

**FREE STATE DEPARTMENT  
OF EDUCATION**

**PUBLIC HEARING ON  
CONDITIONAL GRANTS**

**14 October 2005**

# OVERVIEW OF PRESENTATION

- Introduction
- Background
- Monitoring Mechanisms Implemented
- Current Status 2005/006 Business Plans
- Actual Expenditure on Conditional Grants
- Projected Expenditure on Conditional Grants
- Capacity constraints and corrective measures
- Conclusion

# 1. Free State Department of Education Team

The Free State Department of Education is represented by **Mr MS Rakometsi**, Head of Education in the absence of **Mrs MA Tsopo**, the **MEC for Education**, who is currently abroad.

Other supporting members from the Department:

**Mr TNT Lioma**: DDG – Corporate Management and Development

**Mr F Sithole**: Act. DDG – Curriculum Management and Development

**Mr K Khoarai**: DDG – District Management

**Mrs ML Letele**: Chief Director – Education Development Support

## 2. INTRODUCTION

The Free State Department of Education has been invited to Public Hearings on Conditional Grants and Capital Expenditure and to address the NCOP Select Committee on Finance on the following:

1. Data on trends in allocations, transfers and actual expenditure
2. Brief assessment on the department's monitoring capacity for the financial year 2005, indicating the following:
  - Under/over expenditure
  - Capacity constraints that impacted on these events
  - Mechanisms to deal with these related problems
  - Results

## 3. BACKGROUND

- Provincial Departments receive three year MTEF allocations for conditional grants and a framework for each grant.
- Annual business plans are drawn up and approved how it will be administered.
- The Department implement several measures to improve the monitoring and expenditure of the conditional grants



## 4. MONITORING MECHANISMS

The following monitoring mechanisms have been implemented:

- Expenditure on conditional grants are based on approved Business Plans
- Appointment of a Programme Manager to manage each conditional grant with the support of a Management Accountants to support the monitoring of spending trends
- Monthly progress report to the MEC for Education by Executive Management
- Monthly Provincial Steering Committee meetings between the Department and the Department of Public Works, Roads and Transport to monitor progress on Capital Projects
- Presentation of a full report at Quarterly Review Meetings

# **5. CONDITIONAL GRANTS AND CAPITAL EXPENDITURE ADMINISTERED BY FSDoE**

The following conditional grants are currently administered by the Department:

- 5.1 National School Nutrition Programme
- 5.2 HIV and Aids (Life Skills Education)
- 5.3 Early Childhood Development
- 5.4 Infrastructure Grant

## 6. EXPENDITURE TRENDS OVER THE PAST TWO YEARS

Grant	2003/04	2004/05
National School Nutrition Programme	N/A	94%
HIV and Aids (Life Skills Education)	99%	94%
Early Childhood Development	74%	58%
Financial Management and Quality Enhancement	83%	N/A
National Infrastructure	100%	88%
National Infrastructure (Floods)	74%	100%
Provincial Infrastructure	N/A	93%



# 7. ACTUAL EXPENDITURE ON CONDITIONAL GRANTS AS AT 30 SEPT. 2005

Conditional Grant	Total Allocation R'000	Actual Exp. June 2005 R'000	% Spent June 2005	Actual Exp. Sept. 2005 R'000	% Spent Sept. 2005
Early Childhood Development	737	0	0%	737	100%
HIV and Aids	8,402	824	10%	3,015	36%
NSNP	56,768	11,842	21%	22,856	40%
National Infrastructure	62,278	0	0%	47,363	76%
Provincial Infrastructure	77,998	2,812	4%	66,734	86%
<b>Total</b>	<b>206,183</b>	<b>15,478</b>	<b>8%</b>	<b>140,717</b>	<b>68%</b>

# 9. CURRENT STATUS ON CONDITIONAL GRANTS

## 9.1 EARLY CHILDHOOD DEVELOPMENT

### **Purpose**

- To pay subsidies to identified practitioners and management training of site management committees.

### **Current status**

- Training has been completed and the service provider appointed by the National Department of Education was paid.
- The full grant has been utilised during the second quarter.

# 9.2 NATIONAL SCHOOL NUTRITION PROGRAMME

## **Purpose**

- To improve the nutritional status of learners, specifically to enhance active learning capacity and improve school attendance

## **Current status**

- Expenditure as at 30 September 2005 is 40% which is dominated by feeding of learners. However, it is anticipated that there will be 100% expenditure on this grant by the end of March 2006, including the roll-over that was granted.

