

Eastern Cape Department of Education

# Strategic Plan Evaluation: Annual Performance Plan 2008 - 2011

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Lwandile Fumba

Monitoring and Research Programme, Public Service Accountability Monitor

For more information contact the PSAM, [psam-admin@ru.ac.za](mailto:psam-admin@ru.ac.za)

Tel: (046) 603 8358, Fax: (046) 622 7215

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## **Key Findings and Recommendations**

**FINDING:** The Department's Annual Performance Plan for 2008/09 is somewhat deficient in articulating some of the priority areas during the life period of the plan. However, budget trends between 2004/05 and 2010/11 show Further Education and Training (FET) and Early Childhood Development (ECD) as the main priority areas emerging in the 2005/06 – 2009/10 Five-Year Strategic Plan. This is evidence of coherence between the Department's stated priorities and the budget over the medium to long term period.

**RECOMMENDATION:** Such positive trends should also be accompanied by a track record of achievements made in meeting the medium to long term goals. In addition, the short term priorities should be coherent with the medium to long term ones.

**FINDING:** The Annual Performance Plan has once again failed to link its strategic objectives to its overall achievements. Instead, the Department has listed these achievements per programme without linking them to strategic objectives.

**RECOMMENDATION:** Upon reflection of achievements, there needs to be a review of the Department's progress in achieving its strategic objectives and also how far it has progressed in achieving the Department's strategic goals. The current Annual Performance Plan should have given a mid term report, similar to an update of the Five-Year Plan documenting progress made so far. Progress made should be linked to strategic objectives.

**FINDING:** Activities and performance measures listed to address the Auditor-General's queries are not clearly articulated and fail to indicate what the queries are and how the Department plans to deal with each query. None of the activities correlate with the Department's plans to address areas that need improvement as identified by the Auditor-General.

**RECOMMENDATION:** It is important that, for each query raised by the Auditor-General, the Plan spells out detailed plans with time frames and activities for action to be taken by the Department. It is important for both the Department and oversight bodies to reflect – and also to monitor regularly – progress that the Department is making in addressing its problems.

**FINDING:** There is no evidence in the Annual Performance Plan showing how the Department consulted with stakeholders, both internally and externally, when drafting it.

**RECOMMENDATION:** The Department should state in the Plan how it consulted with these key agents in its mandate, and account for its impact upon their planning. Given that internal and external stakeholders have a major input to make in the drafting of the Annual Performance Plan, it is imperative that a record of how the process took place is included in the Plan.

**FINDING:** The Annual Performance Plan provides a detailed narrative of the Department's capital expenditure and maintenance plan, but its narrative does not state what infrastructure projects will be undertaken by the Department in the current financial year.

**RECOMMENDATION:** The Department must include this information in its Annual Performance Plan. In the absence of costed activities and time frames for the completion of these projects, it is virtually impossible to monitor the Department's performance in this regard and oversight bodies are constrained in their role.

**FINDING:** The Annual Performance Plan does not give any details of bodies responsible for the provision of infrastructure. However, according to the Department's infrastructure delivery plan for 2008/09, the following are some of the implementing agents responsible for schools infrastructure provision: Independent Development Trust (IDT), Coega Development Corporation (CDC) and Expanded Public Works Programme (Public Works).

**RECOMMENDATION:** Such information should be available in the Annual Performance Plan, given that it is public document tabled in the Legislature. In addition, the Department is required to provide this information in the Annual Performance Plan.

**FINDING:** The Plan does not indicate the source of the Department's revenue, nor how it will be collected, despite the Auditor-General having noted that the Department did not have "an approved policy and procedure framework for revenue collection".

**RECOMMENDATION:** If the Department has clear plans for revenue collection, those should be stated in the Annual Performance Plan. They should also include targets and activities.

**FINDING:** The Annual Performance Plan's report of constraints relating to the School Nutrition Programme (SNP) are similar to those reported in the Department's monthly plans for the 2006/07 and the 2007/08 financial years. This is a strong indication that the Department has yet to make progress in addressing the problems besetting this programme. Furthermore, the plan fails to state objectives, plans and activities linked to budgetary implications for the Programme's partnerships. This is likely to impact negatively on the

implementation of the new feeding model and also limits the capacity of oversight bodies to fulfil their functions.

**RECOMMENDATION:** The Department is obliged to provide information on how the new SNP model will be implemented. The Annual Performance Plan should at least provide an overview with important milestones relating to the Programme. Preferably, however, the APP should spell out precisely how this new model will be implemented,

**FINDING:** The Annual Performance Plan has no information at all relating to the FET grant within Sub-programme 6 of the FET Programme. The only reference to FET in the entire Operational Plan provides scant detail on the conditional grant.

**RECOMMENDATION:** An in-depth narrative in the Annual Performance Plan would clarify the Department's medium term plans regarding FET colleges. An implementation plan, together with a forward-looking plan, should have been included in the Annual Performance Plan.

**FINDING:** Despite reports of partnerships with other departments (Agriculture, Health, Economic Development, Public Works), none of the measurable objectives, performance measures and activities included in the Annual Performance Plan and the Operational Plan indicate how the Department will collaborate with these departments, either practically or financially. There are also no details in any of the plans of those bodies responsible for the provision of infrastructure.

**RECOMMENDATION:** Where service delivery is a joint responsibility with another department, the Department should state exactly what the respective responsibilities are and what mechanisms have been put in place to ensure effective co-ordination with other departments. This enables the Department to monitor, report and be held accountable for its part of any agreement, particularly in respect of budget.

## **Theme 1: Policy priorities and strategic objectives**

### **Requirements**

- Government departments prioritise plans to address the most pressing social needs of those dependent on public services and to respond to political priorities set by the government of the day. These policy priorities should be informed by constitutional commitments to address people's rights and should form guiding principles for planning. Policy priorities should be articulated by the executive authority responsible for the Department as he/she is ultimately accountable for the implementation of policy priorities and, therefore, the Department's planning.<sup>1</sup>
- Each year, the Department's strategic plan should set out any changes to the Department's strategic direction due to policy or programme shifts. This is to ensure that the Department is held accountable for its performance in relation to its new policy priorities/strategic direction. By identifying the most important performance targets, the administrative head of the Department undertakes to achieve these targets and makes him/herself accountable for doing so.<sup>2</sup>
- Strategic plans must be integrated into macro planning frameworks in order for departments to give effect to national and sub-national policy priorities, as well as the realisation of international undertakings (such as the UN Millennium Development Goals). As the site of service delivery, it is critical for sub-national strategic plans to be aligned with both broader and narrower planning frameworks if such frameworks are to be implemented.<sup>3</sup>
- Strategic objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy

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<sup>1</sup> The executive authority of the department should set out clearly at the beginning of the Annual Performance Plan what outputs the department is required to deliver given its budget for the upcoming financial year in pursuit of its overall goals and objectives as set out in its Five-year Strategic and Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, "Foreword", p. 60. See also *Public Service Regulations*, 2001, as amended, regulation B1(a).

