

Unaudited supplementary schedule

16. The supplementary information set out on pages 294 to 301 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for financial statements

17. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
18. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

19. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
20. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report**Introduction and scope**

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
22. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

23. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2 – Public ordinary schools	80 - 95

24. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The material findings on the reliability of the selected programme are as follows:

Programme 2 – Public ordinary schools

SOI 202: Number of learners in public ordinary schools benefiting from the no fee school policy

25. I was unable to obtain sufficient appropriate audit evidence for the achievement of 733 705 learners in public ordinary schools benefiting from the no fee school policy reported against the target 716 542 in the annual performance report, due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

SOI 203: Percentage of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies

26. The achievement of 68% of Funza Lushaka bursary holders placed in schools within six months upon completion of studies or upon confirmation that the bursar has completed studies was reported against the target of 100% in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

Other matter

27. I draw attention to the matter below.

Achievement of planned targets

28. Refer to the annual performance report on pages 37 to 130 for information on the achievement of planned targets for the year and management's explanations provided for the under / overachievement of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 25 and 26 of this report.

Report on audit of compliance with legislation

Introduction and scope

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.



30. The material findings on compliance with specific matters in key legislation are as follows:

Strategic planning and performance management

31. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by Public Service Regulation 25(1)(e)(i) and (iii).

Financial statements

32. Financial statements were not submitted for auditing within the prescribed timeframe after the end of the financial year, as required by section 40(1)(c)(i) of the PFMA.

33. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

34. Effective and appropriate steps were not taken to prevent irregular expenditure of R83 289 000, as disclosed in note 31 to the financial statements as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with PPPFA 2(1)(f), supply chain management regulations for suppliers who scored the highest points.

35. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

36. Payments were made before goods were received, in contravention of treasury regulation 15.10.1.2(c).

Asset management

37. I was unable to obtain sufficient appropriate audit evidence that proper control systems were in place at the department to ensure the safeguarding and maintenance of assets, as required by treasury regulation 10.1.1(a).

38. I was unable to obtain sufficient appropriate audit evidence that preventative mechanisms were in place at the department to eliminate the theft, loss, wastage or misuse of assets, as required by treasury regulation 10.1.1(a).

Procurement and contract management

39. I was unable to obtain sufficient appropriate audit evidence that all contracts and quotations were awarded in accordance with the legislative requirements as the requested bid documents were not submitted for audit.

40. Persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4.

Consequence management

41. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who incurred unauthorised, irregular as well as fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into unauthorised, irregular as well as fruitless and wasteful expenditure.

42. I was unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials, as required by treasury regulation 4.1.1.

Other information

43. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
44. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
45. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

47. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
- Vacancies in key management positions such as Chief Financial Officer(CFO) and Director Monitoring and Reporting led to the department not being able to effectively achieve its mandate and led to capacity constraints within the service delivery programmes such as public ordinary schools .The instability in position of CFO further led to ineffective implementation of the proposed audit post action plan as the plan was not continuously implemented and monitored throughout the year leading to the qualified audit opinion.
 - Internal audit was effective throughout the year and flagged the risks that led to some qualifications in this audit report. Management did not implement the recommendations made by internal audit thereby limiting their impact.

Material irregularities

48. In accordance with the PAA and the Material Irregularities Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.



Material irregularities identified during the audit

49. The material irregularities identified are as follows:

Overpayment of professional fees at Lykso Primary School (2020-21)

50. The department entered into an agreement for the construction of hostels, residential administration building and dining hall, electrical and mechanical installations at Lykso Primary School (Phase 2). The project started in March 2014 with a revised completion date of August 2019, however as at June 2021 the project was still in progress. The department did not ensure that the carrying over of subtotals was correctly done on fee accounts for payment of professional services rendered for some payment certificates. This resulted in an overpayment made to a service provider of R1 096 017, which is in contradiction with treasury regulation 8.1.1 which states that the accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing. These internal controls should provide reasonable assurance that all expenditure is necessary, appropriate, paid promptly and is adequately recorded and reported.
51. The accounting officer was notified of this material irregularity on 22 February 2022 and invited to make a written submission on the actions taken or to be taken to address the matter. In March 2022, the accounting officer committed to investigate the matter and then take the appropriate actions. The investigation was completed in August 2022 and the accounting officer took the following actions:
- The employees who were found in the wrong as part of the investigation are no longer in the employ of the department. As a result, no further disciplinary actions can be taken.
 - The department initiated the process of recovering the loss from the service provider as evidenced with an acknowledgement of debt and a commitment to pay back the money within 21 working days from acknowledgement. However, due to non-payment within the agreed timeframe by the service provider, the department has referred the matter to legal services for recovery.
 - The department has updated its standard operating procedures with regard to the payment process for progress certificates. Identified relevant officials will be trained to ensure effective implementation by 1 October 2022.
52. I will follow up on the matters and the implementation of the planned actions during my next audit.

Auditor General

Rustenburg

10 October 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Education’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.



ACCOUNTING POLICIES FOR THE DEPARTMENT OF EDUCATION FOR THE YEAR-ENDED 31 MARCH 2022

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p>

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	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	Finance leases



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	<p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less</p>

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	amounts already settled or written-off.
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or</p>



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	<p>impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or

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	<ul style="list-style-type: none"> • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [IDT, Public Works and SITA]. In terms of the arrangement the department is the agent and is responsible for the construction and maintenance of the schools. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies</p>



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	listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	<p>Departures from the MCS requirements</p> <p><i>The Department of Education and Sports Development's management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.</i></p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the</p>

**ACCOUNTING POLICIES FOR THE DEPARTMENT OF EDUCATION
FOR THE YEAR-ENDED 31 MARCH 2022**

	department are recorded in the notes to the financial statements.
30	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.



NORTH WEST: EDUCATION
Appropriation Statement
for the year ended 31 March 2022

Appropriation per programme	2021/22					2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	930 317	-	3 700	934 017	911 985	22 032	97,6%	861 710	853 813
2. PUBLIC ORDINARY SCHOOL EDUCATION	14 356 898	-	126 000	14 482 898	14 393 597	89 301	99,4%	13 356 953	13 301 907
3. INDEPENDENT SCHOOL SUBSIDIES	38 994	-	200	39 194	39 120	74	99,8%	35 076	35 071
4. PUBLIC SPECIAL SCHOOL EDUCATION	799 311	-	(10 000)	789 311	783 179	6 132	99,2%	734 702	722 141
5. EARLY CHILDHOOD DEVELOPMENT	696 990	-	(25 900)	671 090	651 815	19 275	97,1%	634 356	611 208
6. INFRASTRUCTURE DEVELOPMENT	1 192 807	-	-	1 192 807	1 192 187	620	99,9%	894 785	865 391
7. EXAMINATION AND EDUCATION RELATED SERVICES	1 280 063	-	(94 000)	1 186 063	1 147 134	38 929	96,7%	1 171 215	1 091 809
Programme sub total	19 295 380	-	-	19 295 380	19 119 017	176 363	99,1%	17 688 797	17 481 340
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	19 295 380	-	-	19 295 380	19 119 017	176 363	99,1%	17 688 797	17 481 340
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				9 660					
Actual amounts per Statement of Financial Performance (Total Expenditure)				19 305 040				17 688 797	
					19 119 017				17 481 340