## **Corrective measures**

- Include the identified farm school learners that are currently not benefiting from the NSNP feeding
- Procure necessary capital assets .
- **Monthly monitoring and evaluation of NSNP**
- Feeding of learners and payments to service providers are monitored on a monthly basis

# 9.3 HIV AND AIDS (LIFE SKILLS EDUCATION)

## **Purpose**

- Life Skills and HIV and AIDS Education is principally a preventative initiative, aimed at countering and alleviating the impact of HIV and AIDS

## **Current status**

- Progress is in accordance with the approved business plans

## **Monitoring**

- A monitoring schedule for school visits has been developed
- Programme implementation is monitored by:
  - Coordinators and Master Trainers – Inclusive Education
  - Life Orientation and Foundation Phase Learner Facilitators
  - District Directors
  - School Principals
  - School HIV and AIDS Coordinators
- Audits of schools providing support for programme implementation
- Visits to selected schools by Programme Coordinators



# 9.4 INFRASTRUCTURE GRANT

## **Purpose**

- To provide physical infrastructure and basic services to all learners

## **Current status according to Infrastructure Plan**

See attached schedule

The drastic increase in spending in the second quarter was due to a transfer payment that was made to PWR&T

## **Corrective measures**

- Service Level Agreement between the Department and the Department of Public Works, Roads and Transport is in existence, but we are in the process to improving it to accommodate the bulk transfer of funds that has taken place. Also to factor in new control mechanisms.
- The Infrastructure Delivery Improvement Programme (IDIP) will also assist in improving service delivery.
- Currently the Technical Assistant appointed by National Treasury is also assisting the Department.
- An agreement has been reached between the Department, Provincial Treasury and PWR&T to develop a joint monitoring tool
- Monthly meetings are taking place between this Department and PWR&T to report on the progress



## 9.4.1 CONSTRAINTS

- Shortage of staff for both Physical Resource Planning and Supply Chain Management
- Lack of project management skills displayed by officials
- Late approval of infrastructure plans
- Contractors do not perform as anticipated

## **9.4.2 MEASURES TO ADDRESS CONSTRAINTS**

- More posts to be created and funded
- IDIP approach will assist (Infrastructure Delivery Improvement Programme)
- 2006/07 projects will be submitted to PWR&T by end October 2005
- Registration of contractors with CIDB is a prerequisite (Construction Industry Development Board)
- A training program for all official involved will be developed as soon as possible
- Dedicated meetings with appointed contractors

# 10. CONCLUSION

- The Department commits itself that most of the conditional grants will be spent according to the business plan and such grants will be spent within the current financial year.
- Joint monitoring and evaluation processes will be implemented with immediate effect.
- Constant feedback will be given to all stakeholders.

## NATIONAL INFRASTRUCTURE GRANT

SCHOOL NAME	PHASE	BUDGET	EXPENDITURE UP TO 30 SEPTEMBER 2005	% EXPENDITURE	EXPENDITURE BY PWR&T OF TRANSFERRED FUNDS	% EXPENDITURE OF TRANSFERRED FUNDS BY PWR&T
<b>NEW SCHOOLS</b>						
Bloemfontein: Lourierpark Prim.	Construction - 3rd year	2,300	2,300	100%	2,485	108%
Deneysville: JJ Khubeka Prim.	Retention	500	500	100%	1,405	281%
Bluegumbosch: Disaster Park Prim.	Retention	4,550	4,550	100%	4,114	90%
Welkom: Dr. M.G. Mngoma	Tender	5,500	5,500	100%	1,089	20%
Reitz : Kgotso-Uxolo Sec.	Tender	5,000	5,000	100%	-	0%
<b>ADDITIONAL FACILITIES</b>						
Bloemfontein: Polokehong 2 Prim.	Construction - 2nd year	7,500	7,500	100%	1,923	26%
Thaba Nchu: Thubisi Prim.	Construction - 2nd year	3,920	3,920	100%	1,264	32%
Harrismith: 42nd Hill: Qhubeka Prim	Construction - 1st year	2,000	2,000	100%	-	0%
Thaba Nchu: Emang Prim.	Construction - 1st year	2,800	2,800	100%	419	15%
Wesselsbron: Mmabane Prim	Pre-tender	3,000	3,000	100%	-	0%