<sup>2</sup> In the Annual Performance Plan, the Department's accounting officer should give an executive summary of any significant shifts in policy or programmes that have taken place over the past year that alter the direction of the Five-year Strategic and Performance Plan. The Accounting Officer should also identify the most important performance targets as set out in the Annual Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part A.1 "Overview", p. 64. See also *Treasury Regulations*, 2005, regulation 5.2.2(c).

<sup>3</sup> The department should provide details of any change to its strategic direction as set out in its Five-year Strategic and Performance Plan. This should indicate which factors made any changes necessary, and how these changes will impact on the department's strategic goals and objectives. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part A.2 "Strategic Plan Update Analysis", p. 64. According to the South African Constitution, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole". In addition, all spheres of government must "cooperate with one another" by, amongst other things, coordinating their actions. *South African Constitution*, Chapter 3, Section 41(1)(c) and (h)(iv). See also *Treasury Regulations*, 2005, regulation 5.2.2(b).

priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan in order to evaluate the Department's plans to progressively realise citizens' rights within available resources.

- For the Department to achieve its strategic goals, there must be a direct correlation between these goals and its objectives. In other words, if the Department achieved each objective, it should have achieved its strategic goals. Any disjuncture between goals and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.<sup>4</sup>
- One-year plans must be integrated into longer-term planning frameworks to give effect to long-term strategic goals. There should therefore be a clear relationship between a Department's one-year plan and the corresponding year in multi-year plans if longer-term goals are to be achieved.

## Findings

The Eastern Cape Education Department's 2008/09 – 2010/11 Annual Performance Plan identifies, in the MEC's foreword, various priorities across national, provincial and departmental areas. Nationally, specific priority areas include Further Education and Training colleges, the School Nutrition Programme (SNP), Early Childhood Development, Adult Basic Education and Training (ABET), HIV/AIDS, resourcing poor schools and monitoring outcomes, implementing a social cohesion campaign (National Curriculum Statement) and regularising employment and key performance areas at designated levels.<sup>5</sup> The MEC has combined provincial priorities with the Department's priorities. The following were highlighted as key outputs for the 2008/09 financial year by the MEC:

- Eradicate mud-structured schools, mainly in the eastern half of the province, and other unsafe structures as part of the broader infrastructure development programme;<sup>6</sup>
- Increase the number of learners benefiting from scholar transport;
- Learner attainment improvement strategy, from Grades R to 12 including matriculants who failed in 2007;
- Fill vacancies including appointing 932 maths and 679 science teachers; and
- Audit Intervention Plan.<sup>7</sup>

The overview by the Accounting Officer also identifies a number of departmental priority areas including the following:

- No-fee schools;
- Mud structures;
- Scholar transport;
- Learner Attainment Improvement Strategy (LAIS);

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<sup>4</sup> *Public Service Regulations*, 2001, Chapter 1, Part III, Regulation, B.1(b).

<sup>5</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 1.

<sup>6</sup> The MEC's deadline of 2008/09 for the eradication of mud structures as stated in his 2008/09 policy speech is different from the one stated in the 2008/09 Annual Performance Plan. According to the Department's service standards mud structures will be eliminated by 2010 (see page 14 of the 2008/09 Annual Performance Plan).

<sup>7</sup> *Ibid.*

- Occupational Specific Dispensation (OSD);
- Learner Teacher Support Material (LTSM);
- Public Special Schools;
- Further Education and Training (FET);
- Adult Basic Education and Training (ABET); and
- HIV/AIDS.<sup>8</sup>

While the Department's Annual Performance Plan for 2008/09 is deficient in articulating some of the priority areas during the life period of the plan, there appears to be a degree of coherence in the Department's short, medium and long term planning.<sup>9</sup> Budget trends between 2004/05 and 2010/11 (as shown in Graph 1 below) indicate that Further Education and Training (FET) and Early Childhood Development (ECD) remain priority areas as indicated in the Five-Year Strategic Plan.<sup>10</sup>

The current Five-Year Plan was updated in 2006 and thus provided an update of changes after consultation with stakeholders in 2005.<sup>11</sup> The 2007/08 Annual Performance Plan listed the following five areas that needed to be updated in the Five-Year Plan:

- Enduring issues and priorities over the planned period;
- Changes in measurable objectives;
- Linkages to PGDP and Social Needs Cluster priorities;
- Fuller accommodation of initiatives and issues within programmes and sub-programmes; and
- Adjustments in the allocation of responsibilities to Chief Directorates, Directorates and Districts.<sup>12</sup>

The strategic plan update contained in the current Annual Performance Plan does not document any changes that have taken place between 2007/08 and 2008/09 which have affected the Department's strategic direction. In its strategic plan update, the 2008/09 Annual Performance Plan states only that it will outline actions to be taken in the current financial year and the two outer years, and progressively achieve the full implementation of the Five-Year Plan.<sup>13</sup>

The Department's strategic objectives, as outlined in the Annual Performance Plan, have remained consistent with the long term goals as indicated in the Five-Year Plan, the Annual Performance Plan and the Operational Plan. The Department has nine strategic goals, each of which has its own strategic objectives.<sup>14</sup> These are outlined per programme and directorate

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<sup>8</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09, pp. 3-4. The Annual Performance Plan also lists district priorities. However, these appear to be challenges faced by the Department as opposed to priorities. See p. 15.

<sup>9</sup> No mention is made in the Annual Performance Plan of the Occupational Specific Dispensation, in the main programme (Public Ordinary Schools) yet this is an area that has been identified nationally as a priority for public ordinary schools. The Department has no costed plan with time frames on how the Department will provide infrastructure for ECD in the next MTEF period, thus failing to link these priorities with the short term and the longer term objectives.

<sup>10</sup> Eastern Cape Department of Education, Five Year Strategic Plan, 2005/06 to 2009/10, p. 9.

<sup>11</sup> Eastern Cape Department of Education, Five Year Strategic Plan, 2005/06 to 2009/10, p. 18.

