienced with the Lurits 2 project since 2013. A major challenge facing the department was connectivity at school level. Other challenges included the inadequacy of administration support staff and IT skills at school level. The change in project manager midway through the project also contributed to the delays.

Our review of the Lurits 2 project indicated that the current version of the system, which is still under development, might not be able to meet the objective of performance reporting as required due to the significant weaknesses noted. These weaknesses related to the following:

- Lack of an audit trail within the system, which may result in users' activities not being monitored on the system, and unauthorised activities not being detected. This may result in incorrect information being reported, resulting in wrong decision-making for the education sector.

- Inadequate system security settings, for example poor password controls, resulting in exposure and abuse by hackers and unauthorised users. This will ultimately compromise the integrity of the information on the Lurits as unauthorised changes could be made.

- The reporting module has not yet been configured on the system, although user sign-off had already been performed and reported as satisfactory. Lack of reporting on the system may impact on the information collected for the department to report on all education indicators.

- In addition, the system may not be able to provide ANA functionality to accommodate learner registration and capturing of marks. This may further impact on planning and resource allocation within the education sector, resulting in quality of education being compromised.

- The department has to date incurred system development costs of R13,6 million for the development of Lurits. R10,9 million relates to Lurits 1 and R2,6 million to Lurits 2. These costs are incurred on work in progress and are payable on finalisation of every step of the development process as per the agreed-upon milestones.

Addressing the above-mentioned deficiencies formed part of the agreed-upon deliverables of the system development. These were not adequately verified prior to the development cost being incurred. When development costs are incurred without adequate verification of the deliverable, the department could be exposed to the following risks:

- Lurits costs and budget overrun due to scope creep and inadequate project governance.

- Lurits might not be used effectively or might not achieve the intended objectives due to gaps missed or overlooked during the development stage.

HIGHER EDUCATION AND TRAINING FINDINGS

SKILLS DEVELOPMENT

NATIONAL DHET → **SETAS** → **NSF**

DESCRIPTION

- **Coordination of research,** partnerships and monitoring and evaluation

- **Report on research conducted,** monitoring and evaluation findings and innovative partnerships

- **Monitor and evaluate** funded skills development projects

KEY FINDINGS

- **The department** does not have a national framework for monitoring and evaluating the effectiveness of skills development programmes

- **Not all Setas** uploaded their research reports in the integrated research repository

- **Funded projects** are **not adequately monitored and evaluated** to determine impact and achievement of outcomes

ROOT CAUSES

- Coordination between various departments and principal actors
- Identification and creation of appropriate capacity

RECOMMENDATIONS

- formalise the mechanism for collective leadership and accountability by skills development oversight structures and senior management to ensure that the skills development initiatives yield the desired outcomes and impact
- Facilitate a process for developing a coordinated sector-wide skills development monitoring and evaluation framework using the national evaluation policy framework of 2011 as a guideline, and also develop a mechanism that would ensure that Setas share and learn from monitoring and evaluation findings

Skills development

1. Needs driven systems – Demand management

While there are a number of distinct information databases and research initiatives, a standardised framework for determining skills supply and demand is still not in place. The department has contracted the Human Sciences Research Council, which initiated a labour market intelligence programme of which one of the deliverables was to develop a research repository. Although the repository was developed, it is currently not adequately used by Setas to upload their research reports. Only four Setas uploaded their research in the repository.

Figure 23: Uploading research reports in the repository

Research done and uploaded in the repository	Research reports not uploaded in repository
Fasset, Merseta, Chieta, Sasseta	FoodBev, Services SETA, CathsSeta, LGSeta, FP&M Seta, ETDP SETA, HWSeta, EWSeta, Agriseta, MICT, Inseta, Bankseta, MQA, W&RSeta, Teta, CETA, PSeta.

Although the labour market intelligence programme has been established, the programme had not matured sufficiently by March 2016 to become an institutional mechanism that provides credible information and analysis regarding the supply of and demand for national sector skills.

2. Planning driven system – Acquisition management

The NSDS III emphasises the need to establish partnerships between public and private training providers, between providers and Setas and among Setas to address cross-sectorial and inter-sectorial skill needs. Although Setas have started to focus on innovative partnerships as reflected in the sector skills plans submitted to DHET, there is much emphasis on traditional partnerships such as bursaries and learnerships rather than effective workplace integrated learning for work seekers and college lectures. Also, the partnerships between Setas are not adequately reported on.

Implementation and monitoring – Project management

The skills development sector does not have a coherent and uniform monitoring and evaluation framework to assess achievement of outcomes and the impact of skills development.

The sector also does not have an integrated mechanism whereby Setas and other skills development role players can share their monitoring and evaluation findings.

3. Programme evaluations – Commissioning and use

While the DHET, through the National Skills Authority (NSA), plans to assess the impact of NSDS III, the disparate information databases will make it difficult to effectively, efficiently and economically assess the impact of skills development intervention. Setas in general do not see the need for determining whether the students who were provided workplace skills have been employed as part of their mandate. Thirteen Setas have attempted to evaluate their skills development programmes by conducting tracer studies and compiling programme assessment reports. Two Setas submitted a plan for assessing the impact, while six did not submit evidence of impact assessment.

Figure 24: Assessed the effectiveness of skills development (impact and tracer study)

Conducted tracer or impact studies	Made commitment to conduct tracer or impact studies	Did not conduct tracer or impact studies and did not make commitments
Fasset, Merseta, Chieta, LGSeta, FP&MSeta, ETDPSeta, HWSeta, MICT, Bankseta, MQA, W&RSeta, Teta, PSeta.	Sasseta, CathsSeta.	FoodBev, Services, EWSeta, Agriseta, Inseta, CETA,

TVET COLLEGE **INFRASTRUCTURE**

3 TVET COLLEGES AUDITED

DESCRIPTION

- **Demand, acquisition,** project management and commissioning and utilisation

KEY FINDINGS

Inadequate supervision to ensure that:
- - contractors complete projects within agreed time frames and budgets
- - contractors identify and address poor workmanship defects before project closure
- - routine maintenance is planned