Appropriation per economic classification	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16 346 190	-	-	16 346 190	16 265 136	81 054	99,5%	15 377 942	15 156 236
Compensation of employees	14 703 975	(83 000)	(87 000)	14 533 975	14 487 922	46 053	99,7%	13 832 756	13 809 788
Salaries and wages	12 741 181	(83 000)	(87 000)	12 571 181	12 445 923	125 258	99,0%	11 904 422	11 869 841
Social contributions	1 962 794	-	-	1 962 794	2 041 999	(79 205)	104,0%	1 928 334	1 939 947
Goods and services	1 642 215	83 000	87 000	1 812 215	1 777 074	35 141	98,1%	1 545 186	1 346 204
Administrative fees	393	-	-	393	125	268	31,8%	512	473
Advertising	3 769	-	-	3 769	1 967	1 802	52,2%	4 389	3 306
Minor assets	48 488	-	(7 600)	40 888	22 622	18 266	55,3%	84 921	74 187
Audit costs: External	17 090	-	-	17 090	14 194	2 896	83,1%	22 057	20 236
Bursaries: Employees	5 814	-	-	5 814	5 644	170	97,1%	7 491	6 724
Catering: Departmental activities	43 190	-	(8 526)	34 664	29 887	4 777	86,2%	18 584	15 107
Communication (G&S)	18 678	-	-	18 678	15 510	3 168	83,0%	18 229	15 272
Computer services	21 312	-	-	21 312	20 094	1 218	94,3%	11 964	9 239
Consultants: Business and advisory services	43 765	-	-	43 765	43 037	728	98,3%	27 236	24 317
Legal services	8 110	-	-	8 110	8 074	36	99,6%	11 652	11 047
Contractors	936	-	-	936	817	119	87,3%	3 485	1 799
Agency and support / outsourced services	17 875	83 000	126 000	226 875	261 200	(34 325)	115,1%	268	263
Fleet services (including government motor transport)	25 083	-	-	25 083	24 947	136	99,5%	31 668	30 887
Inventory: Clothing material and accessories	99	-	-	99	79	20	79,8%	1 166	250
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	30	-
Inventory: Learner and teacher support material	573 842	-	(4 078)	569 764	538 012	31 752	94,4%	586 523	550 049
Inventory: Materials and supplies	1 946	-	-	1 946	951	995	48,9%	703	327
Inventory: Other supplies	116 061	-	(6 632)	109 429	97 644	11 785	89,2%	70 932	58 043
Consumable supplies	80 451	-	-	80 451	163 831	(83 380)	203,6%	165 968	97 323
Consumable: Stationery, printing and office supplies	44 388	-	-	44 388	41 385	3 003	93,2%	43 415	37 061
Operating leases	11 642	-	-	11 642	8 697	2 945	74,7%	12 049	8 771
Property payments	263 129	-	-	263 129	221 170	41 959	84,1%	277 139	245 807
Transport provided: Departmental activity	19 967	-	-	19 967	17 364	2 603	87,0%	8 366	7 677
Travel and subsistence	64 095	-	-	64 095	63 574	521	99,2%	47 983	48 442
Training and development	34 615	-	(10 474)	24 141	8 016	16 125	33,2%	6 286	2 578
Operating payments	131 710	-	-	131 710	130 901	809	99,4%	69 417	67 606
Venues and facilities	44 763	-	(1 690)	43 073	37 026	6 047	86,0%	12 638	9 413
Rental and hiring	1 005	-	-	1 005	306	699	30,4%	115	-
Interest and rent on land	-	-	-	-	140	(140)	-	-	244
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	140	(140)	-	-	-
Rent on land	-	-	-	-	-	-	-	-	244
Transfers and subsidies	1 952 330	-	-	1 952 330	1 916 452	35 878	98,2%	1 914 521	1 890 678
Departmental agencies and accounts	18 254	-	-	18 254	18 254	-	100,0%	17 302	17 302
Departmental agencies	18 254	-	-	18 254	18 254	-	100,0%	17 302	17 302
Non-profit institutions	1 858 476	-	(3 700)	1 852 776	1 794 467	58 309	96,9%	1 823 873	1 780 448
Households	77 600	-	3 700	81 300	103 731	(22 431)	127,6%	73 346	92 928
Social benefits	77 490	-	3 700	81 190	103 621	(22 431)	127,6%	73 346	92 928
Other transfers to households	110	-	-	110	110	-	100,0%	-	-
Payments for capital assets	996 860	-	-	996 860	937 429	59 431	94,0%	396 334	434 426
Buildings and other fixed structures	915 655	-	-	915 655	903 035	12 620	98,6%	341 258	397 017
Buildings	6 473	-	-	6 473	6 473	-	-	341 258	397 017
Other fixed structures	909 182	-	-	909 182	903 035	6 147	99,3%	-	-
Machinery and equipment	81 205	-	-	81 205	34 394	46 811	42,4%	55 076	37 409
Transport equipment	15 920	-	-	15 920	15 096	824	94,8%	24 910	23 189
Other machinery and equipment	65 285	-	-	65 285	19 298	45 987	29,6%	30 166	14 220
	19 295 380	-	-	19 295 380	19 119 017	176 363	99,1%	17 688 797	17 481 340



Programme 1: ADMINISTRATION	2021/22		2020/21		Variance	Expenditure as % of final appropriation	2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation			Actual Expenditure	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. OFFICE OF THE MEC	11 795	-	370	12 165	12 112	99,6%	11 276	11 147	
2. CORPORATE SERVICES	524 441	9 000	1 880	535 321	548 242	102,4%	495 231	492 746	
3. EDUCATION MANAGEMENT	357 774	-	1 450	359 224	338 390	94,2%	328 481	325 604	
4. HUMAN RESEARCH DEVELOPMENT	11 113	(3 000)	-	8 113	4 430	54,6%	8 847	7 028	
5. EDUCATION MANAGEMENT SYSTEM	25 194	(6 000)	-	19 194	8 811	45,9%	17 875	17 288	
	930 317	-	3 700	934 017	911 985	97,6%	861 710	853 813	
Economic classification									
Current payments	917 983	-	-	917 983	898 348	97,9%	850 442	841 316	
Compensation of employees	740 549	(9 000)	-	731 549	725 274	99,1%	708 870	706 784	
Salaries and wages	638 279	(9 000)	-	629 279	624 084	99,2%	602 494	616 636	
Social contributions	102 270	-	-	102 270	101 190	98,9%	106 376	90 148	
Goods and services	177 434	9 000	-	186 434	172 934	92,8%	141 572	134 288	
Administrative fees	254	-	-	254	125	49,3%	417	421	
Advertising	1 218	-	-	1 218	757	62,2%	2 998	2 625	
Minor assets	912	-	-	912	290	31,8%	657	301	
Audit costs: External	17 090	-	-	17 090	14 194	83,1%	22 057	20 236	
Bursaries: Employees	621	-	-	621	544	87,6%	991	617	
Catering: Departmental activities	2 725	-	-	2 725	1 411	51,8%	1 493	866	
Communication (G&S)	11 858	-	-	11 858	10 088	85,1%	9 749	9 342	
Computer services	6 119	-	-	6 119	3 585	58,6%	8 795	7 684	
Consultants: Business and advisory services	10 339	-	-	10 339	9 733	94,1%	6 127	5 287	
Legal services	8 110	-	-	8 110	8 074	99,6%	8 675	8 568	
Contractors	406	-	-	406	286	70,4%	675	359	
Agency and support / outsourced services	17 506	9 000	-	26 506	33 077	124,8%	27	26	
Fleet services (including government motor transport)	25 083	-	-	25 083	24 947	99,5%	19 398	19 108	
Inventory: Clothing material and accessories	2	-	-	2	22	1100,0%	92	-	
Inventory: Materials and supplies	422	-	-	422	-	-	-	-	
Inventory: Other supplies	251	-	-	251	188	74,9%	100	85	
Consumable supplies	2 642	-	-	2 642	1 536	58,1%	6 509	5 378	
Consumable: Stationery, printing and office supplies	6 662	-	-	6 662	6 843	102,7%	5 738	4 435	
Operating leases	3 132	-	-	3 132	1 245	39,8%	2 174	1 353	
Property payments	20 145	-	-	20 145	18 204	90,4%	22 121	21 206	
Transport provided: Departmental activity	580	-	-	580	-	-	(95)	12	
Travel and subsistence	27 684	-	-	27 684	27 507	99,4%	17 202	22 093	
Training and development	3 944	-	-	3 944	2 808	71,2%	1 152	917	
Operating payments	1 738	-	-	1 738	1 471	84,6%	800	660	
Venues and facilities	7 850	-	-	7 850	5 999	76,4%	3 665	2 689	
Rental and hiring	142	-	-	142	-	-	55	-	
Interest and rent on land	-	-	-	-	140	(140)	-	244	
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	140	(140)	-	-	
Rent on land	-	-	-	-	-	-	-	244	
Transfers and subsidies	6 791	-	3 700	10 491	10 399	99,1%	6 437	8 796	
Households	6 791	-	3 700	10 491	10 399	99,1%	6 437	8 796	
Social benefits	6 791	-	3 700	10 491	10 399	99,1%	6 437	8 796	
Payments for capital assets	5 543	-	-	5 543	3 238	58,4%	4 831	3 701	
Machinery and equipment	5 543	-	-	5 543	3 238	58,4%	4 831	3 701	
Transport equipment	-	-	-	-	-	-	716	715	
Other machinery and equipment	5 543	-	-	5 543	3 238	58,4%	4 115	2 986	
	930 317	-	3 700	934 017	911 985	97,6%	861 710	853 813	