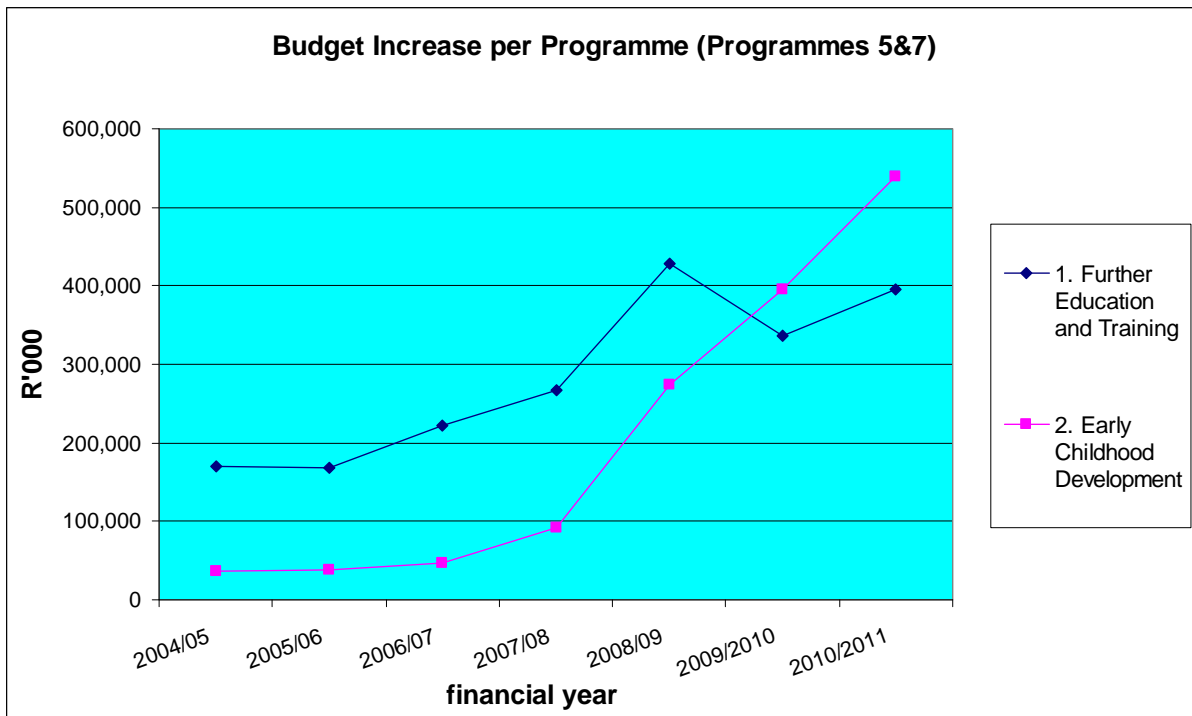
<sup>12</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 5.

<sup>13</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09, p.11.

<sup>14</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09, pp. 21-23, Eastern Cape Department of Education, Five Year Strategic Plan, 2005/06 to 2009/10, pp. 13-15, Eastern Cape Department of Education, Operational Plan, 2008/09,

in the Annual Performance Plan. The Operational Plan links the strategic goals and objectives to departmental directorates and also identifies a responsible official for each strategic goal and objective at the beginning of each section of the Plan. Unlike the Annual Performance Plan, the Operational Plan does not link strategic objectives to programmes and sub-programmes. Establishing these links could strengthen the presentation of the implementation plan both for the Department's own oversight purposes as well as an evaluation of achievement per programme by the Department's stakeholders.

Graph 1



## **Theme 2: Performance and monitoring**

### **Requirements**

- By indicating both progress and what still needs to be done to meet the objectives for each programme, oversight bodies and citizens are able to evaluate the Department's planned programme objectives for the upcoming financial year in light of (a) the Department's past performance and (b) what the Department still needs to do to accomplish its strategic objectives for each programme.<sup>15</sup>

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<sup>15</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 3, p. 65. See also *Treasury Regulations*, 2005, regulation, 5.2.2(d)

- Departments should ensure that the socio-economic rights of those they serve are progressively realised. It is important that the Department identify in its strategic plans specific measures it will take in order to improve the quality of service delivery, including improved access to services, improved standards and improved service delivery systems. This is particularly important for departments that did not meet their strategic objectives in previous financial years, or did not meet satisfactory service standards.<sup>16</sup>
- Performance targets for each strategic objective must be included in the Department's strategic plan. These targets must be measurable and observable in order for the Department and oversight bodies to monitor the Department's performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.<sup>17</sup>
- To address weaknesses identified by the Auditor-General, the Department must include a detailed strategy to address queries raised in previous financial years. The human and financial resources necessary to give effect to this strategy should also be included in the strategic plan.<sup>18</sup>
- For the Department to achieve its strategic objectives, there must be a direct correlation between these objectives and its planned activities. In other words, if the Department achieved each activity, it should have achieved its strategic objectives. Any disjuncture between activities and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.<sup>19</sup>
- To monitor the implementation of its strategic plan, the Department must ensure that planned activities are specific enough to know when they have been completed. Activities must also have in-year time-frames; this enables the Department to monitor progress in implementing activities and to introduce in-year corrective measures where problems occur. In addition, activities must be individually costed in order to ensure accurate expenditure tracking. Specific, time-bound and costed activities are necessary for expenditure tracking and performance monitoring, as well as risk management and accurate reporting.
- Performance targets for each strategic objective and activity must be included in the Department's strategic plan. These targets must be measurable and observable in order for the Department and oversight bodies to monitor the Department's performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.<sup>20</sup>

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<sup>16</sup> *Public Service Regulations*, 2001, Chapter 1, Part III, Regulation C.1 (a) – (f).

<sup>17</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section Four, Part B, 3.5.5. See also *Treasury Regulations*, 2005, regulation 5.2.2(d).

<sup>18</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 8.1 and 8.2, p. 72.

<sup>19</sup> *Public Service Regulations* of 2001, Chapter 1, Part III B(1)(b).

<sup>20</sup> *Treasury Regulations*, 2005, 5.2.3(d).



- To ensure that strategic objectives are realised, departments should assign responsible officials to strategic objectives. Performance agreements entered into by public officials should correspond to the relevant department's strategic plan. For Department officials to be held accountable for their performance during a particular financial year, it is imperative that the strategic plan identifies an official responsible for each strategic objective.<sup>21</sup>

## Findings

The Department's achievements must be linked to strategic objectives. Any achievement in this regard would therefore mean that the Department is a step closer to realising its strategic objectives. The Annual Performance Plan has once again failed to link its strategic objectives to its overall achievements. Instead the Department has listed these achievements per programme without linking them to strategic objectives.<sup>22</sup>

Three of the Department's achievements in Programme 1 (Administration), relate to strategic objective 2 of strategic goal 7. This strategic objective is as follows:

closely manage appointment of additional staff so that resources can be freed up for non-personnel expenditure intended to improve quality and service delivery meeting nationally set targets for personnel: non-personnel expenditure.<sup>23</sup>

In its achievements, the Department reports that 957 vacant funded posts both at head office and district levels were filled including Education Management Information Systems (EMIS) staff in seven districts.<sup>24</sup> In addition, 150 administrative support staff posts in schools were provided and 202 unemployed graduates were appointed in critical areas.<sup>25</sup> These achievements clearly link with the strategic objective stated above but the Department has failed to link them to the objectives laid out in the Annual Performance Plan. This then makes it difficult for oversight bodies to assess the Department's progress in achieving its stated objectives.

The lifespan of the current Annual Performance Plan extends beyond that of the Five-Year Strategic Plan. This means that by the end of the 2009/10 financial year, the Department needs to evaluate progress made since the Five-Year Plan was adopted. There needs to be a review of the Department's progress in achieving its strategic objectives and also how far it has progressed in achieving the Department's strategic goals. The current Annual Performance Plan should have given a mid term report, similar to an update of the Five-Year Plan documenting progress made so far.