ROOT CAUSES

- Daily/monthly/quarterly management disciplines
- Monitoring and evaluation

RECOMMENDATIONS

- A plan of action, with responsibilities and time frames, should be developed to address the key findings that have been raised
- The methodology spelt out in the IDMS should be formally adopted by the DHET
- Additional criteria should be applied when appointing contractors to ensure that the planned projects are delivered
- Skilled built-environment specialists should be employed to address skills shortages
- The need for routine maintenance at TVET colleges should be closely monitored so that adequate funding can be secured. A formal policy and U-AMPS should be in place
- DHET management accepted the recommendation to consider using sustainable principles and designs in the acquisition of municipal services, such as the use of solar power to generate electricity on site, rain water harvesting, low flow sanitation and water technologies and sustainable urban drainage storm water techniques

TVET college infrastructure

4. Needs driven systems – Demand management

The Thabazimbi TVET campus in Limpopo, a new college with a double-storey classroom block, administration block, library, workshops, student centre and maintenance facilities is under construction. Since construction started, the scope of work has changed. A single-storey classroom block was changed to a double-storey block with a computer laboratory. Two refuse areas were added, earth retaining was added for the slope gradient, water storage was added, and board facilities were removed from the plan.

At the Thabazimbi TVET campus, time extensions were granted because of additional works resulting from unexpected ground conditions, with the practical completion moving from July 2015 to April 2016, 10 months later.

At the Bhambana TVET campus in Jozini in KwaZulu-Natal, a new college with classroom blocks, administration block, library, workshops and student accommodation, is under construction. On-site water treatment works and storage tanks were only added to the scope of works after the tender was awarded. The Nkandla TVET in KwaZulu-Natal, a new college with classroom blocks, administration block, workshops and student accommodation, is under construction. The late inclusion of municipal services is the only major scope change. The municipality did not honour its previous commitment to the DHET to provide the required services.

5. Implementation and monitoring – Project management

At the Thabazimbi TVET campus, the site visit revealed unsupported storm water structures with exposed rebar (see the pictures below) and lack of connectivity for accessibility of wheelchairs. Some of these issues were identified by management prior to the site visits and subsequently rectified.

Picture 9: Unsupported storm water structures

Picture 10: Exposed rebar on storm water structures

At the Bhambana TVET campus, inadequate site supervision resulted in some deficiencies not being identified and addressed during the construction phase. The pictures below show a steel column which is off-centre of the plinth, poor brickwork of internal walls, skew door frames and stress cracks in walls.

Picture 11: Steel column is off-centre on its plinth

Picture 12: Internal walls with poor brickwork

Picture 13: Stress cracks in walls

Picture 14: Skew doorframe

Picture 17: Walls with poor brickwork

Picture 18: Cement packets exposed to the weather

At the Nkandla TVET campus, poor quality workmanship has resulted in walls not being square, poor bricklaying, steel columns dangling above their plinths and cement dumped outside being exposed to the weather (see the pictures below).

Picture 15: Door frame showing skew wall

Picture 16: Steel column dangling above its plinth

At the Thabazimbi TVET campus, costs escalated when the site handover was delayed by 11 months after the award in July 2014. The scope of the work was changed to fit the reduced footprint of the site. The total project cost is expected to be within budget despite the estimated additional cost of R13,8 million for external earthworks and structural steel.

At the Bhambana TVET campus, changes were made to the scope, at an estimated additional cost of R32 million. At the time of the audit, the project had experienced a delay of nine months.

At the Nkandla TVET campus, we noted during the site visit that the planned practical completion in November 2015 had been revised to September 2016 - a delay of 10 months.

The revised scoping report incorporating all the changes was formally approved on 22 February 2016 by the DHET.

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CHALLENGES AND RECOMMENDATIONS

Emerging risk on education statistical indicators

The education sector is heavily dependent on statistical information for budget determination and prioritisation of resources. It requires reliable and credible data to inform the latter because unreliable statistical information severely compromises planning, delivery and reporting, which in turn increases decision-making risks such as making incorrect budget allocations to schools based on incorrect learner statistics. Based on the outcomes of the previous audits on performance reporting, it is clear that the sector is facing challenges relating to the reliability of performance reporting in the basic and higher education sector.

In the 2015-16 financial year, the sector introduced statistical indicators in addition to programme performance indicators. Provincial annual performance plans further categorised these as indicators that would not be subject to auditing. Inherently, this resulted in limitations that should not have been placed on the audit process. These statistical indicators are directly linked to programmes in the annual performance plans and in many cases are paramount to budget allocation. The statistical indicators also form the basis for determining whether the MTSF outcomes are being achieved.

We will therefore continue to audit the usefulness and reliability of performance indicators, as well as statistical indicators in the annual performance plans and the related annual performance reports for all programmes scoped for auditing. We will perform this audit at the same level of scrutiny as applied when auditing performance information of any government institution, i.e. consistent with our audit methodology as agreed with the relevant authorities. The sector is advised to have systems and processes to ensure that statistical information, as reported in the annual performance reports, is reliable (i.e. valid, accurate and complete).

Key internal control deficiencies

School and TVET colleges' infrastructure

Daily/monthly/quarterly management disciplines

- Feasibility studies conducted were not sufficiently detailed to include the necessary technical due-diligence investigations for all the projects because of resource challenges. Where projects are not based on feasibility studies, it could result in cost escalations and scope changes.

- The scope of projects was not properly defined at the planning stages due to inadequate pre-feasibility investigations. The cost estimates and timelines were affected by ill-defined scoping.

Monitoring and evaluation

- The timelines and budgets for projects were exceeded due to ineffective project and contract management.

- Inadequate supervision at sites leads to poor assessment of the work of contractors.

Education districts

Daily/monthly/quarterly management disciplines

- A comprehensive feasibility study was not conducted prior to issuing the policy on the organisation and the roles and responsibilities of education districts (education districts policy).

- The department did not adequately maintain its archiving system to ensure that all documents were safely stored and retained.

Coordination between various departments and principal actors

- Curriculum school visits were not planned and coordinated to provide for maximum visits to schools within the limited resources.

- The PEDs and education districts did not provide adequate guidance and support during the development of the education district and school improvement plans to ensure timely, appropriate, complete and aligned plans.

