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**PUBLIC HEARINGS ON CONDITIONAL
GRANTS AND CAPITAL EXPENDITURE:**

**INPUTS BY THE WESTERN CAPE
EDUCATION DEPARTMENT (WCED)**

MEC CAMERON DUGMORE

DATE: THURSDAY – 19 JANUARY 2006

PUBLIC HEARINGS ON CONDITIONAL GRANTS AND CAPITAL EXPENDITURE

THURSDAY 19 JANUARY 2006

1. DATA ON THE WCEDs CONSTRUCTION AND MAINTENANCE PROGRAMMES FOR 2005/06

	Main allocation	Additional allocation	Total Allocation	Transfers to date Scheduled Received		Expenditure to date	% spent
MAINTENANCE	18 000	61 000	79 000	N/A	N/A	54 401	68,9
CAPITAL	170 972	123 836	294 808	N/A	N/A	217 737	73,9
TOTAL	188 972	184 836	373 808	N/A	N/A	272 138	72,8

2. BRIEF ASSESSMENT OF WCED'S MONITORING CAPACITY

The WCED possess the capacity to monitor expenditure.

Additional capacity is provided by the Directorate: Budget Administration.

Expenditure as at the end of the 3rd Quarter was 72,8% of the total available budget. Measured against a benchmark of 75% or three quarters anticipated expenditure, this represents an under-spending of only 2,2% as at 31 December 2005.

3. MONTHLY AND QUARTERLY REPORTS

Monthly and quarterly reports are submitted timeously, in accordance with the prescripts of the Division of Revenue Act. (DORA reports)

Narrative reports are also submitted timeously, in electronic format, to the National Department of Education. A signed copy is also faxed to the National Department.

4. BUSINESS PLANS FOR 2005/06

The WCEDs construction and maintenance business plans for 2005/06 have been submitted to the National Department of Education and the National Treasury.

5. SERVICE DELIVERY AGREEMENT

A Service Delivery Agreement was signed by the Heads of Education and the Department of Transport and Public Works on 31 August 2005.

6. CONCLUDING REMARKS

The WCED took 15 new buildings into use when schools re-opened on Wednesday, 18 January 2006. This is the highest number yet completed in any financial year.

PUBLIC HEARINGS ON CONDITIONAL GRANTS AND CAPITAL EXPENDITURE

INPUT ON HIV/AIDS CONDITIONAL GRANT FOR EDUCATION WESTERN CAPE EDUCATION DEPARTMENT (WCED)

THURSDAY 19 JANUARY 2006

1. DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND EXPENDITURE OF HIV/AIDS CONDITIONAL GRANT

1.1 DATA FOR 2005/06 (AS AT END OF THIRD QUARTER)

Year	Main allocation (DoRA)	Additional allocation Provincial rollover	Total allocation	Transfers to date		Expenditure to date	% spent
				Scheduled	Received		
2005/06	11 198	7	11 205	8 397	8 397	7 709	68,8

1.2 DATA FOR PREVIOUS YEARS (2001/02 – 2004/05)

Year	Main allocation (DoRA)	Additional allocation		Total available	Expenditure	% spent
		DoRA	Provincial rollover			
2001/02	5 017		1 474	6 491	1 391	21,4
2002/03	11 218	158	5 100	16 476	15 991	97,1
2003/04	9 518		485	10 003	10 725	107,2
2004/05	10 543		(722)	9 821	9 814	99,9

2. BRIEF ASSESSMENT OF WCED'S MONITORING CAPACITY

The WCED possesses the infrastructural capacity to monitor expenditure. Furthermore, the National Department of Education uses its Conditional Grant allocation to fund two provincial posts: Programme Manager/Co-ordinator and Finance/Administrative Manager.

Additional capacity is provided in the districts via short-term contractual posts. This pro-active measure is seen as a major contributor to programme implementation and monitoring.

Expenditure as at the end of the Third Quarter is 68% of the total available budget. Measured against a benchmark of 75% or three quarters anticipated expenditure, this represents an under-spending of 7% (or R694th) as at the end of the third quarter. Whilst there is admittedly a small lag in payment against invoices and/or delivery of invoices as well as a scheduled delay in the implementation of the EMGD and Care & Support strategies, this should not give rise to any cause for concern. Given the expenditure patterns of the past three years, 100% expenditure is anticipated by the closure of the financial year.

3. MONTHLY AND QUARTERLY REPORTS

Monthly and quarterly reports are submitted timeously, in accordance with the prescripts of the Division of Revenue Act.

Narrative reports are also submitted timeously, in electronic format, to the National Department of Education. A signed copy is subsequently hand-delivered or couriered to the National Department.

4. BUSINESS PLANS FOR 2005/06

Business plans for the conditional grant for 2005/06 have been submitted to the National Department of Education and the National Treasury. An electronic copy of the business plan has also been submitted to the Chairperson of the Select Committee on Finance, as requested.

