

# ANNUAL REPORT



**S A C E**

South African Council for Educators

*Towards Excellence in Education*

2020/2021  
FINANCIAL  
YEAR



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# **PART A** **GENERAL** **INFORMATION**

## PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	South African Council for Educators
REGISTRATION NUMBER (if applicable):	SACE Act 31 of 2000 as amended
PHYSICAL ADDRESS:	Crossway Office Park, Block 1 240 Lenchen Avenue Centurion
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WEBSITE ADDRESS:	<a href="http://www.sace.org.za">www.sace.org.za</a>
EXTERNAL AUDITORS:	A2A Kopano Incorporated
BANKERS:	Nedbank Limited
CHIEF EXECUTIVE OFFICER	Ms Ella Mokgalane

## LIST OF ABBREVIATIONS/ACRONYMS

AFTRA	African Forum of Teaching Regulatory Authorities
CET	Community Education and Training
COID	Compensation for Occupational Injuries and Diseases
CPTD	Continuing Professional Teacher Development
CRR	Capital Replacement Reserve
CHE	Council for Higher Education
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
FEDSAS	Federation of Governing Bodies of South African Schools
GRAP	Generally Recognised Accounting Practice
HEDCOM	Heads of Education Departments Committee
IAS	International Accounting Standards
ITE	Initial Teacher Education
IFTRA	International Forum of Teaching Regulatory Authorities
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MTEF	Medium Term Expenditure Framework
NRSO	National Register of Sexual Offenders
NAISA	National Alliance of Independent Schools Association
NPFTED	National Framework on Teacher Education and Development
NAPTOSA	National Professional Teachers Organization of South Africa
NASGB	National Association of School Governing Bodies
NATU	National Teachers Union
NPFTED	National Policy Framework on Teachers Education and Development



PEDs	Provincial Education Departments
PEU	Professional Educators Union
PFMA	Public Finance Management Act
SACE	South African Council for Educators
SADTU	South African Democratic Teachers Union
SAOU	Suid-Afrikaanse Onderwysers Unie
SAPA	South African Principal Association
SAQA	South African Qualification Authority
SA GAAP	South African Statements of Generally Accepted Accounting Practice
TVET	Technical and Vocational Education and Training
VVOB	Flemish Association for Development Cooperation and Teacher Assistance

## FOREWORD BY THE CHAIRPERSON – Clr. Mabutho Cele

### Introduction

In line with Public Finance Management Act (1996) I am pleased to present the Annual Report and Audited Financial Statements for the year ending 31 March 2020, on behalf the Accounting Authority. The period under review experienced unprecedented COVID-19 pandemic that left the education sector disrupted and teaching profession wounded. Consequently, SACE like many public entities and professional bodies, experienced steep learning curve in navigating and understanding the dynamics and complexities of governing under the pandemic. Thankfully, the Accounting Authority has been able to service its members, albeit under inevitable limited conditions. Similarly, we acknowledge that some of the service and performance standards affected by the national lockdown periods and the COVID-19 pandemic alike, may not be at the desired levels as reflected in some programmes, such as Professional Development and Ethical Standards. As the Accounting Authority, we are committed to draw lessons from the period under review and improve our service to the teaching profession and business operations systems for the better.

As an Accounting Authority, the Council's oversight role in implementing the Annual Performance Plan (APP) was supported significantly through its seven committees which met bi-monthly. It is through the dedication and selflessness of these committees and the Accounting Authority as a collective, that this Annual Report and Audited Financial Statement are produced. More so, the 31<sup>st</sup> July 2021 marked the end of term-of-office for the 30-member Accounting Authority appointed by the Minister of Basic Education on the 1st August 2017. Therefore, this is the last Annual Report for the 2017-2021 Accounting Authority.

### High level overview of the public entity's strategy and the performance

Based on the National Development Plan: Vision 2030, 2020 – 2025 Medium Term Strategic Planning Framework and basic education sectoral priorities, SACE Act (2000), and National Policy Framework on Teacher Education and Development (NPFTED), the 2020 – 2025 SACE strategic plan was developed. The strategic plan is being implemented by council through the Annual Performance Plans (APPs). The 2020/2021 APP had 27 output indicators from the following five programmes: **Programme 1:** Administration, **Programme 2:** Professional Registration, **Programme 3:** Ethical Standards, **Programme 4:** Professional Development, and **Programme 5:** Professional Standards

The Annual Report provides an opportunity to reflect on the work and performance of the SACE in the last 12 months. Also, this Annual report signals the first year of implementing Council's 2020 – 2025 strategic plan.





### **The strategic focus over the medium to long term period**

In the next medium to long-term, Council will engage in the process of reviewing and repositioning SACE with a possibility of reviewing the SACE Act as well.

As part of professionalising the teaching the profession, the professional teaching standards will be widely implemented. Also, a phased-in process of implementing the teacher professionalisation path will be commenced. Amongst others, this will involve the process of provisionally registering student teachers from the first year of study, piloting the process of linking the induction of newly qualified educators and full professional registration status by SACE, and possible re-registration of educators.

The protection of the profession and teacher status, well-being, safety and security, and rights have been earmarked to ensure a healthy and motivated teaching workforce.

### **Acknowledgements /Appreciation**

My gratitude goes to my fellow Council members for their support and stewardship, the Chief Executive Officer (CEO) for her leadership, and our employees for contributing to the delivery of the entity's mandate.

We are eternally grateful to the VVOB (a Flanders Technical Support Organisation) for the technical support provided in the implementation of the Continuing Professional Development System, the virtual library, and the teachers safety and security handbook. The implementation of the SACE mandates could have not taken place accordingly without the immense support received from the Department of Basic Education, Provincial Education Departments, teacher unions, and all stakeholders. We thank you all for your undying support.

Notwithstanding schooling disruptions, fear, anxiety, uncertainties, and complexities presented by the unprecedented COVID-19 pandemic, our esteemed educators displayed remarkable resilience and commitment throughout the year under review. We salute and honour them for continuing to raise the flag of the teaching profession very high.

### **Conclusion**

Although some of the entity's programmes were affected negatively due to the challenges experienced in 2020/2021, the Accounting Authority has been able to play its oversight role. Further measures to improve performance in programmes 3 and 4 are being finalised.

In reflecting on the 2017 – 2021 term of office for the outgoing Accounting Authority, it is important to highlight some of the achievements as follows:





Overall, 14 (52%) out of the 27 APP indicators were achieved in 2020/2021 as compared to 7 out of 11 (64%) in 2019/2020. Additional 4 (15%) indicators out of 27 were partially achieved at 90% level and above and 9 (33%) out of 27 indicators were not achieved during the period under review. The 2020/21 performance decline of 12% as compared to 2019/2020, can be attributed to the effect of COVID-19 pandemic disruptions in the schooling sectors that had the ripple effect on Programme 3 (Ethical Standards) and Programme 4 (Professional Development) in particular. Council looked at strengthening its systems and examining alternative strategies to address some of the pandemic related challenges that are beyond Council's control.

### **Strategic Relationships**

As part of ensuring that fit-to-practice educators and college lecturers are professionally registered, SACE worked collaboratively with the South African Police Services' gazetted providers to facilitate the process of screening applicants against the Criminal Record Database. Equally, the collaboration with the Department of Justice and Constitutional Development has been valuable in the screening of applicants against the National Register of Sexual Offenders (NRSO). SACE registers foreign nationals and the Department of Home Affairs has been supportive in the process of verifying the legal entry documents and work permits in this regard. As part of accrediting the independent schools, Umalusi collaborate with SACE to ensure that that professionally registered are employed. The provisional registration of student teachers has been made possible by the collaborative relations with schools / faculties of education in various higher education institutions. On behalf of the Accounting Authority, I extend words of appreciation to these government departments, public entities, and institutions.

### **Challenges faced by Council**

COVID-19 pandemic, along with the disruptions in schooling impacted the Professional Development and Ethical Standards programmes extremely. These are the programmes that work directly with educators in terms of the implementation of Continuing Professional Development (CPTD) System, as well as learners as key witnesses for the reported ethical and professional misconduct by educators. Inevitably, inaccessibility of educators and learners had the spill-over effect on SACE's Annual Performance Plan programmes.

Additionally, the 2020/2021 pandemic-related challenges have direct bearing on the rolling over of the cases on the new financial year, and further delay justice for the victims too.

- Registered 115 719 educators
- Introduced the screening of registrants against the SAPS's Criminal Record Database and the Department of Justice's National Register of Sexual Offences,
- Orientation of student teachers on the SACE mandate,
- Signed-up a total of 472 677 educators to participate in the CPTD System
- Endorsed 4 472 professional development programmes and activities and approved 391 providers as part of SACE's quality management role,
- Improved SACE visibility in five (5) provinces – KwaZulu-Natal, Free-State, Limpopo, Eastern Cape, and Western Cape,
- Bought five (5) SACE provincial offices,
- Developed the Professional Teaching Standards,
- Developed the online registration system,
- Developed the Case Management System for the reported teacher misdemeanours,
- Developed the virtual library system for educators and stakeholders, and
- Researched and produced the teachers' safety and security handbook for South African schools

The incoming Accounting Authority will continue to work on the challenges highlighted earlier in this report, along with the process of reviewing and repositioning SACE.



**Mr Mabutho Cele**  
**South African Council for Educators**  
Date: 14th September 2021

## **CHIEF EXECUTIVE OFFICER'S OVERVIEW – Ms Ella Mokgalane**

### **General financial review of the public entity**

The Council is mainly funded by its members through determined membership fees. After consultation with the teaching profession, the Council took a decision to increase the educator membership fees from R120 per annum to R180 per annum effective from 1<sup>st</sup> November 2017 to date. During the period under review, Council has under collected the estimated revenue collection by 1%. Of the R104,3 million collected, R16.7 million was received from the Department of Basic Education as a subsidy for the management of the Continuing Professional Teacher Development (CPTD) System. Accordingly, the Council spent 77.2% of the R16, 7 million received as subsidy for the management of the CPTD system.

The professional registration administration fee collected from the registrants remains at R400, 00 for foreign nationals and R200, 00 for the South Africans. The council has taken note of its funding pressure on the Medium-Term Expenditure Framework (MTEF) projections and deferred the funding review to 2022 financial year.