Identification and creation of appropriate capacity

- The PEDs/education districts could not appoint subject advisers to fill the funded vacant positions due to cost containment measures and ineffective recruitment processes.

- The provincial department did not provide comprehensive training and guidance on the roles and responsibilities of subject advisers when offering school support.

Consequence management

- Job descriptions, performance agreements and work plans did not include key performance on the nature and frequency of curriculum support to schools.

Monitoring and evaluation

- Standard operating procedures and templates to record curriculum monitoring and support by subject advisers during school visits were not standardised and/or comprehensive enough to cover the required minimum activities.

- The management information systems and processes were not comprehensive enough to enable the PEDs to target support where needed and/or effectively monitor curriculum support activities.

Teacher professional development

Coordination between various departments and principal actors

- A lack of coordination between units at education district and provincial level resulted in curriculum, teacher professional development, human resource development and IQMS units conducting training that was not recorded in an integrated format.

Daily/monthly/quarterly management disciplines

- Teacher training records were not captured on an integrated information management system.

Monitoring and evaluation

- PEDs did not implement processes to review compliance with the prescript relating to the annual completion of the personal growth plan, which must be reviewed by the DSG and integrated into the school improvement plans by the SDT with a view to ensuring higher levels of teacher and learner performance.

Consequence management

- PEDs did not ensure that policies, procedures and guidelines are in place for the assessment of the teacher professional development programmes to ensure that they yield the desired results.

Management of school finances

Daily/monthly/quarterly management disciplines

- Experience in financial management processes is a challenge at schools and SGBs across the country. SGB members and school principals are not always trained and do not necessarily understand the guidelines to be used.

Coordination between various departments and principal actors

- The support and coordination provided by PEDs, mainly in respect of training for new SGB members and principals, must be evaluated to determine the adequacy thereof and to ensure compliance with sections 42, 43 and 44 of SASA.

Monitoring and evaluation

- Policies and procedures at PEDs are not monitored to ensure compliance and are in some cases inadequate to address the requirements of SASA, resulting in the failure of schools to prevent non-compliance.

Identification and creation of appropriate capacity

- Challenges exist, particularly at rural schools, with regard to the funding and availability of auditors to audit the financial statements. In such instances, section 43(2)(b) of the SASA should be applied and prior approval should be obtained from the member of the executive council to appoint suitable auditors with the requisite skills.

Learner and teacher support material

Coordination between various departments and principal actors

- A lack of planning processes for determining learner numbers resulted in an under- and oversupply of textbooks for schools in a number of provinces.

- A lack of coordination by key role players to ensure that reliable and credible information is provided and that every learner is equipped with the necessary textbooks at the start of the academic year.

Monitoring and evaluation

- Inadequate monitoring by the relevant role players to prevent and detect impediments to service delivery.

- A lack of oversight and monitoring by PEDs of section 21 schools and economies of scale in the procurement of textbooks.

Consequence management

- National and SCM prescripts were not enforced when the DBE developed the national LTSM catalogue due to a lack of resources and failure to monitor compliance with the relevant legislation and procedures.

Implementation of e-education

Identification and creation of appropriate capacity

- Departments are not prioritising the implementation of the e-education strategy due to lack of funding or budget.

- Provinces are not all adequately resourced to meet Emis and e-education strategy priorities.

Monitoring and evaluation

- Provinces divert Emis funds to cover other operating costs due to limited budgets for other operational matters.

- Deficiencies identified on the Lurits system can be attributed to inadequate project management processes for system development as the user sign-off was done without thorough verification of the system functionality.

Daily/monthly/quarterly management disciplines

- The national department was still in the process of reviewing the Lurits 2 user access requirements and procedures with the State Information and Technology Agency at the time of the audit, which will eventually ensure that all the password control requirements are properly built into the system before the implementation goes live.

Skills development

While the distinct information management systems impact negatively on the reliability and credibility of skills development data, the following three internal control deficiencies need to be addressed urgently:

- Coordination between various departments and principal actors.

- Identification and creation of appropriate capacity.

- The leadership of the post-education and training sector did not ensure that all key role players within the post-school education portfolio engage collectively on sectorial issues.

- Coordination between key role players (such as Setas, NSF and institutions of higher learning) was not always adequate in improving service delivery in the area of skills development.

- A coordinated effort was not made to address challenges around monitoring and evaluation, innovative partnerships and human resource capacity.

Management responses and commitments

The management of the various departments responded to the findings in this report and have made certain commitments. This section groups responses from the PEDs, the DBE, Setas and the DHET and lists them according to the key focus areas in this report.

Provincial departments

- Action plans will be developed by all heads of department by 31 October 2016 to address the weaknesses and deficiencies identified in the internal control environment at the provincial departments and to ensure that the deficiencies identified in previous years have been adequately addressed.

Daily/ monthly management disciplines

- At departments where weaknesses in this regard were noted, standard operating procedures will be updated to ensure uniformity and address control deficiencies and non-compliance identified during the audit, particularly with regard to preparation of the necessary reconciliations and review of compliance by schools and education district offices with the requirements of SASA and directives issued by the PED and DBE.

- Financial management training will be provided to ensure that roles and responsibilities in respect of daily and monthly controls are understood. Where necessary, SGB members and principals will also be trained on the basic financial management disciplines to ensure proper and accurate record keeping of state funds received.

- The DBE embarked on a journey to amend the education district's policy, based on the socio-economic impact assessment system, to provide affordable and realistic norms for education district and circuit sizes. Progressive implementation of the education district policy and norms by provincial education departments is expected to be completed by March 2019.

- Document management systems will be established and maintained to improve document retention.

- In order to address matters relating to poor quality workmanship of projects, PEDs undertook to ensure that project management processes are improved during all phases of construction, with particular attention to regular site visits by professional service providers (architects, quantity surveyors and engineers) so that corrective measures are implemented before final completion of construction projects.

Identifying and creating appropriate capacity

- Strengthening capacity in critical key positions, particularly where significant vacancies exist, e.g. in the internal audit directorate, infrastructure directorates and monitoring and evaluation units.