The Annual Performance Plan has included an implementation plan with strategic goals and objectives for each sub-programme. In addition, the Department has included measurable objectives, performance measures, a summary of quarterly and annual activities as well as a

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<sup>21</sup> Because an accounting officer may delegate responsibilities to an official, in terms of section 44(1)(a) and 2(c) of the PFMA, it is important that the strategic plan identify all officials responsible for strategic objectives. Any official who wilfully or negligently fails to exercise the power or perform the duty delegated to him/her commits an act of financial misconduct in terms of section 81(2) of the PFMA.

<sup>22</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, pp 25-30.

<sup>23</sup> Eastern Cape Department of Education, Five-Year Strategic Plan, 2005/06-2009/10, p. 14.

<sup>24</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 25.

<sup>25</sup> Ibid.

breakdown of annual targets per quarter. There are, however, considerably fewer measurable objectives included in the current Annual Performance Plan when compared with the 2007/08 Annual Performance Plan.<sup>26</sup>

In some sub-programmes, the Annual Performance Plan is woefully vague in linking what needs to be undertaken to ensure the attainment of objectives. For example, Sub-Programme 1.2 (corporate services) has identified as a priority, in its implementation plan, infrastructure improvement to remove mud and inadequate structures.<sup>27</sup> The measurable objectives, performance measures and activities do not include detailed information regarding the establishment and the completion of infrastructure projects. There is no indication of how many completed projects will be set as a performance indicator during the year or at the end of the financial year or the number of learners learning under a safe structure. Instead, the Department's measurable objective is "*adherence to all service delivery contracts and any other agreement Department of Education has for infrastructure development*".<sup>28</sup> This objective lacks sufficient detail and nowhere within this section is there an indication of how the Department's activities will result in the completion of all projects meant to remove mud structures.

Within the same sub-programme (Corporate Services), activities and performance measures listed to address the Auditor-General's queries are not clearly articulated and fail to indicate what the queries are and how the Department plans to deal with each query.<sup>29</sup> Corporate Services are responsible for dealing with all the queries raised by the Auditor-General in his audit report. None of the activities correlates with the Department's plans to address areas that need improvement as identified by the Auditor-General.<sup>30</sup>

In addition there is no breakdown of a plan of action in the entire Annual Performance Plan of how the Department intends to address the Auditor-General's queries.

In some of the activities, performance measures are not clear in articulating the Department's plan for the year. For example, in human resources development, the strategic objective is "effective performance management and accountability processes for all employees".<sup>31</sup> The performance measures for this objective are signed performance agreements and quarterly reviews of performance.<sup>32</sup> In the summary of annual and quarterly activities, the Plan states that reviews will be conducted at head office and at district level.<sup>33</sup> It is not clear whether school-based employees fall under the same performance review as no mention is made in this regard. If the strategic objective includes all employees, then school-based employees should also be included.

The Plan also fails to describe how the Department intends to improve the quality of service delivery. Instead there is an analysis of challenges that the Department faces, and plans to

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<sup>26</sup> The 2007/08 Annual Performance Plan provides a better description of the Department's measurable objectives and activities than the current APP.

<sup>27</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 61.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid, p. 60.

<sup>30</sup> As opposed to stating what activities will take place to improve the Department's performance, the Plan indicates that monthly reports on the performance will be provided. The submission of monthly reports as an activity can be regarded as silent in the sense that it does not address what is going to take place before the actual reporting. Such a poor formulation of an activity shows that the Department is continuously failing to be accountable.

<sup>31</sup> Eastern Cape Department of Education, Operational Plan, 2008/09, p. 434.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

address these challenges. While the challenges mentioned and plans to overcome them may indirectly lead to an improvement in the quality of service delivery, this has not been stated explicitly in the Plan.

Strategic goals and objectives are outlined per programme and directorate in the Annual Performance Plan but without identifying the responsible official for each strategic objective.<sup>34</sup> The Operational Plan links these strategic objectives to departmental directorates and also identifies a responsible official for each strategic goal and objective.

### **Theme 3: The context of planning**

#### **Requirements**

- The Department's ability to implement its strategic plan is determined, to a large extent, by its human resource capacity. It is therefore critical for the Department to provide an account of its internal organisational environment in its strategic plan, and to indicate how organisational capacity or constraints were factored into its strategic plan.<sup>35</sup>
- Strategic plans should be informed by rigorous needs analysis if they are to respond to the most pressing socio-economic needs of those they serve. Departments should demonstrate in their strategic plans how proposed targets give effect to service delivery commitments *in relation to* socio-economic needs. Only then can both performance targets and undertakings be properly evaluated. In addition, departments should clearly articulate service delivery constraints caused by the external service delivery environment and demonstrate how these constraints were factored into the drawing up of strategic objectives and targets.<sup>36</sup>
- The usefulness of the Department's strategic plan is largely determined by the extent and depth of consultation with staff in its development. Staff who have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation. The more effort taken to obtain stakeholder and community input into the Department's planning process the more

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<sup>34</sup> The assumption that could be made in this instance is that the head official in each of the directorates is the responsible person for each of the strategic objectives listed under each of the programmes and directorates.

<sup>35</sup> The Department should provide an account of changes in its internal and external service delivery environment, which updates the detailed needs analysis contained in its Five-year Strategic and Performance Plan. This should include an account of how these changes affect the department's objectives and organisational structure in its Annual Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 2, 3.2.1. 'Aim and Focus of Part A of the Annual Performance Plan, p. 27. See also *Public Service Regulations*, 2001, Chapter 1, Part III B.2 (a) – (d) and *Treasury Regulations*, 2005, regulation 5.2.2(b).

<sup>36</sup> Section 195(1)(e) of the *South African Constitution* states that 'People's needs must be responded to.' Section 2 of the *Public Finance Management Act Implementation Guideline*, 2000, notes that departmental Accounting Officers 'must have regard for the usefulness and appropriateness of planned outputs,' (p. 8). It is clear that the department cannot comply with these legislative and constitutional requirements, nor be accountable for failing to do so, without providing an account of its external service delivery environment. See also *Public Service Regulation*, 2001, regulation C.1(a).

likely the Department's services will actually target the most pressing needs of the community.<sup>37</sup>

- Strategic Objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan in order to evaluate the Department's plans to progressively realise citizens' rights within available resources. By indicating both progress and what still needs to be done in order to meet the objectives for each programme, oversight bodies and citizens are able to evaluate the Department's planned programme objectives for the upcoming financial year in light of (a) the Department's past performance and (b) what the Department still needs to do to accomplish its strategic objectives for each programme.<sup>38</sup>

## Findings

The current Annual Performance Plan fails to document how the Department's internal organisational environment influenced strategic planning for 2008/09.