### **Spending trends of the public entity**

The Council has operated within its revenue collection of R104.2 million and remained with the accumulated annual surplus of R16.0 million. The council has made a request from the National Treasury to retain the total accumulated surplus for continuous improvement of the Information and Communication Technology (ICT) infrastructure; the acquisition of the remaining planned provincial offices in Free State; Eastern Cape and Western Cape. The financial position of Council is declared to be in good order and that the Council will consider the review of its financial resourcing in the 2022 financial year to ensure continued delivery of mandatory functions.

### **Capacity constraints and challenges facing the public entity**

While the Supply Chain Management system is in place, the experience and quality of several service providers received through the National Treasury Central Database have been a challenge and impacting on the delivery of APP Programmes and time taken to deliver service to the profession. Consequently, the efficiency and effectiveness of the APP outputs and outcomes suffered, to a certain extent.

The organisation experienced a loss in some critical key positions. The departure of the Manager for Planning, Monitoring and Evaluation, Reporting and Research at the beginning of the 2020/2021 financial year left a huge gap for SACE, necessitating a diligent process to find an outstanding candidate. Similarly, the entity has been without a Communications Manager for some time. Council has been working hard under the difficult pandemic situation to replace these positions.



### **Discontinued key activities / activities to be discontinued**

There were no key activities discontinued during the period under review or to be discontinued in the new financial year.

### **New or proposed key activities**

In terms of the 2020 – 2025 SACE strategic plan, research appears as a sub-programme under Programme 1 – Administration. Upon reflection and given its significance, research has been developed as a fully-fledged stand-alone programme in the 2021/2022 APP. Therefore, it will be reported as such in the 2021/2022 Annual Report. This is important for evidence planning and decision-making processes, as well as informing the profession and advising Council, the teaching profession and the Ministers of Basic Education and Higher Education and Training.

### **Supply chain management**

The Supply Chain Management of the entity continues to operate effectively. The Council has reviewed the SCM policy to ensure its relevance and effectiveness.

### **All concluded unsolicited bid proposals for the year under review**

There were no concluded unsolicited bid proposals for the year under review.

### **Whether SCM processes and systems are in place**

Council's Supply Chain Management (SCM) systems and processes are in place and implemented accordingly.

### **Challenges experienced and how they will be resolved**

Internal capacity in some areas has been identified and continuing development and support process will continue to be rolled out. Supplier incapacity in various services have also been identified and that will continue to be discussed with the National Treasury to find an improvement solution

### **Audit report matters in the previous year and how they would be addressed**

In the previous financial year, 2019/2020, Council received an unqualified audit with some misstatements. Based on the identified misstatements, a remedial action plan was developed and implemented accordingly.

### **Outlook/ Plans to address financial challenges**

The council is currently engaging and consulting its stakeholders to improve funding capacity of council. The council plans to increase membership fees in 2022 and review the financial status of council on annual basis for sustainability going forward.

### **Events after the reporting date.**

Following the closure of the 2020/2021 financial year and the reporting thereof, the country experienced the third wave of COVID-19 pandemic and national lockdown restrictions that had a bearing on the delivery of the activities planned for the second quarter in the 2020/2022 APP, as reflected in the Chairperson's foreword and the overall performance

review of the entity. This had an effect more on the investigations and disciplinary hearing of cases, along with effective implementation of the Professional Development Programme.

### **Economic Viability**

Considering the MTEF projections of council it became clear that it will face sustainable challenges. To bring this issue under control the council is discussing the financial stabilization to ensure sustainability.

### **Performance Overview of the Entity**

When the unprecedented COVID-19 pandemic disrupted the country, like in many entities, SACE was forced to slow down or suspend some of its activities and its operations alike. Equally, the profession was regulated from home because of the recurring disruptions and national lock downs. The pandemic happened when Council was not fully prepared to move from an office-based environment and operate in a home-based working model. This necessitated Council to be agile and move with speed in mitigating some of the operational challenges presented by the pandemic.

Notwithstanding this, the pandemic came at a time when the Council 's Communication and Advocacy, and Information Communication and Technology (ICT) strategies were being finalised and approved in line with the 2020 – 2025 strategic plan. Coupled with this, was the ICT programme of integrating all the database and systems within the organisation to ensure efficiency and effectiveness across the entire organisation. Equally, the reporting period saw the first phase of the online registration system being implemented with 10 096 (80.76%) registrants out of the 12 500 targeted to apply online.

The current first phase of the online registration system is for the new registrants only. Council is currently testing and finalising the second phase of online registration system which focuses on updating provisionally registered educators to full registration status. Overall, 60 285 registration transactions of provisionally registered student teachers, newly qualified educators updating from provisional to full registration status and other categories of registration, were conducted as compared to 79 084 in 2019/2020. The decrease of the 2020/2021 registrants by 18 799 (23.77%) could be attributed to the national lockdown period during quarter 1 and slightly quarter 2 of the 2020/2021 financial year, the extension of the 2020 academic year into 2021, delays in and cancellations of higher education institutions' graduations which slowed down the issuing of graduation certificates to the newly qualified educators – a requirement to move from provisional to fully provisional registration status.

While the Council's employees showed some resilience by continuing to service educators and achieve the set Annual Performance Plan indicators as the pandemic continued to create havoc in the country, the situation was not the same for Programme 3 (ethical standards) and Programme 4 (professional development). These two programmes experienced the lowest performance of their time in areas where schools, teachers and learners were required to




achieve the targets. Lastly, the professional standards programme focuses largely on the conceptual work.

### **Acknowledgement/s or Appreciation**

I am eternally grateful to the outgoing Chairperson of Council, Mr Mabutho Cele, for the unwavering support provided to me leading the entity under a difficult year presented by COVID-19. The Executive Committee and their entire Accounting Authority provide leadership and required guidance throughout the year. More importantly, I am indebted to the SACE senior managers and managers who ensured that the delivery of SACE mandates and APP programmes are delivered, as far as possible, despite the challenging year. My utmost appreciation goes to the SACE employees who worked tirelessly to ensure that educators are registered, the email and calls are responded to, the teacher misconduct cases are investigated and heard, core mandates of SACE are delivered and supported, and teachers are supported through various programmes, although with some limitations. This 2020/2021 annual report could have not been written without each and everyone's contribution to the SACE course.

Lastly, to the Department of Basic Education, Provincial Education Departments, Department of Higher Education and Training, Department of Home Affairs, Department of Justice and Constitutional Development, VVOB, Umalusi, SAQA, Education Deans Forum and HEIs, you played an immense supportive role in ensuring that SACE realises its mandate in various ways. Your partnerships and collaborative working relations are highly valued.

To our teacher unions, you worked hard in supporting SACE and protecting the teaching profession against all odds. We thank you immeasurably. Our teachers remain the lifeblood of SACE and there will be no SACE without them. Thank you for your contributions that strengthen SACE and financial resources that ensure that the SACE mandate is realised. You really inspire a credible teaching profession. I thank you all.



**Ms Ella Mapula Mokgalane**  
**Chief Executive Officer**  
**South African Council for Educators**  
Date: 14th September 2021

## Statement of responsibility and confirmation of accuracy for the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the A2A Kopano Incorporated.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Management Act, 1999(Act no. 1 of 1999)

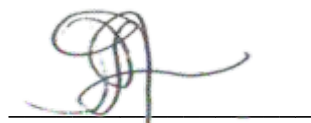
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.

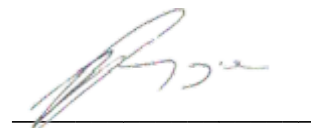
Yours faithfully



Chief Executive Officer

Name: Ms Ella Mokgalane

Date: 14 September 2021



Chairperson of the Board

Name: Mr Mabutho Cele

Date: 14 September 2021



## STRATEGIC OVERVIEW

### VISION

Inspiring a credible teaching profession.

### MISSION

To register fit to practice educators & lecturers, promote their continuing professional development, and maintain the profession's professional teaching and ethical standards.

### VALUES

- **ACCOUNTABILITY:** The fact or condition of being required or expected to justify actions or decisions: The Council and profession is willing to account for ethical/unethical conducts of its members.
- **DIGNITY:** The state or quality of being worthy of honour: The Council and profession strives to treat its staff, educators, and members of the public with integrity, humanity, and compassion.
- **INTERGRITY:** The state or quality of being worthy of honour: The Council and profession strive to treat staff, educators, and members of the public with integrity, humanity, and compassion.
- **QUALITY:** Provide quality and excellent service to educators and the profession.
- **RESPECT:** Due regard for the feelings, wishes, or rights of others: The Council and profession is committed to display due respect and consideration regarding the feelings, wishes and rights of the members and public.
- **RESPONSIBILITY:** The state or fact of having a duty to deal with something or the power to influence or direct people's behaviour or the course of events: The Council and profession strive to take ownership of its action and influence direct behaviour of its members.
- **SERVICE ORIENTED:** Ensure that the teaching profession in general and educators are always serviced satisfactorily. Serving educators is priority number one for all SACE employees.
- **TOLERANCE:** The ability or willingness to tolerate the existence of systems, opinions, or behaviours that one dislikes or disagrees with: The Council and profession is willing to accept, consider and understand different views and opinions regarding its professional and ethical standards.
- **TRANSPARENCY:** Honest and open communication and sharing of information between stakeholders.