- The accountability documents for key personnel, i.e. job descriptions and performance agreements, will be refined to include generic key result areas.

- Skills gaps are being identified to inform various training programmes and to capacitate education district officials for their roles and responsibilities.

- Integrated processes were instituted at the PEDs to ensure timely, appropriate and complete improvement plans. Information systems will be developed/refined to target support where needed and effectively monitor curriculum support activities.

- PEDs and SGBs will ensure that the necessary allocations are made available for infrastructure maintenance.

Monitoring and evaluation processes

- Provincial departments also undertook to include in the action plan certain measures to strengthen the oversight function of leadership and senior management in the area of management of education district offices and schools, particularly in the provinces where non-compliance (particularly with regard to the Division of Revenue Act framework) was identified by the Auditor-General of South Africa (AGSA).

- PEDs will improve the monitoring of section 21 schools to ensure that LTSM funding is used in line with approved policies and procedures, as well as the provisions of the SASA relating to the management of school finances. This, in turn, will ensure that funds that are transferred are used for the purposes intended.

- Construction across all phases of the infrastructure process will be monitored, in particular the work performed by implementing agents, to ensure that deficiencies are reported and resolved on a regular basis.

- Provincial departments have also committed to strengthening the oversight function of leadership and senior management.

- Information systems will be developed/refined to target support where needed and effectively monitor curriculum support activities.

Improving coordination between the various departments and principal actors

- The PEDs will ensure that guidance and training are provided in the area of non-compliance reported during the audit, which, in turn, will ensure that education district offices, schools and SGBs are adequately supported.

- Controls will be implemented in an integrated and coordinated manner when planning for school visits in order to make the best possible use of the limited available resources.

- The relevant PEDs have agreed to strengthen coordination between PEDs and Public Works, particularly with regard to compliance with Giama requirements, by developing custodian asset management plans.

- Monitoring by the PED of SGBs will be strengthened to ensure that SGBs develop routine maintenance plans for implementation.

Consequence management

- The education district offices responsible for monitoring the functioning of schools will be held accountable by the PEDs for executing their responsibilities.

- The weaknesses in the performance management system that should effectively monitor and evaluate all aspects of the department's performance, including service delivery reporting, particularly with regard to holding all levels of staff accountable, will be addressed to ensure that performance is clearly defined between education districts, schools and provincial departments with a view to improved service delivery.

- Consequence management clauses agreed upon with implementing agents and contractors appointed by implementing agents will be enforced, with emphasis on punitive clauses such as termination of contracts and penalties for poor performance and late deliverables.

National Department of Basic Education

Daily management disciplines

- The department has developed processes to ensure that daily and monthly checks and balances relating to financial and performance reports function effectively to encourage clean administration and detect non-compliance with legislation.

- Non-compliance with the National Treasury Regulations and SCM prescripts in compiling the LTSM catalogue will be addressed via detailed engagement with National Treasury to ensure that all requirements are complied with.

Identifying and creating appropriate capacity

- The DBE will expedite the finalisation of their organisational structure and strengthen the human resource capacity in the department. This will be completed by 31 March 2017.

Monitoring and evaluation processes

- The DBE is committed to strengthening its monitoring of provincial education departments, which is presently done via the strategic review sessions where the effectiveness of the current controls is assessed. Strengthening the monitoring function of the national department will be achieved by reviewing the current processes in place, and identifying ways to improve these processes, especially through the appropriate norms and standards at education district and provincial level.

- The department, its provincial counterparts working in partnership with the Department of Planning, Monitoring and Evaluation in the Presidency, and the National Treasury will work on deepening operational efficiency. The departments and administrative structures dedicated to the provision of public basic education will be aligned to improve performance. Too often, the structures designed to provide quality education are not geared to the task. The department has re-examined existing structures to enable more effective oversight, monitoring and remediation. Procurement, planning, and management systems need to be functional and work efficiently, and people – the officials – need agency and effective leadership to carry through the vision articulated in the department's Action plan 2019.

- The DBE will reassess and prioritise mandatory oversight and monitoring functions by 31 March 2017.

- The DBE will strengthen overall monitoring and quarterly reporting and provide feedback to PEDs as from August 2016.

Improving coordination between the various departments and principal actors

- The department has a key responsibility to manage, implement and monitor various programmes and initiatives within the education sector in collaboration and cooperation with PEDs.

- Furthermore, the national department has, in line with the conditional grant framework, a responsibility to ensure that programmes are implemented effectively and efficiently in compliance with the provisions of the grant as outlined.

- The department also develops various circulars for all PEDs to be distributed to all education districts and schools. These circulars are intended to encourage school communities (school principals, SGBs as well as learners)

to report matters related to service delivery in schools to the DBE's call centre (0800 202 933) without delay. The aim is to seek immediate remedial action from either the PED or the education district in any service delivery matters -, the highest risk to the achievement of educational outcomes. This process will be intensified to ensure that it achieves the desired results.

- The department holds inter-provincial meetings twice in a year where all nine provincial managers/coordinators participate to review policies (e.g. the grant framework) and performance, as well as share best practices. The meetings are used to reinforce stringent compliance provisions of the grant and address all audit findings for corrective steps to be taken.

- The DBE embarked on a journey to amend the education district policy, based on the socio-economic impact assessment system, in order to provide for affordable and realistic norms for education district and circuit sizes. Progressive implementation of the education district policy and norms by PEDs is expected to be completed by March 2019.

Consequence management

- In terms of the grant framework, the PEDs are required to submit quarterly performance reports. Once analysed, the performance detailed in the reports is compared to that of the prior reports. The national department has allocated mentors to the respective provinces who give guidance and support. Part of their focus is to address and interact intensely with provincial departments on the findings. This exercise is intended to sensitise the provincial education departments to the seriousness of audit findings and improve the quality of service delivery.

Department of Higher Education and Training, Setas

Improving coordination between the various departments and principal actors

- The minister has acknowledged that research plays a crucial role in skills supply and demand planning and that the information management system would address the shortcomings identified.

- The director-general of the DHET indicated that the NSA had been mandated to develop a post-school education and training system-wide monitoring and evaluation framework. This will be catered for in the NSDS IV which is currently being reviewed.