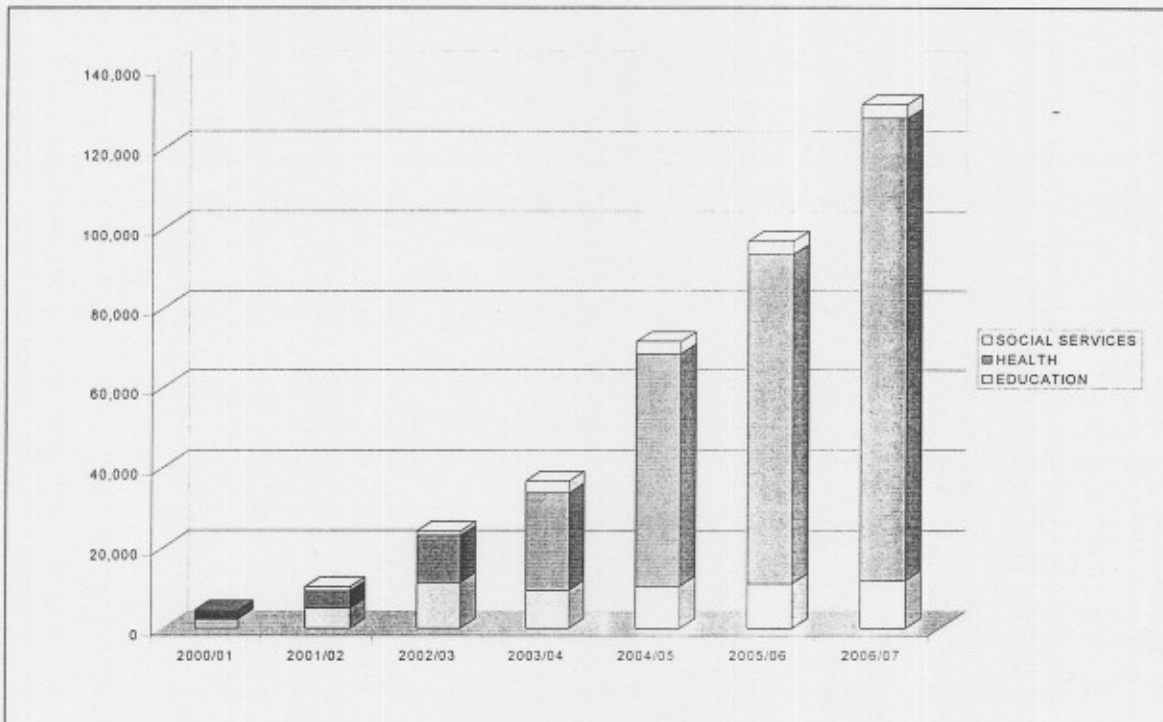
5. SERVICE LEVEL AGREEMENTS

Service level agreements, as per Procurement Plan, have been signed with Peer Education service providers currently active in 100 secondary schools – in conjunction with the Department of Health and the Provincial Inter-Department AIDS Committee.

6. CONCLUDING REMARKS

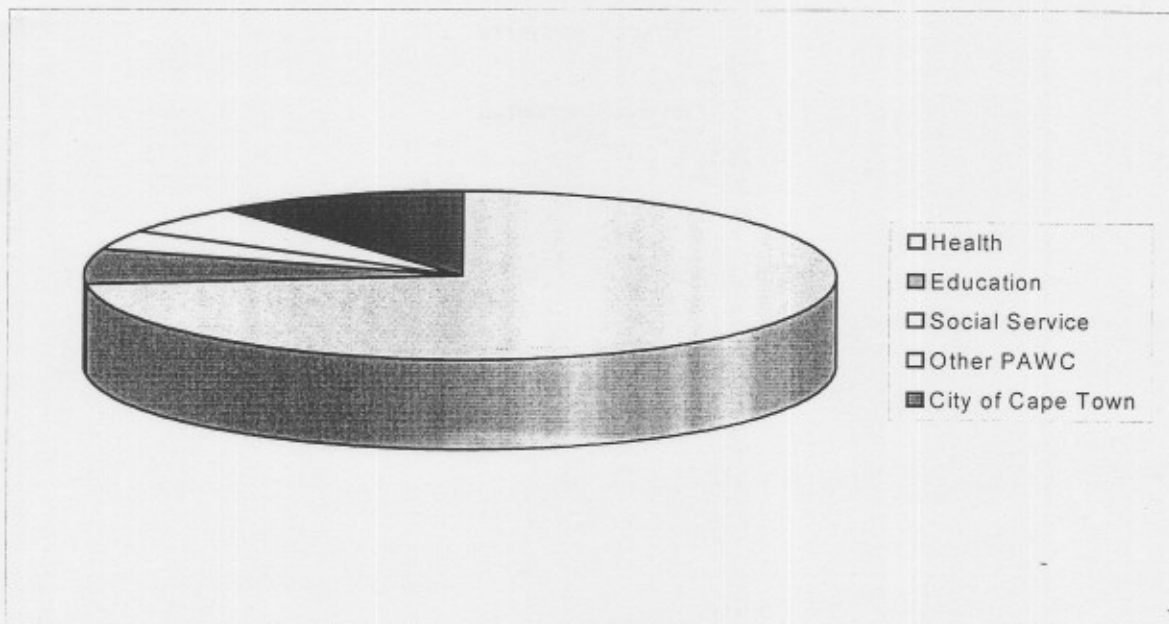
The Western Cape HIV/AIDS Conditional Grant is performing reasonably well and has not, for the past 3-4 years now, been challenged by a lack of capacity to manage its fund allocation. Thus, under-expenditure is not a problem. Conversely, this province is challenged by having to curtail HIV/AIDS expenditure whilst delivering on its brief.