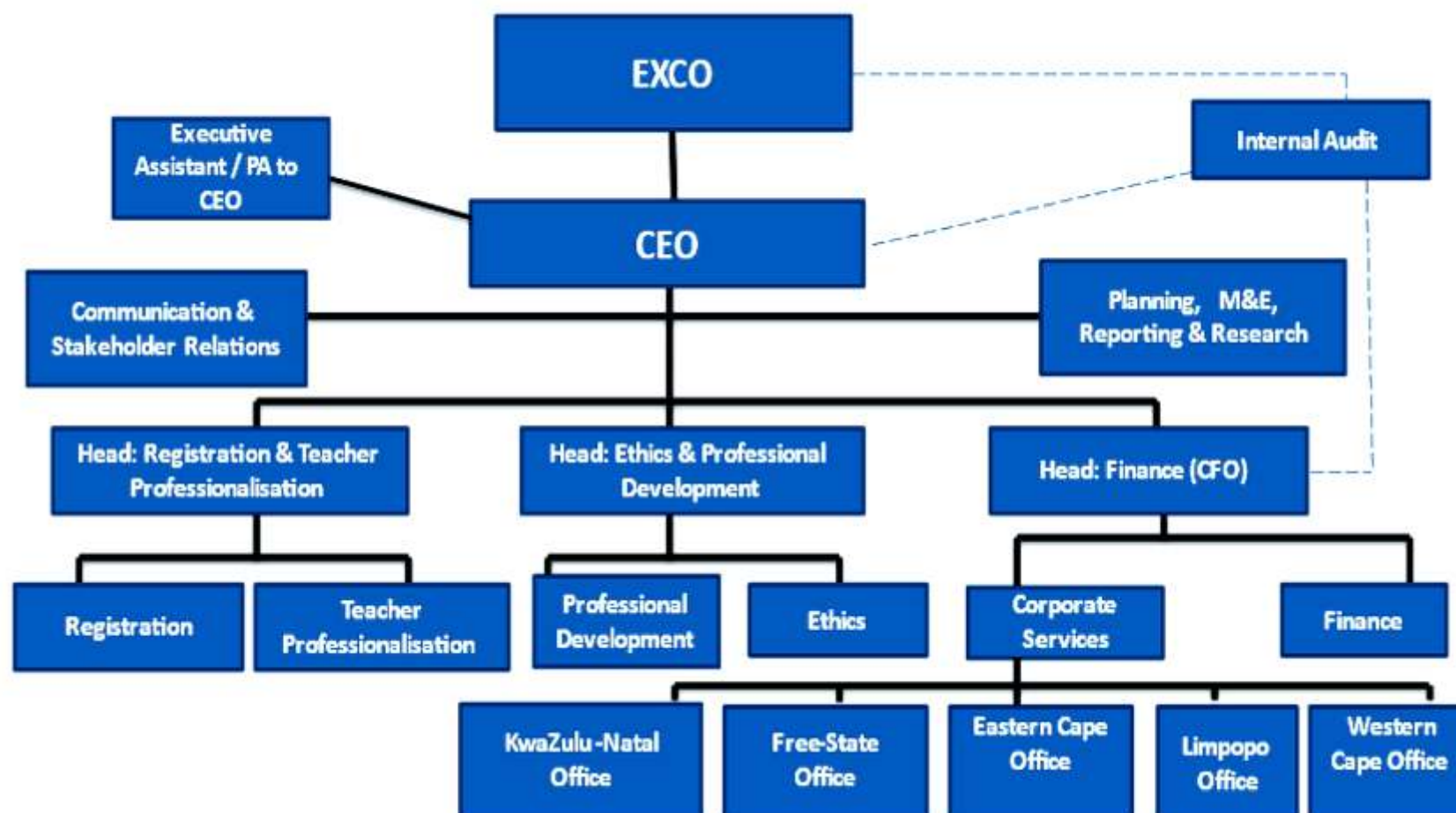
## LEGISLATIVE AND OTHER MANDATES

SACE is a schedule 3A Public Entity and its regulatory work is governed by the following legislative and policy mandates as follows:

- **NDP: Vision 2030** - National Development Plan.
- **NQF Act, 2008 as amended** - National Qualifications Framework Act, NQF Amendment Bill 2019.
- **NPFTED, 2007**: National Policy Framework for Teacher Education and Development South Africa.
- **ISPFTED, 2011** - Integrated Strategic Planning Framework for Teacher Education and Development in South Africa, 2011–2025
- **PPQTVET, 2013**: Policy on Professional Qualifications for Lecturers in Technical and Vocational Education and Training
- **MRTEQ, 2015**: Revised Policy on the Minimum Requirements for Teacher Education Qualifications
- The SACE Revised Registration Criteria
- The SACE Code of Professional Ethics
- The SACE CPTD Management System Handbook 2013
- The SACE Professional Teaching Standards
- The Teachers' Safety and Security in South African Schools

## Organisational Structure

### APPROVED SACE STRUCTURE-OVERVIEW



## AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor through A2A Kopano Incorporated currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report. Refer to Part E: Financial Information for the Auditors Report.

## **SITUATIONAL ANALYSIS**

### **Service Delivery Environment**

The establishment of SACE as a professional statutory regulatory body shifted the teaching profession from the pre-professional age which viewed teachers as labour force and state functionaries, to an age that recognised them as self-driven, autonomous, and accountable professionals, along with the advancement of professionalism. Hence SACE's vision 2025 that promotes the enhancement of the status of teachers and the teaching profession across the teacher education and development continuum, through the collaborative process of professionalising the teaching profession.

Equally, SACE's process of professionalising the teaching profession, echoes the South African constitution, as well as the National Development Plan's vision 2030 (2012) that promotes a professionalised public service with a working force that is highly developed, value-driven, accountable, responsive to citizens' needs, as well as governed and regulated by high standards of professional ethics. In supporting the significance of an ethical and accountable public service and teaching profession, SACE maintains that it is difficult for the basic education sector to improve the outcomes of education if there is, amongst others, a lack of ethical behaviour, professionalism, fit-for-purpose teaching force and integrity in the education system. Thus, SACE's statutory regulatory role becomes fundamental in maintaining the ethical and professional standards in the teaching profession.

Furthermore, the advent of the pandemic not only came as a shock for the world but seemed to further exacerbate the challenges faced within the teaching profession and the education fraternity. The pandemic disrupted the service delivery environments in so many ways and left the teaching profession wounded. Due to the COVID-19 pandemic, it also meant that the world and SACE alike, had to quickly adapt to the 4<sup>th</sup> industrial revolution and embrace the use of technology and other virtual means, however, with the vast inequalities still in existence in the South African context this posed some complexities.

More so, the challenges faced by Council in servicing educators and student teachers are evident in the 2020/2021 performance information, particularly in the professional ethics and professional development programmes. Also, Council had to advocate for the use of online registration for first time applicants, keeping in line with Covid-19 regulations and to ensure the safety of its members. The use of online registration services among educators proved slow and posed challenges for some educators who live in poorly connected areas around the country, thus the registration uptake was low. SACE will explore how the use of online registration services can be improved and advocated to cater for the needs of the profession efficiently and effectively and ensure that SACE is on par with other professional bodies.

SACE is tasked with the responsibility for the implementation and management of the Continuing Professional Teacher Development Management System (CPTD MS). The programme aims to encourage and instil life-long learning amongst educators. The appetite for CPTD uptake had slowly increased in the previous financial year, as educators were starting to show an interest in taking initiative in participating not only for their own professional development but also in improving the quality of education in South Africa. Coupled with previous challenges of lack of uptake from educators and the need to utilise more electronic resources to keep up to date with technology driven activities (a further need exacerbated by the pandemic) made it difficult for Council to adequately perform and support educators as desired. Despite the challenges Council has adopted a new theory of change aimed at revolutionising professional development and seeks to work collaboratively with educators in solving current challenges and assisting them in seeing continuous professional development as a necessary and crucial part of their career advancement and professionalism.

The launch of the SACE virtual library saw the move for Council to not only support President Ramaphosa's campaign and Basic Education Minister's priority in cultivating a reading nation but was also an opportunity for SACE to further encourage reading amongst its educators and stakeholders ("**Read to Teach**") who would in turn motivate their learners to read. The SACE virtual library, which was established in December 2020, supported by VVOB, presented a great resource for educators to further develop themselves professionally and create a culture of reading in the profession. With daily sign ups and reading material requests, the SACE virtual library is slowly becoming a resource for the profession.

The long-awaited finalisation of the Teachers' Rights, Responsibilities and Safety programme and subsequent launch of the handbook on Teachers' Safety and Security in South African Schools was a win for the profession. The handbook serves as a tool and guide for teachers in responding to potentially violent situations in the teaching and learning environment. It also promotes a message that the safety of the teaching and learning environment is the responsibility of the whole school community, hence it follows the whole-school approach. The handbook will be further developed into a facilitator guide and online resource and a policy brief will be submitted in the 2022 financial year.

The SACE continues to receive and process ethical misconduct cases reported to it. It is inundated with a rise in the number of misconduct cases coming from the entire country in respect of educators that continue to breach the code of professional ethics. Council continues with its mandate to investigate complaints brought to its attention, or in some instances, mediate over disputes at the behest of the parties and in some instances, conduct disciplinary hearings at the behest of Council though with several challenges. Council continues to advocate for educators to follow the professional code of conduct in its goal to inspire a credible teaching profession.

The year under review did show to be particularly challenging as lockdown regulations limited the ability and accessibility of key witnesses essential in concluded cases. This hampered greatly on the processes Council takes, such as travelling to convene hearings, especially where learners are concerned, whereas their accessibility depends on the opening of schools. SACE continues to close gaps in as far as these challenges are concerned by seeking cooperation, implementing awareness programmes, and encouraging the community to help in enforcing the code of professional ethics, as well as inspiring a credible teaching profession.

### Organisational environment

In addition to the service delivery environment highlighted in section 2.1. above, the Chief Executive Officer's office was hampered by the resignation of the Planning, Monitoring and Evaluation, and Reporting during the second quarter of the 2021/2022 financial year, as well as the resignation of the Communications Manager during the last quarter of the financial year. However, acting managers were appointed to address the gap. These key positions will be filled fully in the 2022 financial year.

### Key policy developments and legislative changes

There were no key policy developments and legislative changes.

### Strategic Outcome Oriented Goals

Outcome Oriented Goals	Progress
Efficient and effective governance	This goal is being achieved through the five different input indicators that ensure that (a) as an Accounting Authority, all normal four annual Council and eight annual EXCO meetings as part of playing oversight role and ensuring functionality of Council; (b) production of the five year strategic plan, annual performance plans, operational plans, quarterly reports, and annual reports; (c) implementation of the communication strategy and annual plans; (d) implementation of the ICT strategy; and (e) ensuring that employees are well-capacitated.
Fit-to-practise-registered educators and lecturers	To date, 139 369 educators, student teachers, ECD practitioners and college lecturers were professionally registered.
Maintained ethical standards	Since Council started implementing the 2020-2025 strategic plan, 343 cases of ethical misconduct were finalised.

Improved teacher competence	In ensuring fit-for-purpose and quality teaching profession, 1 922 professional development programmes and activities were endorsed, and 146 providers were approved. A total of 59 486 educators were signed-up for participation in the Continuing Professional Teacher Development System.
Improved teacher professionalism	The development and approval of the professional teaching standards, along with the teacher professionalisation path across the teacher education and development continuum.





## **PART B** **PERFORMANCE** **INFORMATION**



## Programme 1: Administration

The purpose of this programme is to implement and manage the policy directives and priorities of the Council to ensure the functional proficiency of SACE through appropriate support services.

This Programme consists of the following six (6) sub-programmes:

- 1.1. Executive and Governance:** to determine policy and priorities for the organisation
- 1.2. Planning, Monitoring & Evaluation Reporting and Research:** translate policies and priorities into strategies for effective service delivery and, to manage, monitor and control performance and research.
- 1.3. Corporate Services:** to ensure appropriate support service based on the principles of corporate governance
- 1.4. Financial Management:** to provide sound financial and risk management support services as well as budgeting, provisioning, and procurement to the organization
- 1.5. Communication and Stakeholder Relations:** provide and improve internal and external communications of the organisation through various platforms to all stakeholders and ensure a proactive communication and Advocacy strategy reaching all educators and stakeholders groupings
- 1.6. Information and Communication Technology:** Improved corporate governance of ICT leads to effective public service delivery through ICT-enabled access to organisational information and services, ICT enablement of business, improved quality of ICT service, stakeholder communication, trust between ICT, the business, and citizens, lowering of costs, increased alignment of investment towards strategic goals, protection, and management of the organisational and employee information.

**To be used for a report against the originally tabled Annual Performance Plan (In the instance where a public entity did not re-table the Annual Performance Plan in the financial year under review) Or Report against the re-tabled Annual Performance Plan**

*Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table*

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Efficient and effective governance	Minutes and attendance registers of the meetings	Number of Council and EXCO meetings	-	-	10	14	+4	<b>Achieved:</b> Four additional EXCO special meetings were held during the period under review.
	Approved quarterly performance report	Number of quarterly performance reports submitted to DBE	-	-	4	4	0	<b>Achieved:</b> No deviation
	Research conducted	Number of research reports produced	3	2	3	2	-1	<b>Partially Achieved:</b> One research study could not be concluded during the period under review and is currently on going.
	Attendance register	Number of research-based seminars/conferences conducted	2	9	1	0	-1	<b>Not Achieved:</b> The planned seminar/conference could not take place due to delays in finalising the Teachers' safety and

								security in South African Schools: A handbook.
	Performance agreements and assessments	Percentage of employees assessed through performance development system	-	-	100%	52%	-48%	<b>Not Achieved:</b> At the time of reporting, only 52% of the reports were received. However, the Council is in the process of concluding the assessments within the beginning of new financial year.
	Approved communication strategy	Communication strategy developed and monitored	-	-	1	1	-	<b>Achieved</b>
	Acknowledgement from treasury	Percentage of invoices paid within 30 days	-	-	100%	90,9%	-6,8%	<b>Partially Achieved</b> Late submission of invoices by the supplier and outstanding statements.
	Approved ICT Strategy	Approved ICT policy	-	-	1	1	-	<b>Achieved</b>

Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a public entity did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.

*Progress on Institutional Response to the COVID-19 Pandemic*

Programme	Intervention	Geographic location (Province/ District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
<b>Sub-Programme 1.1. Executive and Governance</b>	Virtual Council Meetings	National	29				Governance meetings, providing strategic direction to Council to determine policy and priorities for the organisation.	Effective Governance of SACE
<b>Sub-Programme 1.2. Planning, Monitoring &amp; Evaluation Reporting and Research</b>	Project Meetings and training on how to use the SACE virtual library conducted through virtual platforms	All nine provinces of South Africa					Enhanced research coordination within SACE to strengthen its advisory role. Completion of the Teachers' Safety and Security	Established Research/work collaboration and training conducted on the virtual library to empower SACE officials in communication, advocacy, and utilisation of the

							handbook.	library.
<b>Sub-Programme 1.3. Corporate services</b>	Distribution of personal protective equipment  Virtual Meeting with managers	All SACE provincial offices					Ensuring appropriate support service based on the principles of corporate governance	Safe working environment for all SACE staff member  Implementation of SACE PEDS
<b>Sub-Programme 1.4. Financial management</b>								
<b>Sub-Programme 1.5. Communication and Stakeholder Relations</b>	Media Engagements in in various print and electronic media across the country.	National			R90 000		Implementation of the Communications and Content strategies	Improving the SACE image through effective communications to its stakeholders.

### **Narrative-Highlights for the 2020/21 Financial Year**

The efficient and effective governance of SACE is largely dependent on a functional Council as an Accounting Authority; therefore, the sitting of Council's seven committees is essential in advising EXCO and Council as the highest decision-making structure. Council, thus, ensured that committee meetings took place timeously throughout this financial year despite the challenges imposed by the pandemic. These meetings assisted council in providing strategic direction and leadership, and sought to restore calm among council staff members, its members, and stakeholders during a time of uncertainty. Furthermore, four additional special EXCO meetings were held during the period under review.

Despite the pandemic that affected many livelihoods and work operations, Council continued to ensure that its planned services and activities continued. To strengthen its advisory role and undertake research needs as identified by internal and external factors and gain a better understanding of the new environment that the profession was operating under, Council embarked on a research survey which aimed to gain perspectives from educators on the current environment they found themselves in. The purpose of the survey was to derive educators' perspective on the level of preparedness and support received during the pandemic as educators had to go back to resume their duties at school. Council wanted to explore and find solutions on how educators can be better supported, taking into consideration the mental strain and anxiety they were faced. The findings of the report were paramount in assessing the environment in the teaching profession and how educators can be better supported as professionals.

Research collaboration and partnerships with key stakeholders were instrumental in assisting Council reach some of its goals, VVOB played an active role in helping council reach its goal of finalising the handbook on Teachers' Safety and Security in South African Schools and establishing a virtual library. The finalisation of the handbook on Teachers' safety and security in South African schools was a huge win for the profession as the handbook aims to bring to the fore the plight educators face on the daily regarding their right, responsibilities, and safety in schools. The handbook was launched through social media platforms due to Covid-19 restrictions and is now readily available for SACE stakeholders and its members. The handbook is a great resource to the profession as it aims to offer guidelines on managing incidents of safety and security in schools and is set to be further developed into a facilitator guide, participant workbook and online course to adequately capacitate educators.

SACE also has a goal to instil reading in the Teaching Profession. In support of the Presidential and Ministerial priority on reading, SACE launched a Virtual Library to promote a reading profession. The SACE virtual library presents the reading opportunity for the SACE-registered educators and stakeholders' access to various digital resources that will contribute to their knowledge, material development, and teaching and learning. The SACE Virtual Library is furnished with a broad set of content covering everything from professional development,

leadership, and management, teaching resources and books for leisure reading. The Virtual library has over 50 000 free titles available for teachers and SACE staff members to access immediately. Additional content is procured on a continuous basis with support from VVOB. The aim of the virtual library is that it forms an integral part in supporting teachers in their Professional Development goals as it will form part of the Continued Professional Teacher Development system. The SACE virtual library is still currently under the pilot phase, as we determined the feasibility, access and running of the current library system and this phase will provide insights into the challenges, success, and areas of improvement.

The development and approval of the communication strategy was integral in ensuring that SACE can adequately and efficiently implement its strategies to increase communication and advocacy for the profession. In its continued process to improving the image of the profession, as part of the implementation of the Communication strategy for the period under review, and keeping its members and stakeholders informed, several media campaigns and interactions were conducted, which included the launch of Teachers' Safety and Security in South African Schools handbook. Council also recognises the efforts and hard work its educators put in ensuring that learners receive quality education and thus it was important for SACE to acknowledge and thank its members for the role they played in ensuring that a good matric pass rate is achieved despite the impact of the Covid-19 pandemic.

Keeping in par with the 4<sup>th</sup> industrial revolution and in being effective and efficient in ensuring that the work of Council continues despite the challenges Covid-19 brought. SACE continuously upgraded its systems and trained staff members in how to utilise programmes such as MS Teams. The development, approval, and implementation of the ICT strategy for the year under review has propelled Council to work at integrating its programme systems for easy work processes and uniformity

#### **Strategy to overcome areas of under performance**

None

### Reporting on the Institutional Response to the COVID-19 Pandemic

Several interventions were initiated to ensure that the work of Council continues despite the current pandemic. Virtual meetings were implemented during hard lockdown, which made it possible for the continuation of Council work. The virtual meetings ensured that activities continued in the attainment of the Council's Annual Performance Plan Indicators for 2020/2021 and in establishing collaboration with relevant stakeholders in strengthening the work of Council. Virtual sessions with various stakeholders assisted in achieving the goals of council such as finalising the handbook on Teachers' Safety and Security in South African schools. With the advent of Covid-19, it has pushed Council to increase the availability of the handbook on social media platforms, has made it accessible to SACE members and its stakeholders across the country.

The project on Teacher Support during Covid-19 saw Council having to think of new ways of engaging with Teachers, thus data was collected in a form of a survey via Google forms due to the observation of the COVID-19 compliance requirements. The survey had over 15 000 responses from teachers' and proved to be an effective method for data collection during the pandemic. Council also had to increase its visibility during the pandemic to keep educators updated on new developments, thus the increased visibility on social media platforms and media releases.

### Linking performance with budgets

#### **Programme 1: Administration**

Programme	2019/2020			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Administration	81 599	80 435	1 164	85 106	71 915	13 191
Total	81 599	80 435	1 164	85 106	71 915	13 191

#### **Sub-programme 1.2: Planning, Monitoring & Evaluation Reporting and Research**

Programme	2019/2020			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Research	1 400	1 325	75	0	0	0
Total	1 400	1 325	75	0	0	0

*\*Research was a stand-alone programme in the APP 2019/2020 and was re-allocated to appear as a sub-programme under Administration in the APP 2020/2021..*



## **Programme 2: Professional Registration**

The purpose of this programme is to register qualified educators and create sub registers for special categories; maintain and update educator database; and enhance the quality of the registration of teachers by introducing standards.

### **Sub-programme 2.1: Registration of Educators and Lecturers**

Purpose: To ensure that all educators/lecturers who meet the registration standards are certified to practise. Register student educators and qualified educators and lecturers and create sub-registers for special categories to enhance the quality of the professional certification of teachers by introducing standards.

### **Sub-programme 2.2: Data Management**

Purpose: To ensure that periodical statistical status reports are published. Council will keep both a manual and an online database providing access to up-to-date information on the registration status of current college lecturers and prospective teachers. Information will be provided about whether teachers are registered, any conditions placed on their registration, their date of registration expiry and confirmation about their fit-to-practise status.

To be used for a report against the originally tabled Annual Performance Plan (In the instance where a public entity did not re-table the Annual Performance Plan in the financial year under review) OR Report against the re-tabled Annual Performance Plan Annual Performance Plan.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Programme 2: Professional Registration								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Fit-to-practise-registered educators and lecturers	Register of all educators, lecturers and student educators subjected to fitness to practise	Number of educators registered	29 765	79 084	25 000	60 285	+35 285	<b>Overachieved:</b> Upon reflection, there has been under-targeting of the indicator due to the historical figures, as well as inconsistent teacher education graduate output, particularly due to the initial teacher education distance mode which accounts to over 60% of the country's output.
		Percentage of educators applying through the online system for professional certification	-	-	50% (12 500)	17% (10 096/60 285 x100)	-33% (2 404)	<b>Not Achieved</b> Registrants' familiarity and contentment with the walk-in and on-the-spot registration, along with slow warming up to the online registration system which may not issue immediate
								registration letter or certificate due to quality assurance mechanisms.
	Educators' data	Number of statistical reports produced on the status of the profession	-	-	2	2	-	-

*Progress on Institutional Response to the COVID-19 Pandemic*

Programme	Intervention	Geographic location (Province/ District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Sub- Programme 2.1	Online Registration of first-time applicants	Nationally	10 096	Student teachers and newly qualified educators	-	-	The intervention enables Council to register all applicants who qualify to be in the register of Fit to practice teachers.	Fit-to-practice Educators in Classrooms

## Narrative-Highlights for the 2020/21

### Professional Registration of Educators and College Lecturers

Table 1 below indicates that in 2020/2021, **60 285** educators, practitioners and lecturers were made as compared to **79 084** in 2019/2020. This translates into, 18 799 (23.22%) less registration transactions in 2020/2021. This difference could be attributed to (a) the challenges presented by COVID-19 pandemic in the Higher Education Institutions where the calendar year ended on the 31<sup>st</sup> of March 2021; (b) cancellation of graduations for the newly qualified educators resulting in the delays in finalising their full SACE registration status; (c) slow postal services; and (d) delays in the issuing of the police clearance certificates.

Registration Numbers 2019/2020 to 2020/2021	
<b>2019-2020</b>	79 084
<b>2020-2021</b>	60 285

**Table 1:** registration number (2019/2020 – 2020/2021)

Equally, due to the alert level 5 pandemic in the first quarter of the 2020/2021 financial year (1<sup>st</sup> April – 30<sup>th</sup> June 2020), fewer educators were registered and as the lockdown levels went down to levels 2 and 1, more educators were registers as reflected in quarters 3 and table 2 below.

2020/2021 Quarters	Registration Numbers
Quarter 1	4472 (7.47%)
Quarter 2	8341 (13.83%)
Quarter 3	21733 (36.05%)
Quarter 4	25 739 (42.69%)
<b>TOTAL</b>	<b>60 285</b>

**Table 2:** 2020/2021 Quarterly Registration numbers

#### 1.1. Mode of Registration

Due to instability and disruptions experienced in 2020/2021 financial year, the following modes of registering educators and college lectures were used: Online registration system, email, postal service, walk-ins into the five SACE offices, and dropping applications into the boxes at the entrances of the SACE building when the offices are closed because of the COVID-19 pandemic.

Quarters	Walk-in/Email/ Drop-Box / Postage	Online registration
Q1	3864	608
Q2	5013	3328
Q3	20687	1046
Q4	20625	5 114
<b>Total</b>	<b>50 189</b>	<b>10 096</b>

**Table 3:** Mode of registration numbers by quarters

As reflected in table 3 above, only 16,74% (10 096 out of 60 285) registrations were conducted online, while (50 189 out of 60 285) were done through emails, postage, or walk-ins.

## 1.2. Fitness-to-Practice

In ensuring that schools and colleges employ educators and lecturers that are fit-to-practice, all the 2020/2021 registrations were screened against the South African Police Services' Criminal Record Database and the Department of Justice and Constitutional Development's National Register of Sexual Offenders. Only 13 out of 60 285 applicants were found to have criminal records against their names and subjected to the fit-to-teach processes. Amongst others, criminal issues identified from the criminal records of newly qualified educators and student teachers were as follows: assault, murder, theft / fraud, substance abuse, shoplifting, drunken driving, and others.

Additionally, three South African and four foreign national registrants were arrested and blocked from the SACE registration system due to the submission of fraudulent qualifications.

## 1.3. Strategy to overcome areas of under performance

Promote the use of online registration system and provide the continued and timeous support to the registrants. Strengthen institution network processes in terms of:

- Intensifying collaboration with higher education institutions in terms of provisional registration of the student teachers and legal data sharing processes to enhance the updating of provisional registration to full registration status.
- Heightened collaboration with the employer of educators

### Reporting on the institutional Response to the COVID-19 Pandemic

- Educators were encouraged to use the online registration system as reflected in the table above.
- Application through the email services were also utilised.
- Where walk-ins were used, registration application drop-off measures were put in place.

- Heightened working relations with Higher Education Institutions, Department of Basic Education, Department of Home Affairs, and Provincial Education Departments in terms of:
  - o Exchanging data, within legal prescripts, to facilitate the provisional registration of student teachers and updating of the newly qualified educators' provisional registration to full registration status since the university graduations were cancelled and the issuing of the graduate certificates were extremely slow.
  - o Facilitating the issuing of the South African Police Clearance (SAPS) police clearance certificates since many of the police stations suspended or prolonged the period of issuing the certificates.
  - o Verification of the foreign nationals' legal entry documentation, including the work permits.
  - o Ensuring that the provisionally registered newly qualified educators are not disadvantaged employment-wise due to the slow turn-around time in receiving the full registration status.

**Linking performance with budgets**

Programme	2019/2020			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Professional Registration	2 000	820	1 180	1 000	511	489
Total	2 000	820	1 180	1 000	511	489

## Programme 3: Ethical Standards

The purpose of this programme is to promote and maintain ethical standards in the profession

### Sub-programme 3.1: Investigations

Purpose: To effectively conduct investigations into allegations of misconduct.

### Sub-programme 3.2: Disciplinary Hearings

Purpose: To manage the resolution of misconduct cases effectively and efficiently.

### Sub-programme 3.3: Sanctioning

Purpose: To improve ethical behaviour in the teaching profession



*To be used for a report against the original tabled Annual Performance Plan until date of re-tabling (In the instance where a public where a public has re-tabled an Annual Performance Plan in the financial year under review)*

*Originally tabled Annual Performance Plan (Active for Quarter 1 2020/21)  
Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table*

Programme 3: Ethical Standards									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Maintained ethical standards	Register of reported cases	Percentage of investigations on new cases finalised	-	-	80%	-	-	The original target set was an annual target set for quarter 4.	Given the pandemic restrictions the annual target had to be reviewed.
		Percentage of investigations on roll-over cases finalised	-	-	90%	-	-	The original target set was an annual target set for quarter 4.	Given the pandemic restrictions the annual target had to be reviewed.
	Report on disciplinary hearings finalised	Percentage of disciplinary hearings on new cases finalised	-	-	70%	-	-	The original target set was an annual target set for quarter 4.	Given the pandemic restrictions the annual target had to be reviewed.
		Percentage of disciplinary hearings on roll-over cases	-	-	80%	-	-	The original target set was an annual target set for	Given the pandemic restrictions the annual target had to be
		finalised						quarter 4.	reviewed.

*Re-tabled Annual Performance Plan (Active for Quarter 2, 3 and 4 2020/21)*  
*Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table*

Programme 3: Ethical Standards									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021 after date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Maintained ethical standards	Register of reported cases	Percentage of investigations on new cases finalised	-	-	50%	0.9% (4 finalised out of 443 investigations received)	-49.1	This indicator depends largely on availability of learners who are the dominant witnesses to obtain information regarding each filed case of misconduct against educators. Due to closure of schools for a greater part of the year, very little could be done during that period.	The advent of the Covid 19 pandemic had an extremely negative impact on the SACE performance. This started with the opening of cases, something which could not be done when the SACE offices were closed. Investigations and disciplinary hearings could not be conducted between April and August 2020 owing to

								<p>This is also owing to the focus placed on roll-over cases in indicator 3.1.2.</p>	<p>the effect of the pandemic and school closure. Witnesses and their parents refused to avail themselves and to interact with officials for fear of infections. This necessitated the SACE to revise its targets and which revision was owing to no fault on the part of the SACE but was because of the existing situation.</p>
		Percentage of investigations on roll-over cases finalised	-	-	50%	13.1% (60 cases finalised out of 456 cases)	-36.9	<p>This indicator depends largely on availability of learners who are the dominant witnesses to obtain information regarding each filed case of misconduct against educators. Due to closure of schools for a greater part of the year, very little could be done during that period.</p>	<p>The advent of the Covid 19 pandemic had an extremely negative impact on the SACE performance. This started with the opening of cases, something which could not be done when the SACE offices were closed. Investigations and disciplinary hearings could not be conducted between April and August 2020 owing to</p>