- The DHET management said some of the deficiencies identified by the audit team had in fact been identified by their site supervision teams and communicated to the contractors to be addressed as part of project close-up.

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WAY FORWARD

Conclusion and recommendations

1. What needs to be done differently?

School infrastructure

- A plan of action, with responsibilities and time frames, should be developed to address the key findings that have been raised.

- The methodology spelt out in the IDMS should be formally adopted by all PEDs.

- Additional criteria should be applied when appointing contractors to ensure that the planned projects are delivered.

- Skilled built-environment specialists should be employed to address skill shortages.

- The need to perform routine maintenance at schools should be closely monitored so that adequate funding can be secured. A formal policy and U-AMPS should be in place.

TVET colleges' infrastructure

- A plan of action, with responsibilities and time frames, should be developed to address the key findings that have been raised.

- The methodology spelt out in the IDMS should be formally adopted by the DHET.

- Additional criteria should be applied when appointing contractors to ensure that the planned projects are delivered.

- Skilled built-environment specialists should be employed to address skills shortages.

- The need for routine maintenance at TVET colleges should be closely monitored so that adequate funding can be secured. A formal policy and U-AMPS should be in place.

- DHET management accepted the recommendation to consider using sustainable principles and designs in the acquisition of municipal services, such as the use of solar power to generate electricity on site, rain water harvesting, low flow sanitation and water technologies and sustainable urban drainage storm water techniques. This will ensure that the college's operations are not negatively affected by the scarcity of these resources.

Education districts

- The DBE should proceed with the process of reviewing applicability and progress made since the education districts policy was issued in 2013 as part of the comprehensive feasibility study. The amended policy should include post-provisioning norms and standards.

- The DBE should reassess and prioritise the assignment and use of existing resources to perform its mandatory oversight function.

- PEDs should revise their recruitment processes to ensure that vacancies are filled timeously. The department should plan and use the existing resources optimally while vacancies are being filled.

- Curriculum coordinators and circuit managers should plan and coordinate their school visits.

- Job descriptions, performance agreements and work plans should be revised to include key performance areas on the nature and frequency of curriculum support to schools.

- Standard operating procedures and templates to record curriculum monitoring and support by subject advisers during school visits should be revisited to ensure complete and standardised curriculum support.

- The provincial department should provide training and guidance in terms of the roles and responsibilities of subject advisers.

- PEDs and education districts should provide adequate guidance and support during the development of the education district and school improvement plans to ensure timely, appropriate and complete plans.

- Management information systems and processes should be developed and implemented to:
  - identify schools on which education districts need to focus
  - track and assess the monitoring and support provided to schools by education districts
  - measure the changes in the educational outcomes that are attributable to the curriculum monitoring and support actions of the education districts.

- PEDs should address the lack of proper filing and archiving systems. This will ensure that documentation and information are readily available to support transactions and management decisions.

Teachers' professional development

- The national and provincial departments of education embarked on a campaign to ensure that the importance of adequately and correctly identifying and addressing individual teacher professional development needs is understood by the education districts and schools structures responsible for teacher professional development. The education districts and school structures (DSG and SDT) should develop, implement and consistently monitor the action plans.

- The national and provincial departments of education should review their data-capturing systems to ensure that historical teacher training data is stored on an integrated and accessible system. The system should also have a capability to capture records of development interventions that address all teacher professional development needs, both the systemic evaluations and IQMS teacher professional development needs.

- The current monitoring and evaluation processes of teacher professional development activities must be reviewed to ensure that the effectiveness of training conducted is consistently assessed across all provinces to determine the achievement of outcomes and impact.

Management of school finances

The Gauteng PED is commended for assisting schools to be trained via the partnership agreement with the South African Institute of Chartered Accountants as Chartered Accountants are included as part of the SGB to assist schools with the financial management and reporting. Lessons learnt in this regard must be evaluated and replicated to address gaps identified with regard to the skills of principals and SGB members.

Support and coordination provided by the PED and education districts to schools must be evaluated with reference to the following:

- Record-keeping controls, good practices regarding financial disciplines, funding to appoint auditors, training in basic financial disciplines, etc.

- Standard operating procedures issued to schools are adequate and detailed enough to ensure compliance with SASA.

Resources available at school level must be evaluated to ensure that suitably qualified auditors are appointed to audit financial statements and that school finances are used for the purposes intended. It is also necessary that the DBE, in conjunction with the PEDs, prepare norms and standards for compliance to the requirements of the provisions of the SASA in respect of the management of school finances which also incorporates the preparation of financial statements.

Learner and teacher support material

Planning processes must be strengthened by credible information systems which will detect incorrect information submitted.

Key role players for all phases of the value chain require the development of standard operating procedures to be updated and, if necessary, training should be provided to ensure that roles and responsibilities are understood and are executed and enforced. The monitoring of schools by education district offices is key to ensuring that the control environment is sound.

Implementation of e-education

Based on our findings, we recommend the following:

- Provincial departments should consult with the national Department of Education to get a basic understanding of the white paper requirements for the implementation of the e-education strategy.

- The departments should assess and prioritise the implementation of the basic IT controls around user access management, while security and IT service continuity controls should be monitored regularly to ensure compliance.

- Management should identify and create appropriate capacity to support implementation of the necessary basic IT controls.

- A conditional grant should be used to fund Emis priorities, while the national department should have the authority to monitor spending on Emis in the provinces.

- Independent data quality audits should be conducted by all provinces to ensure that the information on the system is always accurate.

- The national department should prioritise and fast-track the implementation of Lurits in order to address the challenges noted on Emis. This will also assist with effective reporting on the Lurits performance management system.

Skills development

- The DHET should formalise the mechanism for collective leadership and accountability by skills development oversight structures and senior management to ensure that the skills development initiatives yield the desired outcomes and impact.

- The DHET should facilitate a process for developing a coordinated sector-wide skills development monitoring and evaluation framework using the national evaluation policy framework of 2011 as a guideline, and also develop and implement a mechanism that would ensure that Setas share and learn data from research, monitoring and evaluation findings.