The Department's account of its external environment is not clearly formulated in the Plan. Such information should include the distribution of the provincial population per district, comparative socio-economic deprivation by district, and literacy levels per district, to name just a few.<sup>39</sup> Some of this type of information is contained in the 2006 Rapid Assessment of Service Delivery and Socio Economic Survey (commissioned by the Premier). Unfortunately none of the statistical information contained in this Survey appears in either the 2007/08 or the 2008/09 Annual Performance Plans of this Department.<sup>40</sup> This is despite the assertion made in the abridged version of the Survey that:

The Rapid Assessment Study would present a baseline for the Province and would be used as an internal source document to inform Government planning. The Province, departments and municipalities would thus use the recommendations, conclusions and insights from the Rapid Assessment Study to inform their short and medium term plans. Please consult the Premier's 2007 State of the Province address, the MEC's Policy Speeches, the 2007/08 departmental Annual Performance Plans (APPs)... for the

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<sup>37</sup> According to the South African Constitution, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole." In addition, all spheres of government must "cooperate with one another" by, amongst other things, coordinating their actions. *South African Constitution*, Chapter 3, Section 41(1)(c) and (h)(iv). Section 195(1)(e) of the *Constitution* states that "People's needs must be responded to, and the public must be encouraged to participate in policy-making". In addition, 195(1)(g) states that "transparency must be fostered by providing the public with timely, accessible and accurate information". See also *Public Service Regulations*, 2001, Chapter 1, Part III, Regulation C.1(b).

<sup>38</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 3, p. 65. See also *Treasury Regulations*, 2005, regulation, 5.2.2(d).

<sup>39</sup> The 2007/08 Annual Performance Plan, (see p. 21) contains some of this information. In addition there is no update on the work done by EMIS on the Department's external environment.

<sup>40</sup> Rapid Assessment of Service Delivery and socio-economic Survey in the Eastern Cape, prepared by the Fort Hare Institute for Social and Economic Research, 30 June 2006., pp. 486-503.

Government's response and plans to address the recommendations and conclusions of the Study.<sup>41</sup>

The Plan does however provide brief information on the state of education in the Province. According to the Department, the Eastern Cape Province has the largest number of schools to be administered in the country.<sup>42</sup> The Department maintains that it is due to the high number of schools that there are still major backlogs in school infrastructure.<sup>43</sup> There are other challenges included in the Plan. These have been broken down into educational challenges and socio-economic challenges.<sup>44</sup> Certain of the educational challenges appear to be problems arising from internal deficiencies within the Department.<sup>45</sup> In its socio-economic challenges, the Department states that one of the most difficult problems it faces is the inaccessibility of some schools due to poor roads infrastructure.<sup>46</sup> This means that the provision of education support services such as schools infrastructure, learner teacher support material (LTSM) and the School Nutrition Programme (SNP) is hampered as a result of poor roads.<sup>47</sup>

The Annual Performance Plan fails to indicate how these challenges have influenced the Department's planning. In addition, the Plan fails to link the Department's account of its service delivery environment to strategic objectives in the Plan. This means that the Department cannot be fully accountable, let alone justify its actions to oversight bodies, in particular as it relates to achieving strategic objectives as these should be informed by both the Department's internal and external environments.

There is no evidence in the Plan that the Department consulted with stakeholders, both internally and externally. With the Department employing a total of 74 997 employees (64 548 of these being educators, to perform its primary function of educating scholars), the Department should state in the Plan how it consulted with these key agents in its mandate, and account for its impact upon their planning.<sup>48</sup>

The Department places reliance on the Education Management Information Systems for up-to-date information on its service delivery environment.<sup>49</sup> EMIS should provide the Department with up-to-date information to inform its planning. In identifying priorities, the Department fails to elaborate on the needs relating to those priorities. For example, the Plan does not provide any details on the no-fee schools. The Plan states that 400 schools have contested the quintiles they were placed in but only 62 of those will be or have been placed

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<sup>41</sup> Eastern Cape Office of the Premier, Summary Report on Rapid Assessment of Service Delivery and Socio-Economic Survey (Abridged Version), p. 1.

<sup>42</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010-11, p. 14.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid, p. 24.

<sup>45</sup> Ibid. for an example one of the educational challenges listed is a lack of effective monitoring mechanisms to monitor the implementation of the School Nutrition Programme (SNP).

<sup>46</sup> Ibid.

<sup>47</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 24

<sup>48</sup> Ibid, p.36. It is also reported in the Plan, that the total number of educator posts according to the MTEF post basket is 60876, indicating that the Department needs to cut down on the number of its current educators by 3672. What remains unclear, however, is whether those who fall outside the MTEF post basket have been budgeted for.

<sup>49</sup> According to the Department of Education, EMIS provides information, which is used to improve efficiency and optimise resource allocation. EMIS covers schools, colleges, higher education, Adult Basic Education and Training (ABET), Early Childhood Development (ECD), Education for Learners with Special Education Needs (ELSEN) and Further Education and Training institutions. Available at <http://www.education.gov.za/EMIS/>.

under quintiles 1 and 2.<sup>50</sup> The Plan adds that all the schools that contested qualify based on their poverty levels.<sup>51</sup> This information is not included in the Plan's socio-economic analysis section. Furthermore, the Department does not state the names of the schools and where the schools are situated in terms of districts. In addition, no plans have been included in detail on how the Department will rectify the criteria used to determine how the schools get allocated to quintiles. This is especially important because such decisions are largely influenced by issues like unemployment, income levels, access to basic services and literacy levels. The absence of this information means that it will be difficult to evaluate whether the Department's priorities are in line with the socio-economic needs data.

## **Theme 4: Costing and expenditure**

### **Requirements**

- Draft strategic plans, consisting of costed activities, should form the basis of the Department's request for funding in upcoming financial years. However, once the Department knows its actual budget allocation for the upcoming financial year, it must reconcile its performance targets with its budget. The Department must reflect on previous and likely spending pressures and take these into account to ensure that strategic objectives are met. To this end, it must show expenditure by programme and sub-programme, and compare spending in previous years to MTEF projections and corresponding service delivery targets.<sup>52</sup>
- Infrastructure plays an important role in the effective and efficient delivery of public services. The Department's plans should include current and upcoming building projects, up-grading of existing facilities and plans to deal with maintenance backlogs. Capital expenditure and maintenance projects should be listed in detail and should include timeframes and costs in order to ensure effective expenditure tracking, performance monitoring, reporting and risk management.<sup>53</sup>
- The Department must reflect on its previous financial performance when approaching the upcoming MTEF period. The strategic plan should include an overview of its medium term revenues and expenditure from the previous three financial years, as well as its budget allocation for the upcoming financial year and the proposed budget for the two outer years of the MTEF. The Department should distinguish between its main budget allocation and other sources of revenue.<sup>54</sup>
- Departments should provide a summary of the revenue which they are responsible for collecting. Departments must describe in detail plans to ensure that all revenue for

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<sup>50</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 131

<sup>51</sup> Ibid.

<sup>52</sup> "Part B must also reconcile the department's performance targets to the budget—analysing what pressures the department expects to emerge and what it intends doing to ensure that it, nevertheless, achieves its service delivery objectives." *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004 Section 4, Part B, 3.7 and 4.7, pp. 67-8.

<sup>53</sup> The Department must illustrate what it is doing to implement its capital investment, maintenance and asset management plans as set out in its Five-year Strategic and Performance Plan. This information should be provided for the coming year, and the two outer years of the MTEF period. Ibid, Section 4, Part B, subsection 5, pp. 68 - 69. See also *Treasury Regulation*, 2005, regulation 5.2.3(e).

<sup>54</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.1, p. 69.

which they are responsible will be collected in the upcoming financial year. Departments must be accountable for the revenue they collect in order to ensure that it is (a) actually collected and accounted for and (b) transferred to the relevant fund for redistribution.<sup>55</sup>

## Findings

Each programme in the Plan has a budget breakdown in table format over a period of six financial years. The first two years (2005/06, 2006/07) list the audited financials while the last two years (2009/10, 2010/11) contain projections.<sup>56</sup> As with the 2007/08 Annual Performance Plan, no narrative account of the Department's prioritised expenditure targets for the current financial year has been given in the Plan. While the budget trends, as indicated in Theme 1 above, show some correlation between the Department's priorities, the absence of a narrative linking the budget to strategic objectives makes it difficult to evaluate whether the budget projections will meet the stated strategic objectives.

The Annual Performance Plan has a detailed narrative of the Department's capital expenditure and maintenance plan<sup>57</sup> but the Plan does not state what infrastructure projects will be undertaken by the Department in the current financial year. In the absence of costed activities and time frames for the completion of these projects, it is virtually impossible to monitor the Department's performance in this regard and oversight bodies are constrained in their role.

According to the Plan, the annual budget required for maintenance is R688 million.<sup>58</sup> The total maintenance budget represents 79.56 percent of the total "building and other fixed structures" budget. Between 2007/08 and 2008/09, the Department's "Building and other fixed structures" allocation rose from R715.72 million to R864.79 million. This represents an increase of 13.77 percent in real terms. The Plan further notes that "industry norms indicate that an annual budget of 2 percent of the replacement value of the building should be made available for its maintenance".<sup>59</sup> The Department estimates that the replacement value of all its building assets is R34.4 billion.<sup>60</sup> In light of the above, it is unsurprising, therefore, that the Plan acknowledges that the Department faces budgetary constraints.

In order to try and deal with the budget constraints, the Department will stop renovations of all schools built during the past seven years.<sup>61</sup> These schools should, according to the Plan, be able to maintain themselves through the Norms and Standards for School Funding budget allocations.<sup>62</sup> The Department will also reduce the number of major renovations and increase maintenance to 10 percent of the total capital budget to prioritise 10 schools per financial year for maintenance of all facilities.<sup>63</sup> The problem with this plan is that it gives no indication of

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<sup>55</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.2, p. 70.

<sup>56</sup> The table includes a breakdown of allocations/expenditure in per sub-programme in each programme and also in terms of economic classification.

<sup>57</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09- 2010/2011, p. 16.

<sup>58</sup> Ibid.

<sup>59</sup> Eastern Cape, Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 19.

<sup>60</sup> Ibid.

<sup>61</sup> Ibid, p. 19

<sup>62</sup> Ibid.

<sup>63</sup> Ibid. The Plan does not, however, include the list of the school to be prioritised and how much it will cost the Department to maintain these schools in the current financial year.

what an average budget allocation is for maintenance per school so that this can be evaluated against what is needed for maintenance or renovation.<sup>64</sup>

The Department has in the past under spent on this vital line item. Clear plans to address this problem have not been included in the Plan. The absence of this costed plan casts doubt on the ability of the Department to effectively utilise its buildings and other fixed structures budget. It is also doubtful – if not impossible – that mud-structured schools will be eradicated by the end of 2008/09 in line with assurances made by the MEC for Education during his 2008/09 policy speech given that insufficient resources have been allocated to eradicating such schools during 2008/09. The Department has 6 302 schools in the province.<sup>65</sup> According to the Department's Infrastructure Delivery Plan for 2008/09, there are 826 mud-structured schools in the Eastern Cape.<sup>66</sup> The number of mud structures represents 13.11 percent of the total number of schools in the province.

In its narrative of specified policies, priorities and strategic objectives in Programme 2 (Public Ordinary School Education), the Plan states that rationalisation and reconfiguration of the schooling sector will be prioritised.<sup>67</sup> This process would involve the realignment of schools from Grades R to 7 as primary phase, and Grades 8 to 12 as senior phase to be in line with the national model.<sup>68</sup> The intention is to realign combined schools into two separate phases. The implications for this are that the Department will not only have to move learners from these combined schools to primary and secondary schools in line with the national model, but also provide infrastructure for such realignment. The Department again is silent in providing a costed plan of how this will be done. In terms of the Plan, the target for the current financial year is to realign 230 schools.<sup>69</sup> The Plan is, however, silent on whether there are any implications for the provision of infrastructure and also whether infrastructure has been budgeted for in this process. By failing to include this in the Plan, it then becomes impossible to evaluate the prospects of this rationalisation plan.

With regard to revenue collection, the current Plan does not contain any information relating to where the Department's own revenue will be drawn and collected from and how it intends optimising the collection of such revenue. In the 2007/08 Annual Performance Plan, the Department stated that it generated its own revenue through hostel revenue, examination fees, sale of receipt books, and interest and commission received through garnishee orders, medical and insurance premiums.<sup>70</sup> Despite this, the 2007/08 Annual Performance Plan contained no revenue collection plan for the 2007/08 financial year or the two outer years of the MTEF. Similarly, in the 2008/09 Annual Performance Plan, no mention is made of how the Department will collect its own revenue. It has again failed to address issues raised by the Auditor-General in the 2005/06 and the 2006/07 Annual Report. In the 2005/06 Annual Report, the Auditor-General noted that the Department did not have "an approved policy and

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<sup>64</sup> It is still unclear what the Department means by stopping renovations in schools built over the past seven years as some of these schools have been seriously damaged by natural disasters and whose occupation poses a serious danger to the lives of learners and educators. In addition, some of the schools damaged by natural disasters cannot use their NSF budget as this would not be enough to repair the damages caused.

<sup>65</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 16.

<sup>66</sup> Eastern Cape Department of Education, Infrastructure Delivery Plan, 2008/09.

<sup>67</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 125.

<sup>68</sup> Progress Report on Implementation of 2005 Summit Resolutions, Education Summit Review Workshop, 6 to 7 October 2006, East London, p. 41. Some schools in the province have phases that are different from the national norm. For example in the former Transkei area, there is a junior secondary phase.