### NATIONAL INFRASTRUCTURE GRANT

SCHOOL NAME	PHASE	BUDGET	EXPENDITURE UP TO 30 SEPTEMBER 2005	% EXPENDITURE	EXPENDITURE BY PWR&T OF TRANSFERRED FUNDS	% EXPENDITURE OF TRANSFERRED FUNDS BY PWR&T
<b>OTHER</b>						
Various final accounts, fee accounts, planning, etc.		2,688	2,688	100%	-	0%
<b>RENOVATIONS</b>						
Renovations executed by PWR&T		2,064	-	0%	336	16%
Renovations executed by Education		4,301	1,669	39%	N/A	N/A
<b>OTHER PROJECTS</b>						
Incentives	Execution	16,155	5,936	37%	N/A	N/A
<b>TOTAL</b>		<b>62,278</b>	<b>47,363</b>		<b>13,035</b>	



PROVINCIAL INFRASTRUCTURE GRANT

SCHOOL NAME	PHASE	BUDGET	EXPENDITURE UP TO 30 SEPTEMBER 2005	% EXPENDITURE	EXPENDITURE BY PWR&T OF TRANSFERRED FUNDS	% EXPENDITURE OF TRANSFERRED FUNDS BY PWR&T
Fouriesburg : Tshepano III Prim	Construction - 3rd year	5,714	5,510	96%	2,732	50%
Senekal : Tumisang Prim.	Construction - 3rd year	4,281	3,700	86%	2,938	79%
Vredefort : S.S Paki Sec.	Completed	3,028	3,000	99%	2,271	76%
Virginia: Marematlou Sec.	Construction - 2nd year	10,000	10,000	100%	5,371	54%
Bothaville: Hlaboloha Prim.	Construction - 2nd year	9,439	9,390	99%	2,624	28%
Welkom: Mokgwabong Prim.	Construction - 2nd year	8,038	8,000	100%	3,821	48%
Odendaalsrus: JC Motumi Sec.	Construction - 2nd year	10,365	10,000	96%	2,637	26%
Reitz : Kgotso-Uxolo Sec.	Tender	443		0%	-	#DIV/0!
Senekal: E.E. Monese Sec	Tender	6,720	6,720	100%	561	8%
<b>ADDITIONAL FACILITIES</b>						
Bloemfontein: Tsosoleto Sec	Construction - 3rd year	200	200	100%	-	0%
Bothaville: Mammellang Thuto Sec	Construction - 3rd year	200	200	100%	175	88%
Phutha: Diqhobong Prim	Construction - 3rd year	145	145	100%	392	270%
Harrismith: Nhlakanipho Inter	Construction - 3rd year	490	490	100%	1,313	268%

**PROVINCIAL INFRASTRUCTURE GRANT**

SCHOOL NAME	PHASE	BUDGET	EXPENDITURE UP TO 30 SEPTEMBER 2005	% EXPENDITURE	EXPENDITURE BY PWR&T OF TRANSFERRED FUNDS	% EXPENDITURE OF TRANSFERRED FUNDS BY PWR&T
Harrismith: Mandela park: Qwabi Prim	Retention	308	308	100%	525	170%
Bloemfontein: Polokehong 2 Prim.	Construction - 2nd year	600	-	0%	1,923	#DIV/0!
Harrismith: Pulamadiboho Prim	Construction - 2nd year	388	300	77%	1,405	468%
Thaba Nchu: Rakanang / Botsime Intern.	Construction - 2nd year	2,385	1,900	80%	1,421	75%
<b>OTHER</b>						
Various final accounts, fee accounts, planning, etc.		7,744	6,871	89%	3,396	49%
<b>RENOVATIONS</b>						
Renovations executed by Education		2,626	-	0%	N/A	N/A
<b>OTHER PROJECTS</b>						
Incentives	Execution	3,884	-	0%	N/A	N/A
PPP	Execution	1,000	-	0%		
<b>TOTAL</b>		<b>77,998</b>	<b>66,734</b>		<b>33,505</b>	

## 8. PROJECTED EXPENDITURE ON CONDITIONAL GRANTS

Conditional Grant	Projection Oct '05 – Mar '06 R'000	Spent and Projection R'000	Projected (over)/under spending R'000
Early Childhood Development	0	737	-
HIV and Aids	5,387	8,402	-
NSNP	33,912	56,768	-
National Infrastructure	14,915	62,278	-
Provincial Infrastructure	11,264	77,998	-
<b>Total</b>	<b>65,478</b>	<b>206,183</b>	-