2. Oversight and accountability

We will engage management and the leadership of the education sector to offer support in working towards improving the following:

- Daily management disciplines

- Identifying and creating appropriate capacity

- Improving coordination between the various departments and principal

- actors

- Monitoring and evaluation processes

- Consequence management.

Key role players, which include the leadership and management of the education sector, internal audit and portfolio committees, will continue working together to contribute towards the credibility of financial and performance reporting and compliance with legislation to influence clean administration within the sector.

We will continue our journey to enhance accountability, to influence the process towards improving service delivery and ensure effective and efficient administration. Our objective is to further strengthen our relationship with the education oversight structures and administrative leadership to deepen their understanding of the accountability, audit and governance mechanisms, thereby paving the way towards improved public confidence. Our value-add initiatives call for a deeper understanding of auditees' environments by focusing on value chain analysis through meaningful engagements between the AGSA's senior leadership and those charged with accountability and oversight responsibilities.

3. Conclusion

The above findings are based on a selected sample and not on the whole population. Senior management is therefore responsible for further exploring the extent and cost of addressing the shortcomings identified to ensure that there are no repeat findings. It is important that senior management put measures in place to ensure that essential record keeping is treated as a daily discipline and that they consistently and regularly monitor implementation of the programme and evaluate the effectiveness thereof. The department should also ensure that resources are allocated in areas where shortcomings were identified, such as needs identification, information management, project management and acquisition management.

ON-GOING COMMITMENT TO SUPPORTING EDUCATION SERVICE DELIVERY

2016-17 Sector audit focus area

The new focus areas for the 2016-17 education sector audit will include school management and governance, as well as the management of funds transferred to the NSFAS. The criteria for determining these focus areas were informed by engagements held with various stakeholders within the basic education sector and higher education and training, risk assessment processes performed, as well as key national imperatives impacting service delivery as outlined in the NDP and the MTSF.

During the engagements, the importance of these focus areas for the successful implementation of quality basic education and the provision of financial assistance to needy students to enable access to institutions of higher learning (TVET colleges and universities) was emphasised.

1. School management and governance

Why audit school management and governance

The NDP and MTSF emphasise that school management, the functionality of schools, accountability from state to classroom and professionalisation of the teaching workforce need to be strengthened to ensure improved performance and greater retention of learners. In previous years, the AGSA audited a number of focus areas at school level to identify impediments to service delivery, and continued to report repeat findings. The 2016-17 school management and governance audit has been structured in terms of the value chain and accountability for addressing aspects such as the roles and responsibilities of the principals and SGBs in discharging their governance responsibilities as detailed in the SASA, as well as determining the root causes of repeat findings at all levels.

Focus areas for school management and governance:

- The national department's role of developing policy and providing guidance, support and monitoring for the PEDs with regard to school management and governance.

- The responsibility of the PEDs in terms of customising policies to their provincial contexts, providing resources, guidance and support and monitoring education districts in respect of school management and governance.

- The responsibility of the education district in terms of development, support and guidance and the monitoring of school management teams and governing bodies in implementing their management and governance roles.

- The responsibilities of school management teams and SGBs in performing their designated roles economically, efficiently and effectively, and meeting their responsibilities of adhering to annual management processes, learner records, school discipline, staff leave management, educational support programmes, curriculum activities and school financial management, as well as the use of educational facilities, including ICT analysis and reporting of learner performance and parental involvement.

2. National Student Financial Aid Scheme (NSFAS)

Why NSFAS will be audited

Funding for higher education is one of the key priorities of government that has been under pressure for delivery particularly in the current and prior year. The urgency and gravity of this was noted from demonstrations and unrests calling for government funded tertiary education at numerous institutions of higher learning.

NSFAS was introduced by government to provide loans and bursaries to eligible students at public colleges and public higher education institutions, for the administration of such loans and bursaries and for the recovery of loans.

The development of a plan for financial collection mechanisms from students who were funded through NSFAS is one of the actions required as per the MTSF outcome 5, sub-outcome 3: increase access to high-level occupationally directed programmes in needed areas.

Focus areas for NSFAS:

- Overall administration model of the student loans and bursaries

- Capacity of NSFAS to manage student loans and bursaries

- Maintenance of the student records database

- Allocation of funds to higher education institutions

- Recovery of student loans

GLOSSARY, ACRONYMS AND ABBREVIATIONS

Glossary

Backups

In information technology, a backup, or the process of backing up, refers to the copying and archiving of computer data so that it can be used to restore the original after a data loss event. When used as a verb, it is two word (back up), whereas the noun is a "backup". The primary purpose of a backup is to recover data whether lost through data deletion or corruption.

Business continuity plan

A business continuity plan sets out how operations will continue if a place of business is affected by different levels of disaster, which could be localised, short-term disasters, days-long building-wide problems, or a permanent loss of a building. Such a plan typically explains how the business would recover its operations or move operations to another location after damage caused by events such as natural disasters, theft or flooding. For example, if a fire destroys an office building or data centre, the people and business or data centre operations would relocate to a recovery site.

Circuit

An education circuit is an area within an education district. It is a second-level administrative sub-division of a PED

Clean audit

The financial statements receive a financially unqualified audit opinion, with no material findings on the quality of the annual performance report or compliance with key legislation.

Commitments from role players

Initiatives and a course of action communicated by role players in national and provincial government aimed at improving the audit outcomes.

Conditional grants

Money transferred from national government to auditees, subject to certain services being delivered or compliance with specified requirements.

Configuration

The complete technical description required to build, test, accept, install, operate, maintain and support a system.

Data integrity

Integrity refers to the overall completeness, accuracy and consistency of data. This can be indicated by the absence of alteration between two instances or between two updates of a data record, meaning data is intact and unchanged.

Disaster recovery plan

A disaster recovery plan is a documented process or set of procedures to recover and protect a business IT infrastructure in the event of a disaster. Usually documented in written form, the plan specifies the procedures that an organisation is to follow in the event of a disaster. It is a comprehensive statement of consistent actions to be taken before, during and after a disaster. The disaster could be natural, environmental or man-made. Man-made disasters could be intentional (e.g. the act of an attacker) or unintentional (i.e. accidental, such as the wall of a man-made dam breaking).