Despite a growing capacity to manage programme delivery more effectively, the HIV/AIDS conditional grant allocation to Education has remained relatively static in comparison with broader HIV/AIDS spending:



This, despite a Prevention strategy being far more cost-effective than Treatment (with ARV treatment consuming almost 50% of total HIV/AIDS earmarked funds in 2006/07).

If this country is to reduce infection levels through Education, then a substantially greater financial commitment has to be made towards an effective educational preventative strategy.



Notwithstanding the shortage of CG funds, the Western Cape is successfully beginning to mainstream its HIV/AIDS response – in order to ensure that the programme is financially sustainable beyond the grant allocation period.

During the course of the programme the Western Cape has trained some 17 000 educators to implement HIV/AIDS education in the classroom, assisted by some 2 700 metric tons of teaching and learning support materials. Learner knowledge levels have consequently risen from 19,8% at the outset of the programme (measured in secondary schools, 2001, by UWC) to current levels of about 98%. This is a substantial achievement.

Consequently (although it is too early to confirm the trend), HIV infection levels amongst Western Cape teenagers now appears to be on the decline (having leveled out at approximately 50% of the national ante-natal prevalence levels for this <20 age group). This gives some encouragement that the medium- to long-term educational prevention (behaviour change) strategy is beginning to show signs of success:

HIV PREVALENCE LEVELS IN TEENAGERS IN THE WESTERN CAPE

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
% HIV infected	2.3	3.1	2.6	4.7	4.9	6.3	7.3	8.7	8.1	Not yet available

PUBLIC HEARINGS ON CONDITIONAL GRANTS

HEARINGS ON 3RD QUARTER CONDITIONAL GRANTS REPORT BY NATIONAL TREASURY: ENGAGEMENT WITH PROVINCIAL MECs ON THURSDAY, 19 JANUARY

Relevant details pertaining to the National School Nutrition Programme (NSNP) is presented below:

1. DATA ON TRENDS IN ALLOCATIONS, TRANSFERS AND ACTUAL EXPENDITURE OF CONDITIONAL GRANTS

1.1 TRENDS IN ANNUAL NSNP ANNUAL ALLOCATIONS

FINANCIAL YEAR	AMOUNT ALLOCATED TO WESTERN CAPE	% INCREASE
2004/5	R36, 617 MILLION	
2005/6	R40,135 MILLION	9,6%
2006/7	R48,313 MILLION	20,4%

1.2 ACTUAL EXPENDITURE TO DATE

ALLOCATION	EXPENDITURE ON 31/12/2005	% SPENT
R40,135 MILLION	R26,840 MILLION	66,8%

2. BRIEF ASSESSMENT OF WCED'S MONITORING CAPACITY

Monitoring capacity

The WCED possesses the capacity to monitor financial aspects of the programme as well as the service delivery at schools. It would, however, be necessary to appoint two more Liaison Officers at the Metropole EMDCs as Liaison Officers are currently working across two EMDCs in the Metropole Districts.

Under/over expenditure and capacity constraints

An 8% under expenditure is currently experienced. The reason for this relates to the time that it has taken to prepare for the increase in learners and schools. Only 53% of the staff component had been appointed in April 2005 and more time was needed to reach all schools in order to assess service delivery and needs. However by November 2005 100% of the vacant posts had been filled.

The planned increase in the number of learners and schools from January 2006 will normalise spending patterns.

3. MONTHLY AND QUARTERLY REPORTS

Monthly and quarterly reports are timeously submitted, in accordance with the prescripts of the Division of Revenue Act (DORA).

Monthly and quarterly reports are submitted electronically to the national Department of Education (DoE) on the 10th of each month. It is, however, not always possible to provide the DoE with signed reports by the 15th of each month.

4. BUSINESS PLANS FOR 2005/6

A certified business plan had been submitted to the National Treasury in respect of the Western Cape.

5. SERVICE LEVEL AGREEMENTS

Service level agreements with Service Providers have been signed timeously.

6. CONCLUDING REMARKS

The following new initiatives will be pursued during 2006:

- Piloting of new menus (including warm menus)
- The inclusion of the poorest high schools (within budgetary constraints)
- A per capita increase in the honorarium paid to volunteers

There is an urgent need to appoint two more Liaison Officers to serve the Metropole EMDCs.