<sup>69</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 143

<sup>70</sup> Eastern Cape Department of Education Annual Performance Plan, 2007/08, p.10.



procedure framework for revenue collection”.<sup>71</sup> The Auditor-General added that there was a lack of “an audit trail from the payment of fees by students to the relevant schools and the subsequent submission of fees to the Department”, which led him to conclude that “it was not possible to determine whether all revenue for services provided was actually charged, received and recorded in the accounting system”.<sup>72</sup> In 2006/07, the Auditor-General noted that the Department had failed to disclose its receivables for departmental revenue in its disclosure notes to the annual financial statement.<sup>73</sup> According to the Auditor-General, the Department earned interest of at least R8.5 million which had not been received by the end of the year.<sup>74</sup>

What is apparent from these audit reports is that the Department had included a revenue collection plan in the 2007/08 Annual Performance Plan as a mere compliance exercise. The absence of a revenue collection plan in the 2008/09 financial year can only confirm what the Auditor-General had raised in 2005/06 audit report (see paragraph above). If the Department has clear plans for revenue collection, those should be stated in the Annual Performance Plan. They should also include targets and activities.

## **Theme 5: Conditional grants**

### **Requirements**

- It is critical that departments set plans for the use of funds received additional to the equitable share (whether through additional allocations or from donors) in order to ensure they are not wasted. This is especially true of supplementary funds given to departments to address specific, high-priority needs. To be accountable for the use of these funds, departments should include separate planned and costed activities for conditional grant and/or donor funds in their strategic plans.<sup>75</sup>

### **Findings**

In the 2008/09 Annual Performance Plan, no indication is made on what donor funding is available and how that will be used in the life period of the Plan. The Plan does, however, state that the Department will collaborate with the public and the business sector for increased funding.<sup>76</sup>

Part A of the Plan has no section dedicated to providing information on how it will use conditional grants. The Department has received four conditional grants, for the 2008/09 financial year, namely:

- (a) The School Nutrition Programme Grant ( under Programme 2)
- (b) Further Education and Training Colleges Recapitalisation Grant (under Programme 5)
- (c) HIV/AIDS (Life Skills Education Grant) (under Programme 8)
- (d) Provincial Infrastructure Grant.<sup>77</sup>

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<sup>71</sup> Eastern Cape Department of Education Annual Report, 2005/06, p. 157.

<sup>72</sup> Ibid.

<sup>73</sup> Eastern Cape Department of Education Annual Report, 2006/07, p. 104..

<sup>74</sup> Ibid.

<sup>75</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.3 and 6.4, p. 70.

<sup>76</sup> Eastern Cape Department of Education, Annual Performance Plan, p. 20.

<sup>77</sup> Eastern Cape Provincial Treasury Budget Statement II, 2008/09, p. 166.

The Provincial Infrastructure Grant, however, has not been included in the Annual Performance Plan for 2007/08. This conditional grant is allocated to the Department as a top-up and included in the capital budget for the Department and is therefore not a stand alone grant.<sup>78</sup> Despite this, the Department still needs to indicate clearly what it intends doing with these funds to improve education infrastructure in the province.

### **School Nutrition Programme (SNP)**

Planning, spending and the implementation of the SNP has been one of the most challenging exercises for the Department of Education since it took over the programme from the Department of Health on 1 April 2004. According to the 2008/09 Annual Performance Plan, the SNP is currently being redesigned after previous supplier agreements were cancelled in January 2007.<sup>79</sup> The Department had stated in a media statement in 2007 that the provincial task team, set up to restructure and revamp the programme to address all its chronic weaknesses, had agreed on an “interim six month arrangement that would guarantee that learners would at least receive basic sustenance in the form of bread or fortified biscuits with butter and jam, taken with a nutritious drink”.<sup>80</sup> Given that the redesign is not yet complete, the “six month interim arrangement” extended beyond the initial six months to more than a year, indicating a failure by the Department to properly plan for the implementation of the programme. The constraints reported in the plan are similar to those reported in the Department’s monthly plans for the 2006/07 and the 2007/08 financial years. This is another indication that the Department has yet to make progress in addressing the problems besetting this programme.<sup>81</sup>

According to the 2008/09 Annual Performance Plan, the new model, to be introduced in July 2008, will address one of the problems faced by the Department in relation to the SNP<sup>82</sup> namely that there is a lack of integration and contribution to local government LED initiatives and the programme itself has no linkage plan in this regard.<sup>83</sup> The MEC for Education said the programme would be reviewed in the current financial year to decentralise it to local communities and schools. He also added that the Department would partner with Agriculture, Health and Economic Development in the running of the programme.<sup>84</sup> However, none of the measurable objectives, performance measures and activities included in both the Annual Performance Plan and the Operational Plan, indicate how the Department will collaborate with the Departments mentioned above. Nor do any of these activities articulate how the Department will work with Integrated Development Plans and Local Economic Development initiatives related to the SNP.

The absence of these objectives, plans and activities linked to budgetary implications for the partnerships, is likely to impact negatively on the implementation of the new feeding model and also limits the capacity of oversight bodies to fulfil their functions. In addition, the

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<sup>78</sup> This is because this is a Schedule 4 grant and is subsumed into the Department's infrastructure budget and therefore does not have to be reported against.

<sup>79</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 175.

<sup>80</sup> Eastern Cape Department of Education, Media statement, 30 January 2007

<sup>81</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 175., it could either be that the Department’s plan is deficient in that the constraints have been cut and pasted from the previous plans or that is planning and measure to overcome these problems are poor.

<sup>82</sup> Eastern Cape Department of Education Annual Performance Plan, 2007/08, p. 176.

<sup>83</sup> Ibid.

<sup>84</sup> Ibid, p.3 According to recent media reports, the Department also intends reintroducing the failed cooked meals at the beginning of July. This may explain the 33.398 percent increase between 3007/08 and 2008/09- “Bhisho unveils “cooked meal” plans for schools”, *Daily Dispatch*, 12 May 2008.

Department does not provide any information on how the new model will be implemented. While there may be additional planning documents which spell out how this model will be implemented, the Annual Performance Plan should at least provide an overview with important milestones relating to the SNP.

### **Further Education and Training (FET) Recapitalisation Grant**

Sub-programme 6 within the FET programme contains the FET conditional grant. The Annual Performance Plan has no information at all relating to this grant.<sup>85</sup> The only reference to FET in the entire Operational Plan provides scant detail on the conditional grant.<sup>86</sup> Other sub-programmes within the FET programme have not been included in the Operational Plan. This is because the strategic objective stated in the Operational Plan relates to the recapitalisation of the FET colleges, for which the Department, through this grant, has been, funded.<sup>87</sup> In the Operational Plan there are four activities planned and these have their budgets broken down into monthly allocations.<sup>88</sup> The first activity is broken down into two sub-activities and is set to be the biggest beneficiary within the programme.<sup>89</sup> These sub-activities are (a) upgrading, alteration, refurbishment and modernisation of classrooms, laboratories and workshops, and (b) Buying and building new infrastructure.<sup>90</sup>

While the Operational Plan does attempt to link the budget to the activities and the strategic objective, the Annual Performance Plan is completely silent on the FET grant. A more in-depth narrative in the Annual Performance Plan would further clarify the Department's medium term plans regarding FET colleges. An implementation plan together with a forward-looking plan should have been included in the Annual Performance Plan given that 2008/09 will be the last year in which this grant will be made available to the Department.

### **HIV/AIDS (Life Skills Education Programme) Grant**

The Department's planned activities in both the Annual Performance Plan and Operational Plan are fairly consistent. While the Annual Performance Plan does not provide any budgetary information accompanying the activities, the Operational Plan does. Most of the activities in the Operational Plan deal with educational programmes, which involve educators, learners and communities.<sup>91</sup> Each of the activities stated in the Operational Plan has its own budget broken down monthly. Such details can only enhance the Department's expenditure tracking and help the Department improve its performance both in terms of expenditure and also through ensuring that all the planned activities are carried out successfully.

In dealing with some of the constraints mentioned in the Annual Performance Plan, the Department fails in its implementation plan to articulate its plans to address it. According to

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<sup>85</sup> The FET recapitalisation grant is part of the national policy priority to provide skills training by upgrading and renewing FET colleges in the province. This will be the last year (2008/09) in which the FET Recapitalisation grant will be received by the Department.

<sup>86</sup> Eastern Cape Department of Education, Operational Plan, 2008/09, p. 379. One of the measurable objectives is not clearly stated in the OP. MO503 as coded in the OP is *to improve the rate in the FET College sector*. What is meant by *rate* is not clear.

<sup>87</sup> The strategic objective stated in the Plan is to revitalise and recapitalise FET colleges in order to respond to labour market needs.

<sup>88</sup> Eastern Cape Department of Education, Operational Plan, 2008/09, pp. 379-380

<sup>89</sup> Ibid, p. 380

<sup>90</sup> Ibid, p. 379

<sup>91</sup> Ibid, pp 248-254.

the Annual Performance Plan, Chief Education Specialists at district level have too many functions allocated to them thus negatively affecting the management of HIV/AIDS programmes.<sup>92</sup> This means therefore that the Department needs more staff dedicated to this programme both at district level and head office. In response to this constraint the Plan indicates that the current organogram needs to be realigned so as to appoint more officials dedicated to this programme both at district and head office level.<sup>93</sup> Both plans fail to articulate what activities are to be undertaken to address the staff shortage in this programme. It is vital that the plans address this issue given that it is essential in the successful implementation of all HIV/AIDS programmes, especially at district level. As with other important priority areas, the realignment of the organogram and the filling of the positions relating to this programme also need to be prioritised.

## **Theme 6: Partnerships**

### **Requirements**

- Departments should detail areas in which they are jointly responsible for service delivery with other departments. They should state exactly what their responsibilities are and what mechanisms have been put in place to ensure effective co-ordination with other departments in order to avoid any duplication of function between departments. This enables the Department to monitor, report and be held accountable for its part of any agreement.<sup>94</sup>
- While the Department may need to work with local authorities to operate clinics, build houses, etc., the Department retains responsibility for the management of funds transferred to local authorities. It is therefore critical that the Department includes in its strategic plans the amount of money to be transferred as well as the purpose of the transfer and the conditions attached to it.<sup>95</sup>
- In order to account for all funds transferred to public entities, the Department should provide the name and main purpose of the public entity and the amount to be transferred from the Department's budget to the entity.<sup>96</sup>
- Where departmental functions are outsourced to private service providers or non-governmental organisations, the Department must ensure that service level agreements are signed between these private parties and the Department. While the Department delegates the delivery of services to the private parties, it retains full responsibility for the quality of service delivery and must monitor both how these funds are spent and ensure that services delivered are done so efficiently. The Department should include in its strategic plan the details and cost of any outsourcing

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<sup>92</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 249

<sup>93</sup> Ibid.

<sup>94</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.1, p. 71.

<sup>95</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.2, p. 71. See also *Public Service Regulations*, 2001, regulation, B.1(c).

<sup>96</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.3, p. 71.

arrangements it has undertaken for the upcoming financial year(s) if it is to effectively track expenditure and monitor service delivery.<sup>97</sup>

## **Findings**

As mentioned earlier in this report, the Department will partner with Agriculture, Health and Economic Development in the running of the School Nutrition Programme.<sup>98</sup> However, none of the measurable objectives, performance measures and activities included in both the Annual Performance Plan and the Operational Plan indicate how the Department will collaborate with the Departments mentioned above. Nor do any of these activities articulate how the Department will work with these departments in terms of financial commitments made by each of the partner Departments to the SNP. Within SNP, the Department has also indicated in the Plan that, the programme will also be integrated into Integrated Development Plans and Local Economic Development initiatives. However the Plan does not explain how this relationship will be developed and implemented.

The Annual Performance Plan also briefly mentions the role played by the Department of Public Works in providing district office space but makes no mention of any agreements entered into with Public Works.<sup>99</sup>

The Annual Performance Plan does not give any details of bodies responsible for the provision of infrastructure. However, according to the Department's infrastructure delivery plan for 2008/09, the following are some of the implementing agents responsible for schools infrastructure provision: Independent Development Trust (IDT), Coega Development Corporation (CDC) and Expanded Public Works Programme (Public Works).<sup>100</sup> The Annual Performance Plan does not provide any information on entities with which it has service level agreements. This information should also be made available in its strategic plans.

The Plan also fails to clearly set out monitoring plans for section 21 schools. This is important in light of the fact that the non-profit institutions budget increased by 116.46 percent in nominal terms from R260.51 million in 2007/08 to R563.91 in 2008/09.<sup>101</sup> Transfers made to section 21 schools are taken from this line item. According to the Department, 999 schools have successfully applied for a section 21 status, out of a target of 1 500.<sup>102</sup> It is also not surprising that the budget for this line item has increased by over 100 percent in nominal terms between 2007/08 and 2008/09.

Monitoring and support plans should be detailed in the Annual Performance Plan on how these schools will be assisted administratively by the Department. The Department should also provide information on its own capacity to support section 21 schools to better manage their allocations.

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<sup>97</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.4, p. 71. See also *Public Service Regulations*, 2001, regulation B1(c).

<sup>98</sup> Eastern Cape Department of Education Budget and Policy Speech, 2008/09, 11 March 2008, p.3.

<sup>99</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 19

<sup>100</sup> Eastern Cape Department of Education, Infrastructure Delivery Plan, 2008/09. It could be argued that the awarding of section 21 status to schools has given them a quasi-public entity status and therefore should be regarded as such.

<sup>101</sup> *Ibid.* Transfers to no-fee schools and the SNP grant fall under this line item. This also includes transfers to section 21 schools. It is therefore impossible to ascertain how much went into no-fee schools as there is no breakdown of allocation as per these items listed above.

<sup>102</sup> Eastern Cape Department of Education, Annual Performance Plan, 2008/09-2010/11, p. 133.