Firewall

A security system used to prevent unauthorised access between networks (both internal/internal and internal/external). A firewall will allow only approved traffic in and/or out by filtering packets based on

source/destination. The firewall inspects the identification information associated with all communication attempts and compares it to a rule set consistent with the organisation's security policy. Its decision to accept or deny the communication is then recorded in an electronic log.

Human resource management	The management of an auditee's employees, or human resources, which involves adequate and sufficiently skilled people as well as the adequate management of the performance of staff and their productivity.
Information technology	This refers to the computer systems used to capture and report financial and non-financial transactions.
IT controls	Computer-related controls ensure the confidentiality, integrity and availability of state information, enable service delivery and promote national security.
IT governance	The leadership, organisational structures and processes which ensure that the auditee's IT resources will sustain its strategies and objectives.
IT infrastructure	The hardware, software, computer-related communications, documentation and skills that are required to support the provision of IT services, together with the environmental infrastructure on which it is built.
IT security management	The controls preventing unauthorised access to auditee networks, operating systems and application systems that generate financial information.
IT service continuity	The processes managing the availability of hardware, system software, application software and data to enable auditees to recover or re-establish information system services in the event of a disaster.
IT user access management	The procedures whereby auditees ensure that only valid, authorised users are allowed segregated access to initiate and approve transactions on the information systems.
Internal control / key controls	The process designed and implemented by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of the auditee's objectives with regard to the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with key legislation. It consists of all the policies and procedures implemented by auditee management to assist in achieving the orderly and efficient conduct of business, including adhering to policies, safeguarding assets, preventing and detecting fraud and error, ensuring the accuracy and completeness of accounting records, and timeously preparing reliable financial and service delivery information.
Key drivers of internal control	The three components of internal control that should be addressed to improve audit outcomes, namely leadership, financial and performance management, and governance (These three components are also defined individually in this glossary).

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Leadership (as one of the drivers of internal control)

The administrative leaders of an auditee, such as heads of departments, chief executive officers and senior management. It can also refer to the political leadership or the leadership in the province, such as the premier.

Oversight structures, coordinating and monitoring

National and provincial role players that (1) are directly involved with the management of the auditee (management/leadership assurance) – in other words, the first line of defence; (2) perform an oversight or governance function, either as an internal governance function or as an external monitoring function (internal independent assurance and oversight); and (3) give an objective assessment of the auditee's reporting (external independent assurance and oversight).

Password

Confidential authentication information, usually composed of a string of characters, may be used to control access to physical areas and to data. Passwords have to comply with certain complexity rules to ensure that they are not easy to guess.

Patch management

A piece of programming code that is added to an existing program to repair a deficiency in the functionality of the existing routine or program. It is generally provided in response to an unforeseen need or set of circumstances. Patching is also a common means of adding a new feature or function to a program until the next major version of the software is released.

Platform

A platform consists of an operating system, the computer system's coordinating program, which in turn is built on the instruction set for a processor or microprocessor, and the hardware that performs logical operations and manages data movement in the computer.

Root causes (of audit outcomes being poor or not improving)

The underlying causes or drivers of audit findings; in other words, why the problem occurred. Addressing the root cause helps to ensure that the actions address the real issue, thus preventing or reducing instances of recurrence, rather than simply providing a one-time or short-term solution.

Supply chain management

Procuring goods and services through a tender or quotation process and monitoring the quality and timeliness of the goods and services provided.

Vulnerability

In information security, a weakness or flaw (in location, physical layout, organisation, management, procedures, personnel, hardware or software) that may be exploited by an attacker to cause an adverse impact.

Acronyms and abbreviations

Agriseta	Agricultural Sector Education and Training Authority
AGSA	Auditor-General of South Africa
ANA	Annual national assessment
ASIDI	Accelerated schools infrastructure development initiative
Bankseta	Banking Sector Education and Training Authority
CAPS	Curriculum and assessment policy statement
CETA	Construction, Education and Training Authority
Chieta	Chemical Industries Education and Training Authority
CPTD	Continuing professional teacher development
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
EC	Eastern Cape
ECD	Early childhood development
Emis	Education management information system
ETDP	Education training and development practitioners
ETDPSeta	Education and Training Development Practices Sector Education and Training Authority
EWSeta	Energy and Water Sector Education and Training Authority
Fasset	Financial and Accounting Services Sector Education and Training Authority
FET	Further education and training
FoodBev	Food and Beverages Sector Education and Training Authority
FP&MSeta	Fibre Processing and Manufacturing Sector Education and Training Authority
FS	Free State
Giama	Government Immovable Asset Management Act
GP	Gauteng
Hedcom	Heads of education departments committee
HWSeta	Health and Welfare Sector Education and Training Authority

ICT	Information and communication technology
Inseta	Insurance Sector Education and Training Authority
IQMS	Integrated quality management system
IT	Information technology
KZN	KwaZulu-Natal
LGSeta	Local Government Sector Education and Training Authority
LP	Limpopo
LTSM	Learner teacher support material
Lurits	Learner unit record information and tracking system
Mappseta	Media Advertising Publishing Printing and Packaging Sector Education and Training Authority
Merseta	Manufacturing Engineering and Related services Sector Education and Training Authority
MQA	Mining Qualification Authority
MP	Mpumalanga
NC	Northern Cape
NDP	National development plan
NSA	National Skills Authority
NSDS	National skills development strategy
NSF	National skills fund
NSFAS	National student financial aid scheme
NW	North West
PED	Provincial education department
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PS	Primary school
PSeta	Public Services Sector Education and Training Authority
SA	Subject adviser
Saica	South African Institute of Chartered Accountants
Saqa	South African Qualifications Authority
SASA	South African Schools Act, 1996 (Act No. 84 of 1996)
SA-SAMS	South African school administration and management system
Sasseta	Safety and Security Sector Education and Training Authority

SCM   Supply chain management
SDT   Staff development team
Services Seta Services Sector Education and Training Authority
Seta   Sector education and training authority
SGB   School governing body
SIP   School improvement plan
SMART   Specific, measurable, achievable, realistic and time bound

