

# EXECUTIVE SUMMARY

The fifth report describes four areas of education performance in the provinces and is based, to a large extent, on the submissions made by the Members of the Executive Councils for Education. The four areas that the Members of Executive Councils (MECs) were requested to make submissions on are:

- (a) Opening of Schools in January 2002;
- (b) Financing of Education with reference to the utilisation of line budgets and budget support;
- (c) Plans for School Infrastructure Improvements; and
- (d) Filling of posts at both the Head Office and District level and school principals.

The report describes progress that has been made with regard to each of the four areas of education delivery. The following is a summary of each of the areas:

## Opening of schools in January 2002

Provincial Departments of Education reported that there was a general improvement in preparations for the opening of schools compared to the previous years. This can be attributed, in part, to the continued surprise visits by the Ministry, officials from national and provincial departments and community leaders to monitor schools during the first week of re-opening. The estimated level of attendance on the first day was at 95% for educators and 90% for learners. At least 70% of the schools began with teaching on the same day, even though some schools were still registering learners during the first day of school.

One of the areas of improvement might be to visit schools during the opening at the beginning of the year and at the end of the winter vacation. This might encourage learners, educators and school governing bodies to ensure that learners learn, educators teach and school governing bodies fulfil their functions. A proposal for such visits will be presented to the Council of Ministers for consideration before the winter vacation in 2002.

## Financing of education: Utilisation of line budgets and budget support

The Department of Education made an assessment of financial expenditure on education by provincial departments of education during the 2000/01 and 2001/02 financial years. The assessment focused on the utilisation of four categories of funds; line budgets, donor funds, conditional grants and funds allocated for infrastructure development.

### Line budgets

The figures used in this report for the utilisation of line budgets were obtained from National Treasury. Although provincial departments of education are required to report to the Department of Education, there is always a discrepancy between figures reported by provincial treasuries to National Treasury on the one hand and the figures reported to the Department of Education by the respective provincial departments of education. A surprising observation in the expenditure figures is that all provincial departments of education, except the Western Cape, underspent during the 2001/2002 financial years. The level of expenditure in the eight provinces varies between 96.7% and 99.8%. In particular the Eastern Cape spent 96.9%, Free State and Gauteng each spent 96.9%. The under-expenditure of approximately 3% in the three provinces is outside the permissible margin of 2%. This may appear to be a small amount compared to the total budget. However, this level of under expenditure amounts to R248 million in the Eastern Cape, R248 million in Gauteng, and R109 million in the Free State. The reasons for the low level of expenditure in all the provincial departments of education may be due to a lack of capacity to manage the funds and delays arising from procurement procedures.

### Donor funds

Donor funding is made available to education through the national Department and through provincial departments of education. The challenge is always to track donor funding that is channelled directly to provincial departments. As this report shows, reporting on the extent of donor funding available to provincial departments of education has been inadequate. Some provincial departments chose not to report at all on the issue. What has been established thus far is that Gauteng and the Western Cape do not receive donor funding. The Eastern Cape received the largest share of donor funds. The provincial departments that received donor funding are: Eastern Cape (R418 million), KwaZulu-Natal (R87.8 million), Northern Cape (R76.2 million), Mpumalanga (R17.66 million) and Free State (R1.26 million). Limpopo and North West did not report on the issue. Provincial reports indicate what the funds were allocated for but do not explain the level of expenditure. The Department of Education will do the necessary follow-up on the matter.

## Conditional Grants

Education receives conditional grants from National Treasury for three specific initiatives:

- Quality improvement and financial management;
- HIV/AIDS; and
- Early Childhood Development.

In addition provincial departments of education receive additional funds for infrastructure improvement.

Performance of provincial departments of education in the utilisation of the conditional grant for financial management and quality improvement, over the past four years, has not been good. However, for the 2001/2002 financial years, performance in the utilisation of the grant improved. The level of expenditure for the 2001/2002 financial year was above the 60% level compared to 45% in the 2000/2001 financial year. This improvement is due in part to the introduction of improved systems for planning and monitoring performance, which were introduced during the 2000/2001 financial year. However, it appears that, in some cases, there are still further delays experienced by departments arising from the implementation of procurement procedures. Overall there has been major improvement during the 2001/02 financial year. Further improvements are expected in the next financial years.

For the HIV/AIDS conditional grant, the expenditure level was 39.45% of the total allocation. The Eastern Cape spent only 6.39% and Limpopo only 16% of their respective allocations. The overall expenditure for the Early Childhood Development grant was 15% of the allocation. Only three provinces spent more than 30% of their respective allocations. These are KwaZulu-Natal (53.9%), Northern Cape (53.6%) and Western Cape (30.3%). These figures might improve slightly when the accounts of the 2001/2002 financial year are finalized. Two provinces, Eastern Cape and Free State respectively spent 0.28% and 0.9%. The remaining four provinces, (Gauteng, Mpumalanga, Limpopo and North West have either not submitted reports or worse still have not spent the funds at all. Performance on the latter two grants is quite unacceptable. The Department of Education will review the coordination mechanisms that are in place for the management of the grant and also focus on improving planning and monitoring of the utilization of these grants. This proved very effective with the management of the financial management and quality improvement conditional grant.

## Expenditure on school infrastructure during the 2001/2002 financial year

Provincial departments of education reported on their activities regarding the improvement of infrastructure during the past financial year. The level of spending at the end of the financial year was at 71%. This figure may improve once all the figures have been checked and the accounts for the year finalized.

## Plans for school infrastructure improvements 2002/03 - 2004/05 MTEF cycle

Provincial departments have been very slow in submitting their plans. In some cases the plans are no more than descriptions of what the departments expect to do without any quantitative information provided. This may be due to either lack of expertise in drawing up business plans or in extreme cases plans that have not yet been completed. For the provincial departments that have submitted, reports show that there are comprehensive plans for school infrastructure improvements for the 2002/3 financial year. The priorities vary from province to province. Provincial departments have prioritised the building of new schools, the provision of ablution facilities, and security (fencing). Other priorities that have been reported include additional classrooms, school halls, administration buildings, beautification of schools, electrification, special rooms (laboratories and libraries). The Department will monitor progress with implementation and report quarterly.

## Filling of Posts

Although circumstances are not identical, at the time of writing, two provincial education departments, Eastern Cape and Western Cape, are still to appoint heads of departments. With regard to the rest of the senior management echelon in head offices, it is reported that at least 30% of the approved posts are vacant. These were reported to be in the process of being filled.

The situation varies from province to province with regard to regional, district and circuit offices. At this level, the vacancies account for approximately 40% of the approved establishment. The majority of these vacancies are for support staff.

At the school level, vacancies account for approximately 20%. All provinces have advertised these and expect to fill them by 1 May 2002.

## Conclusion

Despite the challenges that are in this report, there has been an improvement in provision of education during the 2001/2002 financial year. The weaknesses that are mentioned in the report are not intended to detract from the achievements and gains made thus far. Schools start on time and attendance by both learners and educators has improved. The management and administration of financial resources has improved and should continue to improve if the provincial departments ensure that the necessary human resource capacity and skills are improved.

Finally the cooperation of Members of the Executive Council responsible for education in the provinces, the leadership provided by the Council of Education Ministers and the dedication of officials both at national and provincial level remains the key factor in ensuring continued growth and the provision of education. The spirit of Tirisano remains strong within the education system.