Programme 2: PUBLIC ORDINARY SCHOOL EDUCATION	2021/22					2020/21			
	1	2	3	4	5	6	7	8	9
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme									
1. PUBLIC PRIMARY SCHOOL	8 694 899	-	-	8 694 899	8 689 591	5 308	99,9%	8 223 750	8 198 804
2. PUBLIC SECONDARY SCHOOL	5 001 040	-	126 000	5 127 040	5 112 921	14 119	99,7%	4 554 509	4 557 936
3. HUMAN RESOURCE DEVELOPMENT	32 449	-	-	32 449	30 078	2 371	92,7%	15 486	13 276
4. IN-SCHOOL SPORT AND CULTURE	39 236	-	-	39 236	15 551	23 685	39,6%	11 392	9 546
5. CONDITIONAL GRT - SCHOOL NUTRITION PROGRAMME	547 682	-	-	547 682	506 709	40 973	92,5%	516 114	488 166
6. MATHS.SCIENCE AND TECHNOLOGY GRANT (SCHOOLS)	41 592	-	-	41 592	38 747	2 845	93,2%	35 702	34 179
	14 356 898	-	126 000	14 482 898	14 393 597	89 301	99,4%	13 356 953	13 301 907
Economic classification									
Current payments	13 118 950	-	126 000	13 244 950	13 207 425	37 525	99,7%	12 220 136	12 172 730
Compensation of employees	12 416 686	(74 000)	-	12 342 686	12 328 717	13 969	99,9%	11 542 520	11 537 691
Salaries and wages	10 769 014	(74 000)	-	10 695 014	10 598 175	96 839	99,1%	9 903 680	9 889 914
Social contributions	1 647 672	-	-	1 647 672	1 730 542	(82 870)	105,0%	1 638 840	1 647 777
Goods and services	702 264	74 000	126 000	902 264	878 708	23 556	97,4%	677 616	635 039
Administrative fees	126	-	-	126	-	126	-	94	52
Advertising	1 943	-	-	1 943	937	1 006	48,2%	550	397
Minor assets	36 669	-	-	36 669	19 483	17 186	53,1%	38 884	32 289
Bursaries: Employees	5 193	-	-	5 193	5 122	71	98,6%	6 500	6 438
Catering: Departmental activities	11 476	-	-	11 476	9 887	1 589	86,2%	864	673
Communication (G&S)	606	-	-	606	615	(9)	101,5%	446	227
Computer services	13 193	-	-	13 193	14 996	(1 803)	113,7%	1 361	1 280
Legal services	416	-	-	416	507	(91)	121,9%	236	105
Contractors	164	74 000	126 000	200 164	228 097	(27 933)	114,0%	241	237
Agency and support / outsourced services	-	-	-	-	-	-	-	70	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	870	146
Inventory: Clothing material and accessories	530 440	-	-	530 440	505 042	25 398	95,2%	555 655	527 132
Inventory: Learner and teacher support material	1 446	-	-	1 446	951	495	65,8%	625	327
Inventory: Materials and supplies	47 560	-	-	47 560	45 747	1 813	96,2%	46 109	44 695
Inventory: Other supplies	8 715	-	-	8 715	7 908	807	90,7%	8 764	7 604
Consumable supplies	3 439	-	-	3 439	3 004	435	87,4%	2 572	1 585
Consumable: Stationery, printing and office supplies	439	-	-	439	89	350	20,3%	131	99
Operating leases	383	-	-	383	106	277	27,7%	190	125
Property payments	5 077	-	-	5 077	3 124	1 953	61,5%	998	451
Transport provided: Departmental activity	8 935	-	-	8 935	9 604	(669)	107,5%	5 473	5 068
Travel and subsistence	1 909	-	-	1 909	1 863	46	97,6%	1 683	1 661
Training and development	1 619	-	-	1 619	1 411	208	87,2%	2 779	2 401
Operating payments	21 878	-	-	21 878	20 018	1 860	91,5%	2 377	2 027
Venues and facilities	638	-	-	638	197	441	30,9%	-	-
Rental and hiring	1 185 915	-	-	1 185 915	1 168 574	17 341	98,5%	1 112 017	1 106 458
Transfers and subsidies	1 120 023	-	-	1 120 023	1 083 984	36 039	96,8%	1 049 560	1 030 152
Non-profit institutions	65 892	-	-	65 892	84 590	(18 698)	128,4%	62 457	76 306
Households	65 782	-	-	65 782	84 480	(18 698)	128,4%	62 457	76 306
Social benefits	110	-	-	110	110	-	100,0%	-	-
Other transfers to households	52 033	-	-	52 033	17 598	34 435	33,8%	24 800	22 719
Payments for capital assets	6 473	-	-	6 473	-	6 473	-	-	-
Buildings and other fixed structures	6 473	-	-	6 473	-	6 473	-	-	-
Buildings	45 560	-	-	45 560	17 598	27 962	38,6%	24 800	22 719
Machinery and equipment	12 256	-	-	12 256	11 953	303	97,5%	20 788	19 624
Transport equipment	33 304	-	-	33 304	5 645	27 659	16,9%	4 012	3 095
Other machinery and equipment	14 356 898	-	126 000	14 482 898	14 393 597	89 301	99,4%	13 356 953	13 301 907



Programme 3: INDEPENDENT SCHOOL SUBSIDIES

	2021/22			2020/21					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PRIMARY PHASE	30 179	-	-	30 179	29 360	819	97,3%	28 337	28 332
2. SECONDARY PHASE	8 815	-	200	9 015	9 760	(745)	108,3%	6 739	6 739
	38 994	-	200	39 194	39 120	74	99,8%	35 076	35 071
Economic classification									
Transfers and subsidies	38 994	-	200	39 194	39 120	74	99,8%	35 076	35 071
Non-profit institutions	38 994	-	200	39 194	39 120	74	99,8%	35 076	35 071
	38 994	-	200	39 194	39 120	74	99,8%	35 076	35 071

Programme 4: PUBLIC SPECIAL SCHOOL EDUCATION

	2021/22			2020/21					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. SCHOOLS	776 717	-	(10 000)	766 717	759 751	6 966	99,1%	714 905	706 345
2. HUMAN RESOURCE DEVELOPMENT	3 067	-	-	3 067	2 452	615	79,9%	718	667
3. LEARNER WITH PROFOUND INTELLECTUAL DISABILITIES	19 527	-	-	19 527	20 976	(1 449)	107,4%	19 079	15 129
	799 311	-	(10 000)	789 311	783 179	6 132	99,2%	734 702	722 141
Economic classification									
Current payments	612 274	-	(10 000)	602 274	599 792	2 482	99,6%	560 649	550 106
Compensation of employees	589 502	(10 000)	-	579 502	577 176	2 326	99,6%	540 192	537 074
Salaries and wages	500 804	-	(10 000)	490 804	487 182	3 622	99,3%	467 977	452 164
Social contributions	88 698	-	-	88 698	89 994	(1 296)	101,5%	72 215	84 910
Goods and services	22 772	-	-	22 772	22 616	156	99,3%	20 457	13 032
Advertising	138	-	-	138	138	-	100,0%	185	87
Minor assets	1 841	-	-	1 841	1 597	244	86,7%	2 598	2 191
Catering: Departmental activities	53	-	-	53	2	51	3,8%	38	14
Communication (G&S)	-	-	-	-	55	(55)	-	-	(981)
Computer services	-	-	-	-	-	-	-	-	-
Contractors	30	-	-	30	-	30	-	27	22
Inventory: Learner and teacher support material	3 398	-	-	3 398	2 762	636	81,3%	2 769	767
Inventory: Other supplies	9 311	-	-	9 311	11 269	(1 958)	121,0%	7 541	5 881
Consumable supplies	2 149	-	-	2 149	1 673	476	77,9%	2 785	1 328
Consumable: Stationery, printing and office supplies	478	-	-	478	476	2	99,6%	1 134	1 011
Operating leases	48	-	-	48	48	-	100,0%	200	121
Property payments	350	-	-	350	-	350	-	1 369	870
Travel and subsistence	1 234	-	-	1 234	1 459	(225)	118,2%	1 369	-
Training and development	1 029	-	-	1 029	868	161	84,4%	34	-
Operating payments	103	-	-	103	30	73	29,1%	344	333
Venues and facilities	2 610	-	-	2 610	2 239	371	85,8%	1 433	1 388
Transfers and subsidies	177 970	-	-	177 970	176 908	1 062	99,4%	168 863	167 733
Non-profit institutions	175 649	-	-	175 649	175 091	558	99,7%	166 663	165 981
Households	2 321	-	-	2 321	1 817	504	78,3%	2 200	1 752
Social benefits	2 321	-	-	2 321	1 817	504	78,3%	2 200	1 752
Payments for capital assets	9 067	-	-	9 067	6 479	2 588	71,5%	5 190	4 302
Machinery and equipment	9 067	-	-	9 067	6 479	2 588	71,5%	5 190	4 302
Transport equipment	3 594	-	-	3 594	3 074	520	85,5%	3 406	2 850
Other machinery and equipment	5 473	-	-	5 473	3 405	2 068	62,2%	1 784	1 452
	799 311	-	(10 000)	789 311	783 179	6 132	99,2%	734 702	722 141

Programme 5: EARLY CHILDHOOD DEVELOPMENT

Sub programme	2021/22			2020/21					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. GRADE R IN PUBLIC SCHOOLS	674 917	-	(22 000)	652 917	637 369	15 548	97,6%	612 195	594 514
2. GRADE R IN COMMUNITY SCHOOLS	14 479	-	(3 900)	10 579	7 245	3 334	68,5%	13 910	8 280
4. HUMAN RESOURCE DEVELOPMENT	3 003	-	-	3 003	2 622	381	87,3%	746	968
5. EPWP GRANTS	4 591	-	-	4 591	4 579	12	99,7%	7 505	7 446
	696 990	-	(25 900)	671 090	651 815	19 275	97,1%	634 356	611 208
Economic classification									
Current payments	635 204	-	(22 000)	613 204	601 756	11 448	98,1%	568 749	557 607
Compensation of employees	581 290	-	(8 000)	573 290	568 307	4 983	99,1%	535 761	533 193
Salaries and wages	499 513	-	(8 000)	491 513	485 627	5 886	98,8%	470 470	455 037
Social contributions	81 777	-	-	81 777	82 680	(903)	101,1%	65 291	78 156
Goods and services	53 914	-	(14 000)	39 914	33 449	6 465	83,8%	32 988	24 414
Advertising	81	-	-	81	-	81	-	77	-
Minor assets	7 646	-	(7 600)	46	-	46	-	1 884	1 441
Bursaries: Employees	-	-	-	-	(22)	22	-	-	(331)
Catering: Departmental activities	49	-	-	49	20	29	40,8%	75	-
Communication (G&S)	-	-	-	-	-	-	-	2	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	78	-
Inventory: Learner and teacher support material	40 004	-	(4 078)	35 926	30 208	5 718	84,1%	28 099	22 150
Inventory: Other supplies	632	-	(632)	-	-	-	-	116	-
Consumable supplies	46	-	-	46	31	15	67,4%	50	-
Consumable: Stationery, printing and office supplies	228	-	-	228	217	11	95,2%	214	55
Operating leases	100	-	-	100	12	88	12,0%	120	84
Travel and subsistence	1 181	-	-	1 181	851	330	72,1%	649	517
Venues and facilities	47	-	-	47	-	47	-	124	-
Non-profit institutions	3 900	-	(1 690)	2 210	2 132	78	96,5%	1 500	498
Households	56 306	-	(3 900)	52 406	50 059	2 347	95,5%	60 414	53 601
Social benefits	56 306	-	(3 900)	52 406	47 560	4 846	90,8%	60 414	50 839
Payments for capital assets	-	-	-	-	2 499	(2 499)	-	-	2 762
Machinery and equipment	5 480	-	-	5 480	-	5 480	-	5 193	-
Other machinery and equipment	5 480	-	-	5 480	-	5 480	-	5 193	-
	696 990	-	(25 900)	671 090	651 815	19 275	97,1%	634 356	611 208



Programme 6: INFRASTRUCTURE DEVELOPMENT

	2021/22			2020/21						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance		Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Sub programme										
1. PUBLIC ORDINARY SCHOOLS	1 172 629	-	-	1 172 629	1 187 721	(15 092)	101,3%	891 821	862 560	
2. SPECIAL SCHOOLS	15 676	-	-	15 676	2 401	13 275	15,3%	500	796	
3. EARLY CHILDHOOD DEVELOPMENT	4 502	-	-	4 502	2 065	2 437	45,9%	2 464	2 035	
	1 192 807	-	-	1 192 807	1 192 187	620	99,9%	894 785	865 391	
Economic classification										
Current payments	283 625	-	-	283 625	289 152	(5 527)	101,9%	544 527	459 759	
Compensation of employees	17 002	-	-	17 002	6 479	10 523	38,1%	207 328	205 526	
Salaries and wages	14 757	-	-	14 757	6 479	8 278	43,9%	206 602	205 489	
Social contributions	2 245	-	-	2 245	-	2 245	-	726	37	
Goods and services	266 623	-	-	266 623	282 673	(16 050)	106,0%	337 199	254 233	
Minor assets	-	-	-	-	274	(274)	-	-	-	
Communication (G&S)	-	-	-	-	-	-	-	4	3	
Consultants: Business and advisory services	33 426	-	-	33 426	33 304	122	99,6%	17 779	17 777	
Contractors	-	-	-	-	-	-	-	400	384	
Inventory: Other supplies	20 000	-	-	20 000	8 059	11 941	40,3%	-	-	
Consumable supplies	38 000	-	-	38 000	103 472	(65 472)	272,3%	145 099	81 443	
Property payments	175 197	-	-	175 197	137 564	37 633	78,5%	173 917	154 626	
Transfers and subsidies	-	-	-	-	-	-	-	9 000	8 615	
Non-profit institutions	-	-	-	-	-	-	-	9 000	8 615	
Payments for capital assets	909 182	-	-	909 182	903 035	6 147	99,3%	341 258	397 017	
Buildings and other fixed structures	909 182	-	-	909 182	903 035	6 147	99,3%	341 258	397 017	
Buildings	-	-	-	-	-	-	-	341 258	397 017	
Other fixed structures	909 182	-	-	909 182	903 035	6 147	99,3%	-	-	
	1 192 807	-	-	1 192 807	1 192 187	620	99,9%	894 785	865 391	