Teta   Transport Education and Training Authority
Theta   Tourism and Hospitality Sector Education and Training Authority
TVET   Technical vocational educational and training

W&RSeta   Wholesale and Retail Sector Education and Training Authority
WC   Western Cape

ANNEXURES: SUMMARY OF AUDIT OUTCOMES

Annexure 1: Summary of audit outcomes for education departments

Description	Outcomes (2015-16)	Outcomes (2014-15)
Eastern Cape	Qualified	Qualified
Free State	Qualified	Unqualified with findings
Gauteng	Unqualified with findings	Unqualified with findings
KwaZulu-Natal	Unqualified with findings	Unqualified with findings
Limpopo	Disclaimer of opinion	Disclaimer of opinion
Mpumalanga	Qualified	Qualified
Northern Cape	Unqualified with findings	Unqualified with findings
North West	Unqualified with findings	Unqualified with findings
Western Cape	Unqualified without findings	Unqualified without findings
National Department of Basic Education	Unqualified with findings	Unqualified with findings
Department of Higher Education and Training	Unqualified with findings	Unqualified with findings

Audit opinions

(green)	Unqualified without findings
(yellow)	Unqualified with findings
(purple)	Qualified
(red)	Disclaimer of opinion

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Annexure 2: Summary of audit outcomes for the public entities reporting to the Department of Basic Education

Description	Outcomes (2015-16)	Outcomes (2014-15)
Audit opinions		
South African Council of Educators		
Umalusi		

Audit opinions

	Unqualified with findings

Annexure 3: Summary of audit outcomes for the public entities reporting to the Department of Higher Education and Training

Description	Outcomes (2015-16)	Outcomes (2014-/15)
Agricultural Sector Education and Training (Agriseta)	Yellow	Yellow
Banking Sector Education and Training Authority (Bankseta)	Green	Green
Chemical Industries Education and Training Authority (Chieta)	Green	Green
Construction Education and Training Authority (CETA)	Green	Yellow
Council on Higher Education (CHE)	Yellow	Green
Culture, Arts, Tourism, Hospitality and Sports Education and Training Authority (CathsSeta)	Green	Yellow
Education, Training and Development Practices Sector Education and Training Authority (ETDPSeta)	Yellow	Green
Energy and Water Sector Education and Training Authority (EWSeta)	Yellow	Yellow
Fibre Processing Manufacturing Sector Education and Training Authority (FP&M)	Green	Yellow
Finance and Accounting Services Sector Education Training Authority (Fasset)	Green	Green
Food and Beverages Manufacturing Industry Sector Education Training Authority (FoodBev)	Yellow	Yellow
Health and Welfare Sector Education and Training Authority (HWSeta)	Green	Green
Insurance Sector Education and Training Authority (Inseta)	Green	Yellow
Local Government Education and Training Authority (LGSeta)	Yellow	Yellow
Manufacturing Engineering & Related Services Education and Training Authority (Merseta)	Yellow	Yellow
Media, Information and Communication Technologies Sector Education and Training Authority (MICTS)	Green	Green
Mining Qualifications Authority Seta (MQA)	Purple	Yellow
National Institute for the Humanities and Social Sciences (NIHSS)	Grey	Blue
National Skills Fund (NSF)	Yellow	Yellow
Public Service Sector Education and Training Authority (PSSeta)	Purple	Purple
Quality Council for Trades and Occupations (QCTO)	Yellow	Green
Safety and Security Sector Education and Training Authority (Sasseta)	Yellow	Yellow

Description	Outcomes (2015-16)	Outcomes (2014-/15)
Services Sector Education and Training Authority (Services Seta)	🟩	🟩
South African Qualifications Authority (Saqa)	🟨	🟨
Transport Education and Training Authority (Teta)	🟨	🟨
Wholesale & Retail Sector Education and Training Authority (W&RSeta)	🟪	🟪
National student financial aid Scheme (NSFAS)	🟨	🟨

Audit opinions

🟩	Unqualified with no findings
🟨	Unqualified with findings
🟪	Qualified with findings
⬜	Audit not finalised at legislated date
🟦	New auditee

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Annexure 4: Summary of audit outcomes for the FET colleges

Description	Outcomes (2015-16)	Outcomes (2014-15)
Audit opinions		
Central Johannesburg TVET College	Purple	Purple
Coastal TVET College	Purple	Green
East Cape Midlands TVET College	Grey	Red
Ekurhuleni East TVET College	Green	Purple
Esayidi TVET College	Yellow	Purple
Ikhala TVET College	Red	Pink
Ingwe TVET College	Red	Purple
King Hintsa TVET College	Red	Red
King Sabatha Dalindyebo TVET College	Red	Red
Lephalale TVET College	Pink	Yellow
Letaba TVET College	Red	Red
Lovedale TVET College	Purple	Purple
Maluti TVET College	Yellow	Purple
Mnambithi TVET College	Yellow	Yellow
Motheo TVET College	Grey	Red
Mthashana TVET College	Yellow	Purple
Northern Cape Urban TVET College	Yellow	Purple
Northlink TVET College	Purple	Pink
Orbit TVET College	Grey	Purple
Port Elizabeth TVET College	Purple	Purple
Sedibeng TVET College	Grey	Yellow
Sekhukhune TVET College	Red	Purple

Description	Outcomes (2015-16)	Outcomes (2014-15)
South Cape TVET College	Unqualified with findings	Unqualified with no findings
South West Gauteng TVET College	Audit not finalised at legislated date	Unqualified with findings
Taletso TVET College	Disclaimer of opinion with findings	Qualified with findings
Tshwane North TVET College	Audit not finalised at legislated date	Audit not finalised at legislated date
Tshwane South TVET College	Disclaimer of opinion with findings	Disclaimer of opinion with findings
Vuselela TVET College	Audit not finalised at legislated date	Disclaimer of opinion with findings
West Coast TVET College	Qualified with findings	Unqualified with no findings
Western College for TVET	Disclaimer of opinion with findings	Disclaimer of opinion with findings

Audit opinions

	Unqualified with no findings
	Unqualified with findings
	Qualified with findings
	Adverse with findings
	Disclaimer of opinion with findings
	Audit not finalised at legislated date

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AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence