



2006/07 Q2 Expenditure Analysis – Projections and Improvements :

- **The Q2 projections have forecast an approximately R43,000m under-expenditure for the year**
- **The Department has identified this early and has already put a remedial action plan into effect (In-Year Intervention)**
- **The Department has significantly improved its financial management systems with respect to Infrastructure and claims processing**

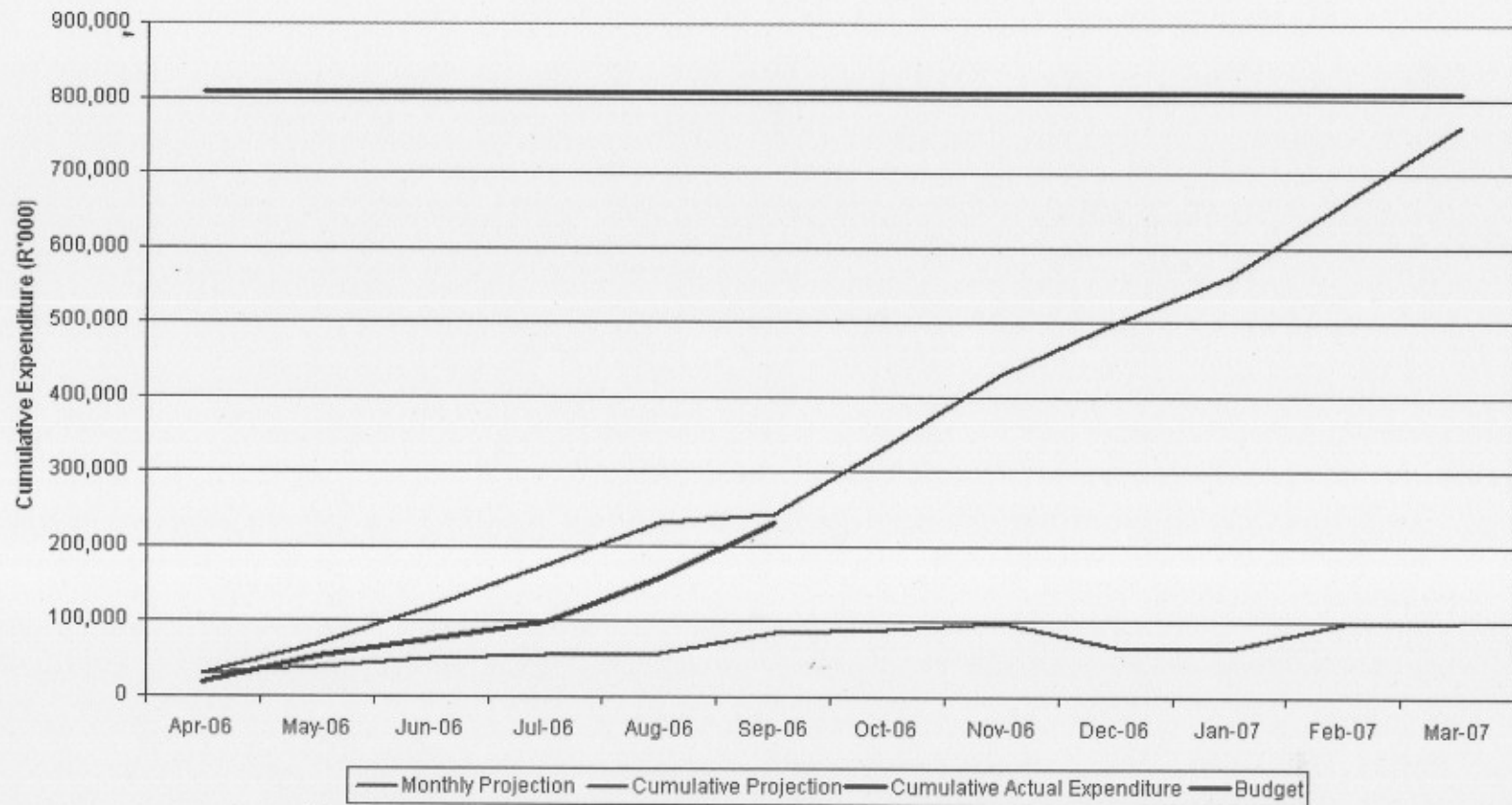


Infrastructure Expenditure and Delivery **Monitoring :**

- **The Department has formed the following to ensure that monthly performance monitoring is carried out:**
- **Education/Works Provincial Joint Task Team**
- **Education/Provincial Treasury Joint Task Team**
- **Monthly and quarterly reporting to National Education and Treasury**
- **Internal Infrastructure Delivery Committee**
- **Internal Finance/Infrastructure Liaison**



KZNDE Expenditure Analysis
2006/07 Financial Year





2006/07 Q2 Expenditure Analysis – Projections and Improvements :

- **The Q2 projections have forecast an approximately R43,000m under-expenditure for the year**
- **The Department has identified this early and has already put a remedial action plan into effect (In-Year Intervention)**
- **The Department has significantly improved its financial management systems with respect to Infrastructure and claims processing**

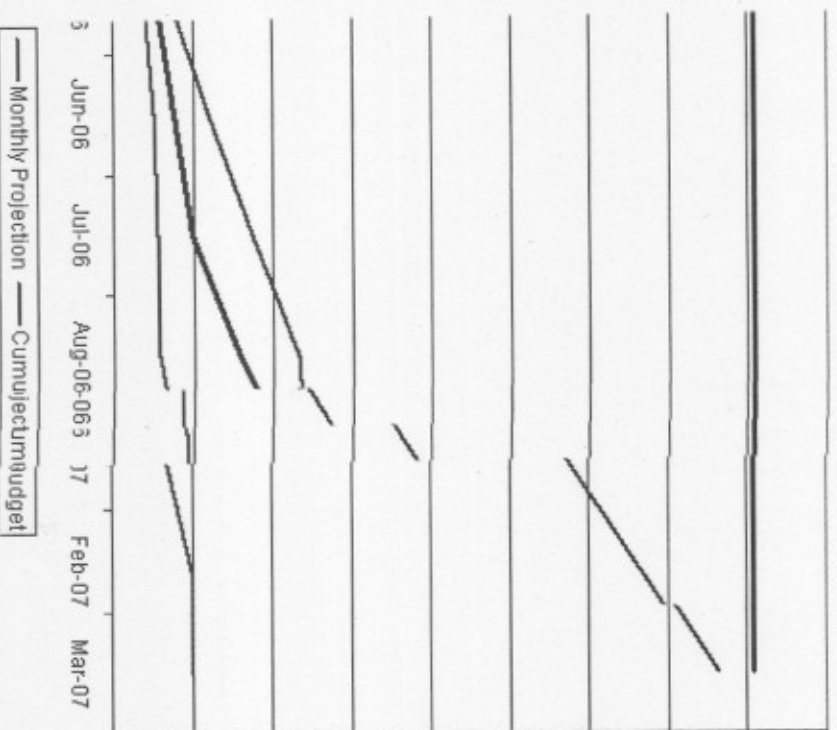


Infrastructure Expenditure and Delivery Monitoring :

- **The Department has formed the following to ensure that monthly performance monitoring is carried out:**
- **Education/Works Provincial Joint Task Team**
- **Education/Provincial Treasury Joint Task Team**
- **Monthly and quarterly reporting to National Education and Treasury**
- **Internal Infrastructure Delivery Committee**
- **Internal Finance/Infrastructure Liaison**



KZNDEBITIYIS 2007anr





FET COLLEGE RECAPITALISATION





Q2. 2006/07 Conditional Grant – FET College Recapitalization

STRATEGIC AREA	ALLOCATION	ACTUAL EXPENDITURE	COMMITMENTS	TOTAL EXPENDITURE	BALANCE	% SPENT
Human Resource Development	5,300,000	2,218,086	n/a	2,218,086	3,081,914	42 %
Upgrade of Systems	4,500,000	1,656,417	186,000	1,842,417	2,657,583	41 %
Upgrade of Infrastructure	49,292,991	18,400,727	15,630,000	34,030,727	15,262,264	69 %
Purchase of Equipment	15,437,009	6,054,517	4,587,660	10,642,177	4,794,832	69 %
Curriculum	7,745,000	1,779,771	n/a	1,779,771	5,965,229	23 %
Upgrade of Sites	2,105,000	658,103	n/a	658,103	1,446,897	31 %
Buying of Buildings	5,620,000	n/a	n/a	n/a	5,620,000	0 %
Total	90,000,000	30,767,621	20,403,660	51,171,281	38,828,719	57 %



Q2. 2006/07 Conditional Grant – FET College Recapitalization

- Expenditure on Human Resources Development is at 42%. Training Committees have been constituted, Skills audit has been completed and WSP compiled, implementation plans are completed, Training of staff has commenced, Staff members to be trained have been identified and Lecturers have been trained on assessor and moderator courses in some colleges. All the internal stakeholders in the FET Colleges are orientated about the NCV. This function will be completed in November 2006 for curriculum related programmes training
- Expenditure on upgrading of administrative systems is at 41%. Old software and hardware have been replaced, students access controls has been improved, banking links for easy reconciliation have been established and computer equipments have been purchased, etc. By the end of November 2006, college administrative systems will have been upgraded fully and ready to face the challenges of the NCV
- Expenditure on upgrading infrastructure is at 69%. Construction is done in phases. The completion period may extend to the next financial year but the funds budgeted for this line item in the current year will all be used for what can be covered this current financial year. Four out of nine colleges have big infrastructural upgrades budgets viz. Coastal KZN, Esayidi, Majuba and Umfolozi. They are all on track and will meet the year dead lines. All colleges are now sufficiently prepared in terms of workshops upgraded for the introduction of the NCV in January 2007
- Expenditure on the purchase of equipments is at 69%. Furniture and equipment have been purchased for the implementation of the curriculum. This function in most instances will be finalized after the workshops have been upgraded. The number and type of curriculum programmes chosen by colleges drive this line item.
- Expenditure on the upgrade of sites (skills centres) is at 31%. Sites have been improved in various ways e.g. air-conditioning, fencing, plumbing, electrification etc.
- Expenditure on curriculum/ programme development is at 23%. The colleges have chosen their programmes. They have purchased facility equipments for the implementation purposes. They have started with marketing the programmes they intend offering in 2007. They have not purchased the LTSM since the catalogue is not yet developed
- Regarding the upgrade and refurbishing of existing and new buildings, there is nil expenditure. Contractors are appointed, plans are approved,
- Total expenditure based on total allocation is 57%
- Total expenditure based on R45million already paid to the colleges is 114%

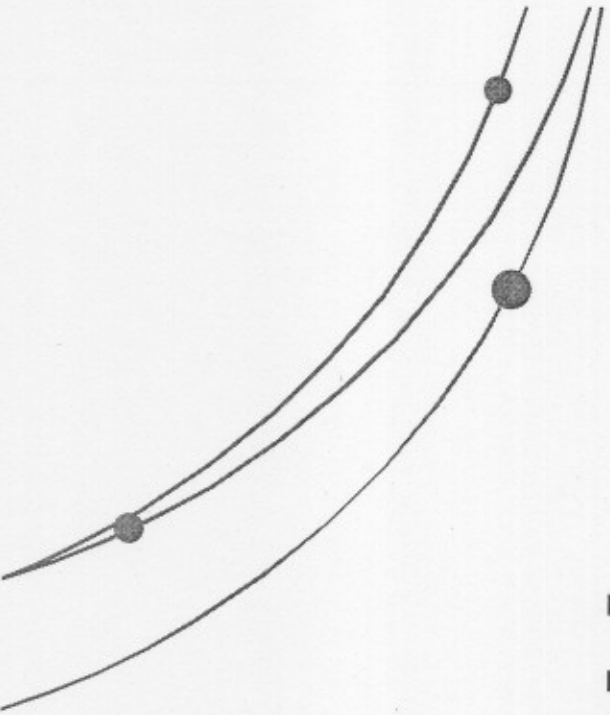


Q2 - Brief Assessment of the Departments Monitoring Capacity for the 2006 year – FET Recapitalization

- An Acting Director was appointed at Head office in May 2006 to manage the recapitalization programmes.
- In May/June 2006 all colleges were visited by the Head Office Officials to monitor progress on Recapitalization Programmes. Another round of monitoring by both National and Provincial Officials took place in October 2006, the purpose of which was to check the colleges' state of readiness to implement National Certificate (vocational) in 2007.
- The managers at head office meet on a monthly basis with the Rectors of the nine FET Colleges. Recapitalization project is a standing item in the agenda for this forum.
- Further more for the infrastructural projects the Department is working closely with the Department of Works. The technical project manager has been appointed (not on recapitalization funds) to quality assure all constructions and to advise the Department accordingly.
- The total allocation of R 90m has all been transferred to the nine FET Colleges
- all nine FET Colleges report as follows:
 - on a monthly basis they provide the cash flow report indicating the extent of expenditure on each line item
 - on a quarterly basis they provide a full progress report both narrative and financial)



HIV / AIDS PROGRAMME





07 Conditior (and AIDS :

iture to dat (is revealed
ing:

2006/07	194,000
ferred at end	<u>198,000</u>
s of end of Q	<u>.16,607</u>
ital Allocatio	
nount Transfe	



Q2. 2006/07 Conditional Grant – HIV and AIDS :

- **The amount spent for Q2 was 61% of the amount transferred.**
- **Reason for Under-expenditure is due to the fact that a significant amount of our budget is allocated to the training in Lay Counseling and Peer Education. In compliance with regulation, the two activities were put on tender, which caused lengthy delays. Both tenders have been evaluated, adjudicated, and the Peer Education one has been awarded. Therefore training is due to start immediately. The training for the Lay Counseling is always done during the December and January holidays, up to the end of January. It lasts for ten consecutive days. Therefore in order to minimize schools malfunctioning from taking large numbers of teachers away, it can take place only during the school holidays. Expenditure will increase to the expected percentage once the training is completed.**
- **Projected expenditure 100% of total allocation**