1

Programme 7: EXAMINATION AND EDUCATION RELATED SERVICES	2021/22		2020/21		Variance	Expenditure as % of final appropriation	2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation			Actual Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000			R'000	R'000	R'000
Sub programme									
1. PAYMENT TO SETA	18 254	-	-	18 254	-	100,0%	17 302	17 302	
2. PROFESSIONAL SERVICES	663 057	-	(13 000)	650 057	7 996	98,8%	589 395	546 316	
3. SPECIAL PROJECTS	433 939	-	(16 474)	417 465	20 659	95,1%	461 678	438 750	
4. EXTERNAL EXAMINATIONS	148 904	-	(64 526)	84 378	9 147	89,2%	90 106	76 687	
5. CONDITIONAL GRANT PROJECTS HIV/AIDS	15 909	-	-	15 909	1 127	92,9%	12 734	12 754	
	1 280 063	-	(94 000)	1 186 063	38 929	96,7%	1 171 215	1 091 809	
Economic classification									
Current payments	778 154	-	(94 000)	684 154	15 491	97,7%	633 439	574 718	
Compensation of employees	358 946	-	(69 000)	289 946	7 977	97,2%	298 085	289 520	
Salaries and wages	318 814	-	(69 000)	249 814	5 438	97,8%	253 199	250 601	
Social contributions	40 132	-	-	40 132	2 539	93,7%	44 886	38 919	
Goods and services	419 208	-	(25 000)	394 208	7 514	98,1%	335 354	285 198	
Administrative fees	13	-	-	13	-	-	1	-	
Advertising	389	-	-	389	254	34,7%	579	197	
Minor assets	1 420	-	-	1 420	442	68,9%	40 898	37 965	
Catering: Departmental activities	28 887	-	(8 526)	20 361	1 794	91,2%	16 114	13 554	
Communication (G&S)	6 214	-	-	6 214	4 752	76,5%	8 028	5 700	
Computer services	2 000	-	-	2 000	487	75,7%	1 808	1 256	
Consultants: Business and advisory services	-	-	-	-	-	-	3 330	1 253	
Legal services	-	-	-	-	-	-	2 833	2 354	
Contractors	84	-	-	84	60	28,6%	2 147	1 014	
Agency and support / outsourced services	205	-	-	205	179	12,7%	-	-	
Fleet services (including government motor transport)	97	-	-	97	40	58,8%	12 200	11 779	
Inventory: Clothing material and accessories	78	-	-	78	-	-	126	104	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	30	-	
Inventory: Materials and supplies	38 307	-	(6 000)	32 307	78	-	78	-	
Inventory: Other supplies	28 899	-	-	28 899	(74)	100,2%	17 066	7 382	
Consumable supplies	33 581	-	-	33 581	(20 312)	170,3%	2 761	1 570	
Consumable: Stationery, printing and office supplies	7 923	-	-	7 923	2 736	91,9%	33 757	29 975	
Operating leases	67 054	-	-	67 054	620	92,2%	9 424	7 114	
Property payments	14 310	-	-	14 310	1 758	97,4%	80 911	69 850	
Travel and subsistence	25 061	-	-	25 061	70	99,5%	7 463	7 214	
Training and development	128 250	-	(10 474)	117 776	908	96,4%	23 290	19 894	
Operating payments	8 525	-	-	8 525	14 735	14,4%	3 293	-	
Venues and facilities	225	-	-	225	261	99,8%	65 494	64 212	
Rental and hiring	486 354	-	-	486 354	1 887	77,9%	3 663	2 811	
Transfers and subsidies	486 354	-	-	486 354	14 962	96,9%	522 714	510 404	
Departmental agencies and accounts	18 254	-	-	18 254	-	100,0%	17 302	17 302	
Departmental agencies	18 254	-	-	18 254	-	100,0%	17 302	17 302	
Non-profit institutions	465 504	-	-	465 504	16 792	96,4%	503 160	489 790	
Households	2 596	-	-	2 596	(1 830)	170,5%	2 252	3 312	
Social benefits	2 596	-	-	2 596	(1 830)	170,5%	2 252	3 312	
Payments for capital assets	15 555	-	-	15 555	8 476	45,5%	15 062	6 687	
Machinery and equipment	15 555	-	-	15 555	8 476	45,5%	15 062	6 687	
Transport equipment	70	-	-	70	1	98,6%	-	-	
Other machinery and equipment	15 485	-	-	15 485	8 475	45,3%	15 062	6 687	
	1 280 063	-	(94 000)	1 186 063	38 929	96,7%	1 171 215	1 091 809	



NORTH WEST: EDUCATION

Notes to the Appropriation Statement

4.1 Per economic classification:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Current expenditure				
Compensation of employees	14 533 975	14 487 922	46 053	0,3%
Goods and services	1 812 215	1 777 074	35 141	1,9%
Interest and rent on land	-	140	- 140	#DIV/0!
Transfers and subsidies				
Departmental agencies and accounts	18 254	18 254	-	0%
Non-profit institutions	1 852 776	1 794 467	58 309	3,1%
Households	81 300	103 731	- 22 431	-27,6%
Payments for capital assets				
Buildings and other fixed structures	915 655	903 035	12 620	1,4%
Machinery and equipment	81 205	34 394	46 811	57,6%

4.2 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Only show the conditional grants applicable to the department				
Education Infrastructure Grant	1 190 805	1 190 123	682	100%
HIV and Aids (Life Skills Education) Grant	15 909	14 782	1 127	93%
Learners with Profound Intellectual Disabilities Grant	19 527	20 976	- 1 449	107%
Maths, Science and Technology Grant	41 592	38 747	2 845	93%
National School Nutrition Programme Grant	547 682	506 708	40 974	93%
Expanded Public Works Programme Integrated Grant for Provinces - Education And Sports Development	2 002	2 065	- 63	103%
Social Sector Expanded Public Works Programme Incentive Grant for Provinces - Education And Sports Development	4 591	4 579	12	100%

NORTH WEST: EDUCATION

Statement of Financial Performance

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	19 295 380	17 688 797
Departmental revenue	2	9 660	-
TOTAL REVENUE		19 305 040	17 688 797
EXPENDITURE			
Current expenditure			
Compensation of employees	3	14 487 925	13 606 334
Goods and services	4	1 777 070	1 549 657
Interest and rent on land	5	140	244
Total current expenditure		16 265 135	15 156 235
Transfers and subsidies			
Transfers and subsidies	6	1 916 452	1 890 679
Total transfers and subsidies		1 916 452	1 890 679
Expenditure for capital assets			
Tangible assets	7	937 430	434 426
Total expenditure for capital assets		937 430	434 426
TOTAL EXPENDITURE		19 119 017	17 481 340
SURPLUS/(DEFICIT) FOR THE YEAR		186 023	207 457
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds			
Annual appropriation		132 235	136 622
Conditional grants		44 128	70 835
		-	-
Departmental revenue and NRF Receipts	13	9 660	-
SURPLUS/(DEFICIT) FOR THE YEAR		186 023	207 457

NORTH WEST: EDUCATION

Statement of Financial Position

	2021/22 R'000	2020/21 R'000
ASSETS		
Current Assets	199 573	303 431
Unauthorised expenditure	8 705	8 705
Cash an cash equivalents	89 572	-
Prepayments and advances	-	205 164
Receivables	101 296	89 562
	199 573	303 431
TOTAL ASSETS	199 573	303 431
LIABILITIES		
Current Liabilities	199 573	303 431
Voted funds to be surrendered to the Revenue Fund	176 363	207 457
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	11 202	1 710
Bank overdraft	-	82 624
Payables	12 008	11 640
	199 573	303 431
TOTAL LIABILITIES	199 573	303 431

Note

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Departmental revenue and NRF Receipts to be surrendered to the

Revenue Fund

Bank overdraft

Payables

NORTH WEST: EDUCATION

Cash Flow Statement

	2021/22 R'000	2020/21 R'000
	19 329 002	17 707 239
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Annual appropriated funds received	19 295 380	17 688 797
Departmental revenue received	33 622	18 442
	<u>1.1</u>	
	<u>2</u>	
Net (increase)/ decrease in working capital	193 798	55 734
Surrendered to Revenue Fund	-231 587	-489 831
Current payments	-16 264 995	-15 155 991
Interest paid	-140	-244
Transfers and subsidies paid	-1 916 452	-1 890 679
Net cash flow available from operating activities	1 109 626	226 228
	<u>16</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	-937 430	-434 426
Net cash flows from investing activities	-937 430	-434 426
Net increase/ (decrease) in cash and cash equivalents	172 196	-208 198
Cash and cash equivalents at beginning of period	-82 624	125 574
Unrealised gains and losses within cash and cash equivalents	-	-
Cash and cash equivalents at end of period	89 572	-82 624
	<u>17</u>	



NORTH WEST: EDUCATION

Notes to the Annual Financial Statements

1

1,1 Annual Appropriation	2021/22			2020/21		
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000	Funds not requested/ not received R'000
Programmes						
1 ADMINISTRATION	934 017	934 017	-	861 710	861 710	-
2 PUBLIC ORDINARY SCHOOL EDUCATION	14 482 898	14 482 898	-	13 356 953	13 356 953	-
3 INDEPENDENT SCHOOL SUBSIDIES	39 194	39 194	-	35 076	35 076	-
4 PUBLIC SPECIAL SCHOOL EDUCATION	789 311	789 311	-	734 702	734 702	-
5 EARLY CHILDHOOD DEVELOPMENT	671 090	671 090	-	634 356	634 356	-
6 INFRASTRUCTURE DEVELOPMENT	1 192 807	1 192 807	-	894 785	894 785	-
7 EXAMINATION AND EDUCATION RELATED SERVICES	1 186 063	1 186 063	-	1 171 215	1 171 215	-
Total	19 295 380	19 295 380	-	17 688 797	17 688 797	-

Provide an explanation for funds not requested/not received

1,2 Conditional grants**	2021/22	2020/21
	Note	R'000
Total grants received	47	1 485 919
2 Departmental Revenue		
Sales of goods and services other than capital assets		
Transactions in financial assets and liabilities	3.1	15 223
Total revenue collected	3.5	18 399
Less: Own revenue included in appropriation	19	33 622
Departmental revenue collected		23 962
		9 660
		-
		14 732
		3 710
		18 442
		18 442
		-
		14 721
		14 721
		11
		14 732
2,1 Sales of goods and services other than capital assets		
Sales of goods and services produced by the department		
Other sales	3	15 213
Sales of scrap, waste and other used current goods		10
Total		15 223

	2021/22 R'000	2020/21 R'000
2.2 Transactions in financial assets and liabilities		
State cheques written back	-	2
Other Receipts including Recoverable Revenue	18 399	3 708
Total	18 399	3 710

Note
3

	2021/22 R'000	2020/21 R'000
3 Compensation of Employees		
3.1 Salaries and wages		
Basic salary	10 310 897	10 071 900
Performance award	14 468	12 057
Service Based	14 904	17 508
Compensative/circumstantial	211 616	226 063
Periodic payments	32 031	26 988
Other non-pensionable allowances	1 862 011	1 311 871
Total	12 445 927	11 666 387

Note

	2021/22 R'000	2020/21 R'000
3.2 Social Contributions		
Employer contributions		
Pension	1 315 687	1 274 237
Medical	720 113	662 098
UIF	2 523	145
Bargaining council	1 032	963
Official unions and associations	2 550	2 486
Insurance	93	18
Total	2 041 998	1 939 947
Total compensation of employees	14 487 925	13 606 334

Note

Average number of employees	33 263	32 363
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Expenditure of screeners was reclassified from compensation to goods and services therefore compensation was reduced R203 million

	2021/22 R'000	2020/21 R'000
4 Goods and services		
Administrative fees	125	472
Advertising	1 966	3 306
Minor assets	22 622	74 189
	4.1	



Bursaries (employees)		5 644	6 724
Catering		29 888	15 107
Communication		15 509	15 271
Computer services		20 092	9 240
Consultants: Business and advisory services	4.2	43 036	24 317
Legal services		8 073	11 047
Contractors		818	1 800
Agency and support / outsourced services		261 200	203 717
Audit cost – external	4.3	14 194	20 236
Fleet services		24 947	30 886
Inventory	4.4	793 046	656 461
Consumables	4.5	48 854	86 596
Operating leases		8 698	8 770
Property payments		221 172	245 806
Rental and hiring	4.6	306	-
Transport provided as part of the departmental activities		17 364	7 677
Travel and subsistence	4.7	63 575	48 442
Venues and facilities		37 026	9 410
Training and development		8 015	2 578
Other operating expenditure	4.8	130 900	67 605
Total		1 777 070	1 549 657

Expenditure of screeners was reclassified from compensation to goods and services therefore goods was increased by R203 million

	Note	2021/22 R'000	2020/21 R'000
4.1 Minor assets			
Tangible assets	4	22 622	74 189
Machinery and equipment		22 622	74 189
Total		22 622	74 189
4.2 Computer services			
SITA computer services	4	2 982	3 328
External computer service providers		17 110	5 912
Total		20 092	9 240
4.3 Audit cost – external			
Regularity audits	4	14 194	20 236
Total		14 194	20 236

	Note	2021/22 R'000	2020/21 R'000
4.4 Inventory	4		
Clothing material and accessories		-	250
Learning and teaching support material		538 091	550 051
Materials and supplies		1 627	7 801
Medical supplies		156 361	47 788
Other supplies	4.4.1	96 967	50 571
Total		793 046	656 461
4.4.1 Other Supplies			
Assets for distribution		96 967	50 571
School furniture		96 016	50 571
Sports and recreation		951	-
Total		96 967	50 571
<i>Include discussion where deemed relevant</i>			
4.5 Consumables	4		
Consumable supplies		7 217	49 502
Uniform and clothing		493	-
Household supplies		5 994	49 098
Building material and supplies		-	31
IT consumables		29	373
Other consumables		701	-
Stationery, printing and office supplies		41 637	37 094
Total		48 854	86 596
<i>Include discussion where deemed relevant</i>			
4.6 Property payments	4		
Municipal services		8 782	7 321
Property maintenance and repairs		138 084	155 285
Other		74 306	83 200
Total		221 172	245 806
<i>Include discussion where deemed relevant</i>			
4.7 Travel and subsistence	4		
Local		63 574	48 442
Foreign		1	-
Total		63 575	48 442



Include discussion where deemed relevant

	Note	2021/22 R'000	2020/21 R'000
4.8 Other operating expenditure			
Professional bodies, membership and subscription fees	38		39
Resettlement costs	1 081		463
Other	129 781		67 103
Total		130 900	67 605
5 Interest and Rent on Land			
Interest paid		140	244
Total		140	244
6 Transfers and Subsidies			
Departmental agencies and accounts		18 254	17 302
Non-profit institutions		1 794 467	1 780 449
Households		103 731	92 928
Total		1 916 452	1 890 679
7 Expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures	30	937 430	434 426
Machinery and equipment	29	903 036	397 016
		34 394	37 410
Total		937 430	434 426
7.1 Analysis of funds utilised to acquire capital assets - 2021/22			
Tangible assets			
Buildings and other fixed structures		937 430	937 430
Machinery and equipment		903 036	903 036
		34 394	34 394
Total		937 430	937 430
		Voted Funds R'000	TOTAL R'000
		937 430	937 430
		903 036	903 036
		34 394	34 394
		-	-
		937 430	937 430
		Aid assistance R'000	TOTAL R'000
		-	937 430
		-	903 036
		-	34 394
		-	-
		937 430	937 430

7.2 Analysis of funds utilised to acquire capital assets - 2020/21

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	434 426	-	434 426
Buildings and other fixed structures	397 016	-	397 016
Machinery and equipment	37 410	-	37 410
Total	434 426	-	434 426

8 Unauthorised Expenditure
8.1 Reconciliation of unauthorised expenditure

	2021/22 R'000	2020/21 R'000
Opening balance	8 705	8 705
As restated	8 705	8 705
Closing balance	8 705	8 705

8.2 Analysis of closing balance
Unauthorised expenditure awaiting authorisation

	2021/22 R'000	2020/21 R'000
Unauthorised expenditure awaiting authorisation	8 705	8 705
Total	8 705	8 705

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2021/22 R'000	2020/21 R'000
Current	8 705	8 705
Total	8 705	8 705

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2021/22 R'000	2020/21 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within the vote	8 705	8 705
Total	8 705	8 705

9 Cash and Cash Equivalents
Consolidated Paymaster General Account

	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General Account	89 572	-
Total	89 572	-

10 Prepayments and Advances
Prepayments (Not expensed)

	2021/22 R'000	2020/21 R'000
Prepayments (Not expensed)	-	49 771



14	Bank Overdraft				
	Consolidated Paymaster General Account	-		82 624	
	Total	-		82 624	
15	Payables - current				
	Clearing accounts	2021/22	2020/21		
		R'000	R'000		
		12 008	11 640		
	Total	12 008	11 640		
	Note				
	15.1				
15.1	Clearing accounts				
	(Identify major categories, but list material amounts)				
	SAL:ACB RECALLS:CA	7 251	6 843		
	SAL:BARGAINING COUNCILS:CL	25	25		
	PAYBLE:ADV:P/DEPT:NW ADV ACC:CL	155	175		
	SAL:GEHS FUNDS	2 242	1 749		
	SAL:INCOME TAX:CL	2 203	2 685		
	SAL:OFFICIAL UNIONS:CL	4	4		
	SAL:PENSION FUND:CL & SAL:UJIF:CL	47	102		
	SAL:UJIF:CL	2	-		
	SAL : FINANCE OTHER INSTITUTIONS:CL	79	57		
	Total	12 008	11 640		
16	Net cash flow available from operating activities				
	Net surplus/(deficit) as per Statement of Financial Performance	2021/22	2020/21		
		R'000	R'000		
	Add back non cash/cash movements not deemed operating activities	186 023	207 457		
	(Increase)/decrease in receivables	923 603	18 771		
	(Increase)/decrease in prepayments and advances	-11 734	-7 308		
	Increase/(decrease) in payables – current	205 164	64 824		
	Expenditure on capital assets	368	-1 782		
	Surrenders to Revenue Fund	937 430	434 426		
	Own revenue included in appropriation	-231 587	-489 831		
	Net cash flow generated by operating activities	23 962	18 442		
		1 109 626	226 228		
	Note				
	15				
17	Reconciliation of cash and cash equivalents for cash flow purposes				
	Consolidated Paymaster General account	2021/22	2020/21		
		R'000	R'000		
		89 572	-82 624		
	Total	89 572	-82 624		
	Note				

	Note	2021/22 R'000	2020/21 R'000
18 Contingent liabilities and contingent assets			
18.1 Contingent liabilities			
Liable to			
Housing loan guarantees	Annex 2A	71	71
Claims against the department	Annex 2B	241 804	210 695
Total		241 875	210 766
19 Capital commitments			
Buildings and other fixed structures		823 762	756 329
Total		823 762	756 329
20 Accruals and payables not recognised			
20.1 Accruals			
Listed by economic classification			
Goods and services		5 299	11 382
Capital assets		3 285	5 625
Total		8 584	17 007
Listed by programme level			
Administration		4 885	6 522
Public Ordinary Schools		414	4 860
Infrastructure		3 285	5 625
Total		8 584	17 007
20.2 Payables not recognised			
Listed by economic classification			
Goods and services		13 156	6 617
Capital assets		1 536	1 127
Total		14 692	7 744
Listed by programme level			
Administration		10 428	3 330
Public Ordinary Schools		2 728	3 287
Infrastructure		1 536	1 127
Total		14 692	7 744



	Note	2021/22 R'000	2020/21 R'000
21 Employee benefits			
Leave entitlement		162 772	176 908
Service bonus		441 530	433 136
Performance awards		7 234	12 050
Capped leave		674 722	772 813
Other		24 696	20 798
Total		1 310 954	1 415 705

At this stage the department is not able to reliably measure the long term portion of the long service awards.

Included in capped leave is negative 2 960 days amounting to R4,938 million

		Specialise d military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
22 Lease commitments						
22.1 Operating leases						
2021/22						
Not later than 1 year		-	-	-	1 634	1 634
Later than 1 year and not later than 5 years		-	-	-	2 588	2 588
Total lease commitments		-	-	-	4 222	4 222

	Note	2021/22 R'000	2020/21 R'000
23 Irregular expenditure			
23.1 Reconciliation of irregular expenditure			
Opening balance		1 639 480	1 695 000
Prior period error			-64 755
As restated		1 639 480	1 630 245
Add: Irregular expenditure - relating to prior year	23.2	79 679	-
Add: Irregular expenditure - relating to current year	23.2	3 610	9 235
Closing balance		1 722 769	1 639 480
Analysis of closing balance			
Current year		83 289	9 235
Prior years		1 639 480	1 630 245
Total		1 722 769	1 639 480
23.2 Investigation)			
Incident			
Highest scoring bidder not appointed			1 807
3 quotations not obtained			170
Disciplinary steps taken/criminal proceedings			
To be investigated			1 807
To be investigated			170

Extention to approved	To be investigated	75
cost containment contravention	To be investigated	11
Procurement process not followed		1 238
Payments exceeding contract value		79 988
Total		83 289

23.3 Prior period error	Note	2020/21
Nature of prior period error		R'000
Relating to 2015/2016 to 2019/20 incorrectly classified as irregular expenditure		-64 755
Total		-64 755

24 Fruitless and wasteful expenditure	2021/22	2020/21
	R'000	R'000
24.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	4 017	3 773
Fruitless and wasteful expenditure – relating to current year	140	244
Closing balance	4 157	4 017

24.2 and investigation)	2021/22
	R'000
Incident	Disciplinary steps taken/criminal proceedings
Interest paid on overdue accounts	To be investigated
Total	140

25 Related party transactions	Note	2021/22	2020/21
		R'000	R'000
In kind goods and services provided/received			
<i>List in kind goods and services between department and related party</i>			
The department occupies a building owned by department of public works roads		-	-
provided free of charge. Furthermore, all North West		-	-
Provincial departments, trading entities, schedule 3C and 3D public entities as well as		-	-
the provincial legislature, in the provincial sphere of government are a related party to the		-	-
department.		-	-
The Cabinet resolved to invoke section 100(1)(b) of the Constitution on 23 May 2018 at		-	-
the department, together with interventions at other provincial departments. In this regard		-	-
an Inter-Ministerial Task Team (IMTT) was established constituted of several ministers to		-	-
address the challenges facing the province. Each relevant minister was also mandated to		-	-

Development from 1 April 2022 and the cost is not known

Total

-

29 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	adjustments R'000	Value Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	145 081	-	34 394	14 838	164 637
Transport assets	25 755	15 096		189	40 662
Computer equipment	59 929	13 029		9 469	63 489
Furniture and office equipment	55 302	1 192		302	56 192
Other machinery and equipment	4 096	5 077		4 878	4 295
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	145 081	-	34 394	14 838	164 637

29.1 Movement for 2020/21

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	123 984	11	37 411	16 325	145 081
Transport assets	12 131	-	23 189	9 565	25 755
Computer equipment	54 811	-	9 443	4 325	59 929
Furniture and office equipment	53 865	11	1 426	-	55 302
Other machinery and equipment	3 178	-	3 353	2 435	4 096
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	123 984	11	37 411	16 325	145 081

29.1.1 Prior period error

Nature of prior period error

Note

2020/21
R'000

11
11
11

Asset fair value was not implemented in previous financial year and therefore the opening balance was increased by R11

Total

29.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000



Opening balance	-	-	-	24 324	24 324
Value adjustments	-	-	-	-	-
Additions	-	-	-	22 626	22 626
Disposals	-	-	-	22 009	22 009
TOTAL MINOR ASSETS	-	-	-	24 941	24 941

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	17 795	-	17 795
Number of minor assets at cost	-	-	-	18 416	-	18 416
TOTAL NUMBER OF MINOR ASSETS	-	-	-	36 211	-	36 211

Minor assets
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	23 948	-	23 948
Additions	-	-	-	74 189	-	74 189
Disposals	-	-	-	73 813	-	73 813
TOTAL MINOR ASSETS	-	-	-	24 324	-	24 324

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	2	-	2
Number of minor assets at cost	-	-	-	18 195	-	18 195
TOTAL NUMBER OF MINOR ASSETS	-	-	-	18 197	-	18 197

30
Immovable Tangible Capital Assets
MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3 909 921	275 910	-	4 185 831
Non-residential buildings	<u>3 909 921</u>	<u>275 910</u>	<u>-</u>	<u>4 185 831</u>
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	<u>3 909 921</u>	<u>275 910</u>	<u>-</u>	<u>4 185 831</u>

30.1
Movement for 2020/21
MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
2 538 130	744 564	1 065 191	437 964	3 909 921
2 538 130	744 564	1 065 191	437 964	3 909 921
2 538 130	744 564	1 065 191	437 964	3 909 921

2020/21 R'000

744 564
744 564
744 564

Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
2 538 130	744 564	1 065 191	437 964	3 909 921
2 538 130	744 564	1 065 191	437 964	3 909 921
2 538 130	744 564	1 065 191	437 964	3 909 921

Note

BUILDINGS AND OTHER FIXED STRUCTURES
Non-residential buildings

TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS

30.1.1 Prior period error

- Nature of prior period error
- Relating to 2020/X21 (affecting the opening balance)
- Addition of omitted completed immovable assets
- Total**

30.2 Capital Work-in-progress
CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

Note	Opening Balance 1 April 2021 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2022 R'000
Annexure I	873 531	188 315	154 397	907 449
	873 531	188 315	154 397	907 449
TOTAL				

Include discussion here where deemed relevant

Payables not recognised relating to Capital WIP
therefore not included in capital work-in-progress

2020/21 R'000	3 945
	3 945

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

Note	Opening Balance R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2021 R'000
Annexure I	2 853 493	-1 302 003	387 232	1 065 191	873 531
	2 853 493	-1 302 003	387 232	1 065 191	873 531
TOTAL					

d Facilities on right to use land
Schools

Number 854

Number 949

Annexure 9

31 Principal-agent arrangements

31.1	Department acting as the principal	2021/22	2020/21
	IDT	R'000	R'000
	DBSA	274	403
	Total	15 360	2 315
		15 634	2 718

The department procures from the sita tenders but no fees are paid to the Department of Public works implements some schools on our behalf and to fees is paid to them. IDT charges a fee of 3% on cost of a project. DBSA is implementing projects on behalf of the department and is

There will be no termination cost on termination of the principal agent and the retention will be disclosed in the departments books as it is due.

For the above mentioned agents the assets held by them a bank accounts held by the agent and disclosed in there books.

32	Prior period errors	2020/21		Restated amount
	Note	Amount bef error correction	Prior period error	R'000
32.1	Correction of prior period errors assistance, etc.)			
	IRREGULAR EXPENDITURE	23	-64 755	1 630 245
	MOVABLE ASSETS	29	-11	123 973
	IMMOVABLE ASSETS	30.1	744 564	3 909 921
	WIP	30.2	-1 302 003	873 531
	COMMITMENTS	19	47 748	756 329
	Net effect	7 868 456	-574 457	7 293 999

INVENTORIES

33

33.1 Inventories for the year ended 31 March 2022

	TABLETS	MOBILE CLASSROOMS	PPE	ASSISTIVE DEVICES	Total
Note	R'000	R'000	R'000	R'000	R'000
Annexure 3					
Opening balance	-	-	-	-	-
Add: Additions/Purchases - Cash	3 505	224 568	134 374	55 215	417 662
Closing balance	3 505	224 568	134 374	55 215	417 662

NORTH WEST: EDUCATION
Notes to the Annual Financial Statements

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STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT			2020/21		
	Division of Revenue Act/Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	Under / (overspending) R'000	% of available funds spent by dept %	Division of Revenue Act R'000	Amount spent by department R'000
Education Infrastructure Grant	1 158 484	32 321	-	-	1 190 805	1 190 805	1 190 123	682	100%	892 750	856 429
HIV and Aids (Life Skills Education) Grant	15 909	-	-	-	15 909	15 909	14 782	1 127	93%	12 734	12 723
Learners with Profound Intellectual Disabilities Grant	18 317	1 210	-	-	19 527	19 527	20 976	-1 449	107%	19 079	15 634
Maths, Science and Technology Grant	40 521	1 071	-	-	41 592	41 592	38 747	2 845	93%	35 702	32 679
National School Nutrition Programme Grant	545 755	1 927	-	-	547 682	547 682	506 708	40 974	93%	516 114	488 139
Expanded Public Works Programme Integrated Grant for Provinces - Education And Sports Development	2 002	-	-	-	2 002	2 002	2 065	-63	103%	2 035	2 035
Social Sector Expanded Public Works Programme Incentive Grant for Provinces - Education And Sports Development	4 591	-	-	-	4 591	4 591	4 579	12	100%	7 505	7 445
	1 785 579	36 529	-	-	1 822 108	1 822 108	1 777 980	44 128		1 485 919	1 415 084



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Notes to the Annual Financial Statements

35 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

	2021/22 R'000	2020/21 R'000
36 COVID 19 Response Expenditure		
Compensation of employees	-	-
Goods and services	417 226	251 242
Transfers and subsidies	-	8 615
Total	<u>417 226</u>	<u>259 857</u>

Note
ANNEXURE 5

Expenditure of screeners was reclassified from compensation to goods and services therefore compensation was reduced by R203 million and goods and services was increased by R203 million.

NORTH WEST: EDUCATION

Annexures to the Annual Financial Statements

ANNEXURE 1A STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2020/21 Final Appropriation
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	R'000
SKILLS DEVELOPMENT LEVY	18 254			18 254	18 254	100%
Total	18 254	-	-	18 254	18 254	17 302



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Annexures to the Annual Financial Statements

ANNEXURE 1B STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION 2021/22						EXPENDITURE		2020/21
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation		
	R'000	R'000	R'000	R'000	R'000	%	R'000		
Transfers									
SECT-21 SCHOOLS: NSNP	529 722	-	-	529 722	499 260	94%	479 120		
MEGA FARM SCHOOLS	70 045	-	-	70 045	56 166	80%	59 258		
PUBLIC ORDINARY SCHOOLS									
SECTION 21	584 801	-	-	584 801	579 223	99%	548 530		
MATHS & SCIENCE GRANT	5 500	-	-	5 500	5 500	100%	2 500		
INDEPENDENT SCHOOLS	39 194	-	-	39 194	39 120	100%	35 071		
PUBLIC SPECIAL SCHOOLS	175 649	-	-	175 649	175 091	100%	165 983		
EARLY CHILDHOOD DEVELOPMENT	52 406	-	-	52 406	47 560	91%	50 838		
SPECIAL PROJECTS	383 973	11 486	-	395 459	392 547	99%	430 535		
COVID -19 RESPONSE	-	-	-	-	-	-	8 615		
Total	1 841 290	11 486	-	1 852 776	1 794 467		1 780 449		

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Annexures to the Annual Financial Statements

ANNEXURE 1C STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2020/21 Final Appropriation R'000	
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer		% of Available funds transferred
	R'000	R'000	R'000	R'000	R'000		%
Transfers							
H/H EMPL S/BEN:INJURY ON DUTY	410	-	-	410	410	100%	
H/H EMPL S/BEN:LEAVE GRATUITY	80 780	-	-	80 780	103 211	128%	
H/H:DONATIONS&GIFTS(CASH)	110	-	-	110	110	100%	
Total	81 300	-	-	81 300	103 731	92 928	



NORTH WEST: EDUCATION
Annexures to the Annual Financial Statements

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guarantee interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
SA HOME LOANS (PTY) LTD	Housing	-	71	-	-	-	71	-	-
	Total	-	71	-	-	-	71	-	-

NORTH WEST: EDUCATION

Annexures to the Annual Financial Statements

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

NATURE OF LIABILITY	Opening balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Assault on a learner	20 000	1 420	-	-	21 420
Learner injured at school	84 507	14 070	1 050	-	97 527
Non-payment of suppliers	45 410	10 679	-	-	56 089
Other	60 778	6 280	290	-	66 768
TOTAL	210 695	32 449	1 340	-	241 804