								This is also owing to the focus placed on roll-over cases in indicator 3.1.2.	the effect of the pandemic. Witnesses refused to avail themselves and to interact with officials for fear of infections. This necessitated the SACE to revise its targets and which revision was owing to no fault on the part of the SACE but was because of the existing situation.
	Report on disciplinary hearings finalised	Percentage of disciplinary hearings on new cases finalised	-	-	30%	0.6% (3 cases finalised out of 443)	-29.4	Every case which gets finalised depends on substantive evidence obtained to secure a conviction. Much of the evidence require by Council is the sworn testimony of child witnesses. these remained unavailable to Council as schools remained closed, whereat children and the accused educators can only	The advent of the Covid 19 pandemic had an extremely negative impact on the SACE performance. This started with the opening of cases, something which could not be done when the SACE offices were closed. Investigations and disciplinary hearings could not be conducted between April and August 2020 owing to the effect of the

								be secured to dispense with cases. On that basis this drastically affected what Council could achieve despite having started the year with hope of closing as many cases as possible and even revising them drastically owing to the changes in the new normal environment did not help to finalise more cases.	pandemic. Witnesses refused to avail themselves and to interact with officials for fear of infections. This necessitated the SACE to revise its targets and which revision was owing to no fault on the part of the SACE but was because of the existing situation.
		Percentage of disciplinary hearings on roll-over cases finalised	-	-	40%	11% (52 roll-over cases finalised out of 456 cases)	-29	Every case which gets finalised depends on substantive evidence obtained to secure a conviction. Much of the evidence require by Council is the sworn testimony of child witnesses. these remained unavailable to Council as schools remained closed,	The advent of the Covid 19 pandemic had an extremely negative impact on the SACE performance. This started with the opening of cases, something which could not be done when the SACE offices were closed. Investigations and disciplinary hearings

								whereat children and the accused educators can only be secured to dispense with cases. On that basis this drastically affected what Council could achieve despite having started the year with hope of closing as many cases as possible and even revising them drastically owing to the changes in the new normal environment did not help to finalise more cases.	could not be conducted between April and August 2020 owing to the effect of the pandemic. Witnesses refused to avail themselves and to interact with officials for fear of infections. This necessitated the SACE to revise its targets and which revision was owing to no fault on the part of the SACE but was because of the existing situation.
	Analysis report	Number of analysis reports produced on sanctioned educators	-	-	2	1	-1	On target set for quarter 2 there were no hearings ratified during this period and as a result, no educator was sanctioned during the same period.	No revisions were done on the original annual performance plan output indicator and annual target.

**Progress on Institutional Response to the COVID-19 Pandemic**

Programme	Intervention	Geographic location (Province/ District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 3: Ethical Standards	Use of hotels to conduct disciplinary hearings	All 9 provinces,	39 Hearings,	-	400 000,	-	39 hearings were conducted and finalised especially that usual venues were not accessible due to lockdown regulations. Council to make do with alternative venue – which are the hotels who accepted the request. This assisted in adding to the number of cases finalised	Finalisation of cases and imposing of sanctions on those found guilty to minimise cases that remain unresolved for too long.

							as per the indicator.	
Programme 3: Ethical Standards	Pilot study on conducting hearings under lockdown conditions	All 9 provinces			None	-	It contributed by establishing causes of misgivings by educators in attending sessions under covid-19 conditions. This increased acceptance of educators and panellists attending hearings knowing they will be safe thus enabling finalisation of cases.	Enabled more effective and safer finalisation of cases.
Programme 3: Ethical Standards	Developed standard operating procedures	All 9 provinces			None	-	Reduced instances of infections during hearings. Contributed to finalisation of cases by removing fear of participants attending them.	The work Council was not placed at a standstill due to covid-19 conditions, restrictions, and fears, where possible.





## **Narrative-Highlights for the 2020/21 Financial Year**

In the year under review the Council received 443 cases of misconduct against educators divided between 42 new cases in the first quarter, 106 cases in the second quarter, 40 cases in the third quarter and finally 255 cases were received in the fourth quarter.

In the first quarter no new cases or complaints could be captured during the month of April and May 2020 owing to the COVID-19 alert level 5 national lockdown which led to the office closure and no access to new complaints as a result. Thus, a total of 42 cases could only be opened in the month of June 2021. Council observes with concern the nature of the cases received as follows: 25 of them were of assault of learners, 4 were for employing of unregistered and unqualified educators, 3 were for sexual misconduct on learners and the balance were for discrimination, theft of school funds, etc. It is worrying that corporal punishment of learners still takes centre stage and seems to still lead the pack.

In the second quarter, a total of 106 new complaints were registered against educators as shown in table 1 below. The highest form of misconduct registered against educators was assault of learners, colleagues, and department officials with a total of 34 instances. The second offences committed by educators was sexual misconduct against learners and colleagues with a total of 25 cases in the period. In third place were several other offences ranging from discrimination, dishonesty, employment of illegal and unqualified educators and fraud, among others. These cases were being processed at the time of writing this report and will be reported on once finalized in the new financial year. In the third quarter, the Council received a total of 40 new complaints which are being processed and will be reported upon in due course. Below is the table which highlight the cases that were processed. In the fourth quarter, the Council received a total of 255 new complaints which are being processed and will also be reported upon in due course.

### **Processing of Cases**

The division processes all cases before Council on a First-In-First-Out (FIFO) basis. This means that cases that are lodged first are processed first, except for serious breaches of the code such as sexual offences and severe assault, among others. As such Council processes rolled over cases from the previous calendar year starting with the conduct of preliminary screening, investigations, and hearings.

### **Initial Consideration of complaint (Recommendations for closure of complaints and or directive by Council)**

Initial consideration is aimed at establishing whether a case does exist in terms of the evidence furnished at the lodgement of such case. Cases are also first screened to establish if they are within the jurisdiction of Council to process. This is so because many complaints including ones against learners, or labour matters which are not within the ambit of SACE to

handle. Labour matters are within the jurisdiction of the employer to handle and not SACE. Learners' misconduct is not within SACE jurisdiction but that of the school and its management to handle. SACE only processes cases that pertain to breaches of the Code of Professional Ethics by educators and TVET lecturers. However, Council continues to receive many complaints and cases that are outside its jurisdiction.

As illustrated in table 3.4 after, initial consideration of complaints, a total of 27 cases in Quarter 3 and 52 in quarter 4 were considered. One case in the third quarter involved 3 educators and 3 in fourth quarter were charged jointly, making the cases 79 but the educators involved 83 in total. A total of 22 files had to be closed owing to the withdrawal of matters by the complainants, while 20 were closed for want of evidence, and 14 were provisionally closed pending the apprehension of evidence. A total of 13 files were closed due to referral to mediation or resolution of the cases by the school or the department, while a total of 6 files were closed because they are not within SACE jurisdiction to handle. Two cases had charges preferred against educators – one for financial mismanagement and the other for submission of a fraudulent death certificate. One case involved plea and sentence agreement owing to failure to locate the witnesses, and the other – educator was given an advisory or caution letter.

### Investigations

In the year under review Council managed to conduct and finalise 137 investigations wherein some files were closed for want of substantive evidence to proceed therewith, while many resulted in charges being preferred against accused educators. Of the 137 annual ratified investigations 13 emanated from the first quarter, wherein 7 cases charges were preferred against accused educators while 3 of the educators were cautioned and 3 cases files had to be closed for want of evidence against the said educators. In the second quarter no investigations were ratified due to closure of schools owing to Covid 19 pandemic and restrictions. In the third quarter a total of 98 investigations were conducted and ratified. Of the cases investigated, 59 files had to be closed for lack of evidence, in 36 cases charges were preferred against educators, and the remainder of the three cases were committed to mediation. In the fourth and final quarter the Council ratified 38 cases, 19 instances of which files had to be closed either provisionally or until further notice due to lack of evidence to proceed therewith, whilst in 12 instances charges were preferred against educators and the remaining 6 instances the cases were committed to mediation and 1 to be resolved by the employer.

## Mediations

Council was able to ratify 8 mediations through the year, 1 in the first quarter, 5 of which in the third quarter, and 2 in the fourth quarter. The mediations emanate from poor relations between educators. Three of these cases for instance pertained to Verbal abuse and victimization of a colleague, two pertained to threatening to assault a colleague and insubordination, while two discriminations towards a learner by teachers and the last one pertained to insubordination by educators. Council has taken an approach to capacitate schools having conflicts and disputes often to help improve relations between teachers. Teachers are encouraged to also learn the skill of emotional intelligence to relate better with colleagues as a professional.

## Hearings

Council hearings occur under the cloud of adversarial resistance by accused educators. There are generally two legal systems under which cases are processed globally, namely the inquisitorial and adversarial systems. The inquisitorial system is one in terms of which takes the form of an enquiry and controlled by the presiding officer. The approach is practiced in countries like France, Germany, and Switzerland. On the other hand, the adversarial system is competitive, involving use of tactics to win cases at all costs. This is a system applicable in common law countries like the United Kingdom, United States of America, and South Africa. Litigants seek to outwit each other.

Council operates under an adversarial system where accused educators attempt to evade responsibility for their actions. In that light, educators do all that is in their power to avoid attending to hearings for fear of losing their teaching licence. In that light they attempt to use sickness, postponement owing to need for more time to prepare among other delay tactics. Council however continues to conduct hearings to determine the verdict in each case. In this light, Council attempted to use virtual systems for hearings and in each case, educators gave so many excuses such as lack of resources such as gadgets and data to appear before SACE. In the year under discussion a total of 80 hearings were conducted, emanating from quarter one, 7 hearings, second quarter zero, third quarter 47 and fourth quarter 26 hearings were conducted. All these cases were ratified by the Ethics Committee and Council. Only one case in the fourth quarter was directed to be heard de novo. The rest of the hearings led to convictions and related sanctions discussed below. Of the causes heard and ratified in the fourth quarter, only 1 was a new case and 25 roll overs from the previous financial periods.

The Council continues to experience usual challenges of postponements, and lack of cooperation with witnesses in other instances but making all the efforts to curb these and general finality to cases. The Council also experiences pressure from media requests for access into its processes which are untenable as Council processes are private and not open to the public. The division plans to process more cases through appointment of more panellists to mitigate against areas of poor performance.

The other challenges of great concern to Council are that closure of schools and unavailability of witnesses makes it impossible for Council to process any cases. The Council's work is governed by section 35(3)(h) of the Constitution of South Africa Act No 108 of 1996 in terms of which all accused persons are afforded the preponderance of innocence until the contrary is proven otherwise. In that light, all allegations against educators must be substantiated by proof. Such proof includes among other things sworn testimony of persons who have personal knowledge as to the facts alleged. Majority of the persons required to make sworn testimony are students who are only accessible when schools are open. The Council is unable to conduct any investigation or hearings as long as schools remain closed.

### **Sanctions**

The Council managed to produce two sanction reports in the third and fourth quarters. The second quarter sanction report could not be produced because no cases were processed therein owing to total closure of schools due to lockdown restrictions. After conviction verdicts are reached in hearings sanctions are imposed on educators.

Broadly two sanctions exist which may be imposed on teachers in terms of SACE Mandatory Sanctions Policy. First, indefinite removal from the register of practicing educators is the harshest sanction meted on teachers. This implies such a teacher has no reasonable prospect of practicing the teaching of the children due to being entered in the register of persons who are not fit to work with children. These are educators who would have committed serious offences, the examples of which include, sexual misconduct – rape, impregnating a learner and sexual relations with learners broadly, and severe assault of learners. Second, there are conditional removals in terms of which educators may be removed from the register of practicing educators for a given period ranging 5, 10, 15 years at the end, depending largely on the gravity of the breach of the code of professional ethics, of which they may apply for reinstatement and unblocking from the register of practicing educators. In other instances, the 5, 10, 15 years removals may be suspended and replaced with a fine ranging between

R5000, R10000, R15000, R20000 or simply one month's salary payable within 12 months. In the year under consideration Council imposed 67 sanctions against educators, 11 of which were indefinite removals as shown in table 5 and 57 were conditional removals and fines as shown in table 6 below.

### **Indefinite removal from the register of practicing educators**

As can be seen in table 5, the 11 educators removed from the register of practicing teachers committed serious offences pertaining to sexual misconduct and several assault of learners all case of which have the effect of bringing the teaching professional into disrepute. A total of 9 of these cases were indefinite removal and committal of their names to the Department of Social Development (DSD) wherein they are entered into a register of persons that are unfit to work with children. This means they have no prospect of teaching again, except based on a court order. The five provinces affected by these removals are Mpumalanga (MP), Gauteng (GP), Free State (FS), Northwest (NW) and Western Cape (WC) as illustrated in table 5 below. Gauteng had the highest indefinite removals (4) followed by Mpumalanga (3).

Number of Educators Removed Indefinitely from the Register of Educators								
Sanction	Frequency	Nature of Misconduct	Province					TOTALS
			MP	GP	FS	NW	WC	
Indefinite removal & submission to DSD	2	Severe assault of learners	2					2
	5	Sexual misconduct		2	1	1	1	5
	1	Sexual harassment of a colleague		1				1
	1	Locking up learner in storeroom	1					1
Indefinite removal	1	Assault of a colleague			1			1
	1	Sexual harassment of learners		1				1
<b>TOTALS</b>	<b>11</b>		<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>11</b>

Table 5: Indefinite removals and submissions to Department of Social Development (DSD) 2020-2021

## Conditional removals, fines, and advisory letter

In terms of conditional removals, fines, and advisory letters, as per table 6, a total of 56 cases resulted in conditional removals as well as fines and a single advisory letter. An advisory letter is a warning or cautionary statement. A total of 15 teachers had 10 years suspended removals, R10000 payable in 12 months sanction imposed on them; while 7 teachers were served with a sanction of 10 years suspended removal, R15000 payable in 12 months; 2 educators - 10 years suspended removal, R20000 payable in 12 months; 1 educator 10 years suspended removal, 1 month salary fine payable in 12 months; 1 educator - 5-year suspended removal, 1 Month salary payable in 12 months; 1 educator - 5-year removal; 1 educator - 10-year removal; 9 educators - 5-year suspended removal, R10000 fine payable in 12 months, 1 for reporting on duty while under the influence of alcohol; 1 for assault of learners and 7 for the Disruption of shortlisting process; 5 had a sanction of 5-year suspended removal, R15000 fine payable in 12 months imposed on them; 9 educators were imposed with a 5 years suspended removal, R5000 payable in 12 months; and finally, removal for 10 years, R15000 wholly suspended for 10 years. The differences in sanctions such as 10-year removal and a 10-year suspended removal, R10000 payable in 12 months for a similar offence such as assault of a learner will differ based on the severity of the misconduct in the opinion and determination of Council.

Number of Educators Removed from the Register of Educators Conditionally												
Sanctions	Frequency	Nature of Misconduct	Province									TOTAL
			MP	GP	FS	NW	WC	KZN	NC	LP	EC	
10 years suspended removal, R10000 payable in 12 months	1	Humiliation of colleagues	1					2				3
	7	Assault of a learner		7				1				8
	3	Assault of a Colleague		1				2				3
	1	Victimisation and harassment of a colleague						1				1
	1	Assault and verbal abuse of a SACE official		1								1
	1	Verbal abuse towards colleagues		1								1
	1	Unlawful Expulsion of a learner			1							1
10 years suspended removal, R15000 payable in 12 months	5	Assault		2	1	1		1				5
	2	Assault of a colleague									1	1
10 years suspended removal, R20000 payable in 12 months	2	Assault						1	1			2
10 years suspended removal, 1 month salary fine payable in 12 months	1	Fraudulent police clearance to SACE		1								1
5-year suspended removal, 1 Month	1	Verbal abuse & unauthorized excursion with		1								1



salary payable in 12 months		learners										
5-year removal	1	Humiliation of colleague							1			1
10-year removal	1	Assault of a learner								1		1
5-year suspended removal, R10000 fine payable in 12 months	1	Alcohol abuse					1					1
	1	Assault of a learners		1								1
	7	Disruption of shortlisting process						7				7
5-year suspended removal, R15000 fine payable in 12 months	3	Assault of learners		2		1		1		1		5
	1	Unregistered person teaching				1						1
	1	Rudeness						1				1
5 years suspended removal, R5000 payable in 12 months	1	Examination fraud	1									1
	5	Employment of unqualified educators			1							1
	1	Teaching while unregistered		5								5
	1	Employment of unregistered educators		1								1
	1	Employment of unregistered educator		1								1
Removal for 10 years, R15000 wholly suspended for 10 years	1	Assault of learner		1								1
<b>SUBTOTALS</b>	<b>56</b>		<b>2</b>	<b>25</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>17</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>56</b>

**Table 6:** Conditional removals from the register of educators and fines 2020-2021

The above sanctions can be seen in terms of the quarters in which they were imposed. In the first quarter, 6 sanctions were imposed on educators while 1 case was committed to mediation. In the second quarter no sanction was imposed as no cases were dispensed with. In the third quarter, a total of 47 cases were decided upon, 36 of which had conditional sanctions imposed on educators, 9 of which were ordered to close files as educators were found not guilty and 2 were identified removed. In the fourth quarter, a total of 26 cases were decided upon, 14 of which were conditionally removed from the register of practicing educators, 1 was ordered to be re-heard de novo, while 9 were meted with indefinite removals from the register of practicing educators and 2 were committed to mediation.

### **Strategy to overcome areas of under performance**

SACE has since developed a protocol on the conducting of virtual disciplinary hearings, which is yet to be put to the test as it is a new phenomenon. If successful, it will accelerate the rate of finalisation of disciplinary hearings and thereby increase output. SACE will still make use of external facilities to conduct disciplinary hearings if schools are unavailable due to lockdown regulations while observing social distancing and safety protocols. This will also depend on the availability of participants at these hearings. The use of panellists to investigate cases that remain not investigated and to further conduct disciplinary hearings.

### **Reporting on the Institutional Response to the COVID-19 Pandemic**

With the advent of Covid-19, SACE had to urgently develop guidelines on how to deal with investigations and disciplinary hearings amidst the scare that existed. The policy provided guidelines on how investigations and disciplinary hearings would be conducted and it gave participants a degree of comfort regarding their health and safety as most refused to participate and raised health concerns. This saw the SACE processes begin to see a positive reception by the participants as our processes could accordingly unfold. Investigation levels increased and so did our disciplinary hearings.

Each summon that was sent out has the safety protocols attached to it, setting out how hearings would be conducted and what safety measures would be put in place. These protocols are still in place to date.

### **Linking performance with budgets**

Programme	2019/2020			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Code of Ethics	4 000	4 346	346	2500	2 636	136
Total	4 000	4 346	346	2500	2 636	136

## **Programme 4: Professional Development**

To ensure that educators engage in life-long learning to improve their professional competence

### **Sub-programme 4.1: Continuing Professional Teacher Development Management System**

Purpose: To ensure that educators' lifelong learning contribute to their professional practice and competence

### **Sub-programme 4.2: Member Support**

Purpose: To assist members to ensure their participation in professional matters.

### **Sub-programme 4.3: Quality Management**

Purpose: To ensure that all professional development programmes offered to educators are fit for purpose.

**To be used for a report against the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a public entity has re-tabled an Annual Performance Plan in the financial year under review)**

**Originally tabled Annual Performance Plan (Active for Quarter 1, 2, 3 and 4 2020/21)  
Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table**

Programme 4: Professional Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved teacher competence	Professional development activities captured on the CPTD information system	Percentage of selected practicing signed-up educators verified for the continuing professional development uptake	-	-	40%	7.36%  (1626/22 104 X100)	-32.64%	The implementation of the SACE CPTD management system is highly dependent on the availability of educators and their participation in the various professional development activities by the employers and providers. Therefore, disruption of schooling and national lockdown	-

								levels in 2020/2021 financial year, resulted in the selected educators not participating in continuing professional development. This challenge had a ripple effect on SACE not being able to verify professional development uptake from the selected educators as intended.	
	CPTD Management system report of signed- up final year students	Percentage of signed up final year initial teacher education students	-	-	65%	25.7% (2780/10815 X100)	-39.3%	Inaccessibility and unviability of the final year student teachers because of extended period of the closure of Higher Education Institutions and extension of the academic year.	-
	Attendance registers of type of support that	Number of educators supported on professional	-	10 000	50 000	-	-	The national lockdown experienced during the first quarter of	The non – availability of educators and schools in the first quarter of the financial

	educators were provided with	matters						2020/2021, disruptions in the schooling system and absence of online systems and resources, at the time, to support educators in numbers.	year under review, due to the impact of the COVID 19 pandemic. The lack of the necessary teacher and school-based skills and resources to respond to virtual interventions at the time.
	Approved providers and endorsed activities list	Percentage of professional development providers approved	-	-	70%	100% (67/67 x 100)	+30%	The submissions of the application forms by providers were mainly electronically. This meant that the COVID 19 did not have much impact on the submission. More so, the revision of the PD point schedule to accommodate the online teacher development programmes coupled with advocacy encouraged more providers to apply for Council approval.	

		Percentage of professional development activities endorsed	-	-	80%	100% (913/913 x 100)	+20%	<p>The submissions of the applications form by providers were mainly electronical. This meant that the COVID 19 did not have much impact on the submissions.</p> <p>More so, the revision of the PD point schedule to accommodate the online teacher development programmes coupled with advocacy encouraged more providers to apply for Council endorsed activities.</p>	
		Percentage of endorsed activities monitored	-	-	60%	-	-	<p>The Council developed online monitoring tool that was shared to educators and providers that submitted their training schedule. 18 providers submitted they were all</p>	<p>Most providers put on hold their training programmes, especially during the first and the second quarter, because of the COVID regulations that discouraged face to face engagement and promoted social</p>



								monitored online.	<p>distancing. Many providers were reviewing their programmes' mode of delivery.</p> <p>These changes affected the targeted number to be monitored by Council, hence the changes. However, given the growing number of virtual trainings that were emerging the Council developed an online monitoring tool responded to by teachers in attendance to the programme and providers presenting the programme.</p>
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*Re-tabled Annual Performance Plan (Active for Quarter 2, 3 and 4 2020/21)  
Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table*

Programme 4: Professional Development									
Sub-Programme: 4.2 Member Support									
Sub-Programme: 4.3 Quality Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021 after date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved teacher Competence	Attendance registers of type of support those educators were provided with	Number of educators supported on professional matters	-	-	36 000	5029	-30 971	Most of the support programmes were virtual and very few educators had access to connectivity during the first three quarters of the financial year.	The non – availability of educators and schools in the first quarter of the financial year under review, due to the impact of the COVID 19 pandemic. The lack of the necessary teacher and school-based skills and resources to respond to virtual interventions.
	Approved	Percentage of	-	-	10%	100%	+90%	The Council	Most providers put on hold

	providers and endorsed activities list	endorsed activities monitored				(18/18 x 100)		<p>Developed online monitoring tool that was shared to providers that submitted their training schedule. 18 providers submitted were all monitored online.</p> <p>their training programmes, especially during the first and the second quarter, because of the COVID regulations that discouraged face to face engagement and promoted social distancing. Many providers were reviewing their programmes' mode of delivery.</p> <p>These changes affected the targeted number to be monitored by Council, hence the changes.</p> <p>However, given the growing number of virtual trainings that were emerging, Council developed an online monitoring tool responded to by teachers in attendance to the programme and providers presenting the programme.</p>
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**Progress on Institutional Response to COVID-19 Pandemic**

Programme	Intervention	Geographic location (Province/District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 4	The use of virtual platforms to provide support to educators using webinars.	National	9000	Teachers and student Teachers	R500 000	R179 000	Improved teacher competence	A reasonable number of educators was provided to student teachers and practicing educators.

### **Narrative-Highlights for the 2020/21 Financial Year**

First, the Programme did not perform well during the period under review in terms of not achieving some of the output indicators' targets, particularly where educators' development and support, as well as student teachers' sign-up for participation in the CPTD system were concerned. As indicated in the table above, the implementation of the SACE CPTD management system is highly dependent on the availability of educators and their participation in the various professional development activities provided by the employers and providers. This has a ripple effect, to a greater extent, on whether there will be reported professional development uptake by educators and subsequent reporting of such to SACE by the providers, employers, schools, and educators.

Evidently from the 2020/21 financial, the instability and disruptions in the schooling system and related national lockdowns had a negative bearing on the educators' participation in the various professional development activities and ultimately reporting to SACE as part of evidence in their participation in the CPTD system. More so, quarter 3 of the financial year saw the phased-in reopening of schooling, however, with prioritisation and emphasis on the curriculum recovery and catch-up sessions as opposed to the employers providing continuing professional development to educators. Similarly, the last quarter of the financial year experienced setbacks in terms of the delayed re-opening of schools.

Second, the audit report raised some material misstatements regarding the inadequate evidence against the reported Programme 4 performance information. These issues emerged largely from the inadequate record keeping, particularly during national lockdowns, attendance registers from the virtual sessions, mismatch between the APP Programme Technical Indicator Descriptors and reported performance. The remedial action plan has been put in place and its implementation will be monitored closely continually.

Additionally, there is also a sizeable number of final year university student teachers who signed-up on the CPTD management system before practicing as educators. This paves ways for such student teachers to prioritise reporting and recording their participation in professional development activities such that, once they start practicing as educators, they can take charge of their own professional development as per the Council mandate. The programme has also been able to deliver the Council role with regards to quality management of approved providers and endorsed professional development. This broadly ensures an increase in the stock of fit-for-purpose professional development activities which are also responsive to national needs in terms of policy frameworks are availed to the teaching profession for uptake by teachers. All applications for provider approval and activities endorsed were successfully quality assured which resulted in an increased number of SACE approved providers and SACE endorsed activities.

In view of the above the Council has embarked on the following strategies to enhance and increased capacity. The Council:

- Is investing more on data and online engagements.
- has successfully dry run the use of webinars as the mode of support to targeted and has process the lessons learnt into the roll out for 2021/2022 financial year and beyond.
- In the Council Coordinators Annual Operational Plans, one of the main outputs is to ensure collaboration with other stakeholders to reach out to a bigger number of supported groups.
- Has adopted a new theory of change that is aimed at revolutionizing professional development in general and participating in Continuing Professional Teacher Development Management System (CPTD MS) in particular
- The Council will be assisted in uploading the catalogue for available SACE-approved providers and endorsed professional development programmes, which should be available to all end users of the CPTD information system. This output is aimed at increasing the number of approved providers and endorsed activities, which should ultimately motivate educators to engage in their lifelong learning. The second output is about improving Council social media by generating video that are user friendly aimed at supporting educators and providers with their day-to-day interaction with the CPTD MS. The ultimate gain is to ensure that all end users find joy in the use of the system.

### **Reporting on the Institutional Response to the COVID-19 Pandemic**

The work of the Council continued to be executed under trying conditions created by the Covid pandemic and subsequent lockdowns. Virtual systems generally and webinars specifically were used to support teachers as a move to replace face to face seminars, especially by provincial coordinators in the latter part of the year. Online registers and monitoring tools were also generated to ensure that the work of the Council and reporting of professional development participation by teachers is data driven and evidence based.

Provincial coordinators also established WhatsApp groups with the targeted educators as a means of promoting personalised communication and support. Virtual meetings were conducted with the different stakeholders that are involved in the professional development of educators to enhance collaboration and coordination in the sector.

Lastly, Council is finalising a process where educators will access Council self-service portal without paying a cent, and the bill will be reversed to council.

Linking Performance with budgets

Programme	2019/2020			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Professional Development	22 670	18 693	3 977	16 715	12 951	3 764
Total	22 670	18 693	3 977	16 715	12 951	3 764

## **Programme 5: Professional Teaching Standards**

To Improve and maintain the status and image of the teaching profession and ensure the quality of initial teacher education and ongoing professional development through quality assurance mechanisms and standards.

### **Sub-programme 5.1: Initial Teacher Education**

Purpose: To ensure initial teacher education programmes adhere to professional teaching standards.

### **Sub-programme 5.2: Newly Qualified Educators**

Purpose: To ensure that newly qualified educators comply with professional standards.

### **Sub-programme 5.3: Practising Educators**

Purpose: To ensure that practising educators adhere to professional standards.



Programme 5: Professional Teaching Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Improved teacher professionalism	Teacher professionalisation policy	Development of the teacher professionalisation policy	-	-	Draft policy produced	Draft policy of the teacher professionalisation policy was produced	-	-
	Policy framework	Policy framework registering student educators from year 1	-	-	Development and consultation of the policy framework	Draft Policy framework for registering student teachers from year one is available	-	-
	Professional certification framework and policy	Development of the Professional Certification Framework and Policy for educators registering with Council	-	-	Approved Research Report on Professional Certification	Draft Research Report on Professional Certification	-	-
	Teacher designation	Development of the teacher designation	-	-	Approved teacher designation	Draft teacher designation available.	-	-
	Re-certification framework	Development of re-certification framework	-	-	Draft Framework developed	Draft Framework developed	-	-

*Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table*

*Progress on Institutional Response to the COVID-19 Pandemic*

Programme	Intervention	Geographic location (Province/District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 5: Professional Teaching Standards	Virtual National and Provincial Stakeholder engagements and meetings were conducted to the professionalisation of the teaching profession and promotion of the professional teaching standards.	National	-	-	-	-	Feedback from the stakeholders enhanced the Professional Teaching Standards and reviewal of the teacher professionalisation path.	Implementation of the Professional Teaching Standards (PTS) in the development of programmes by various Higher Education Institutions, including the online module for teaching practice as a response to inability to implement teaching practice in schools due to disruptions in the education sector.

## Narrative-Highlights for the 2020/2021 Financial Year

The purpose of the programme is to uphold the professional standards and professionalise the teaching profession.

### Professional Teaching Standards

During the period under review, the following were achieved in terms of the initial process of advocating and implementing the approved SACE professional teaching standards:

- The SACE Professional Teaching Standards were shared with the international teaching regulatory authority community through the International Forum of Teaching Regulatory Authorities (IFTRA) for benchmarking and learning experiences from South Africa, as well as collaboration in the implementation process.
- As part of influencing the Initial Teacher Education (ITE) space in Higher Education Institutions (HEIs), the professional standards were further shared with the Department of Higher Education and Training (DHET) for inclusion in the Minimum Requirements for Teacher Education Qualification Policy which is undergoing the review process during the reporting period. This inclusion will ensure that the Faculties and Schools of Education develop their programmes in line with the SACE professional standards. Some of the universities started a process of aligning their Teacher Education Programmes with the SACE standards. Also, the produced newly qualified educators will graduate with some of the outcomes and attributes required by SACE in enhancing teacher professionalism.
- The COVID-19 pandemic resulted in the disruption of school and higher education institutions alike. As a result, the teaching practice for the final year students was disrupted too, as they could not access schools. As part of interventions, the Universities worked collaborative with SACE in terms of using the professional standards to inform the development of the cutting-edge Teacher Choices in Action Teaching Practice Module. More specifically, this Module was based of PTS no.7 that recognises that teachers ***“make thoughtful choices about their teaching that lead to meaningful learning for all learners”***.
- Through the developed Teacher Choices in Action Teaching Practice Module based on the SACE professional teaching standards, the student teachers can reflect on their processes of becoming professional teachers who will be able to make choices that: ***enable learning in different contexts; enhances working with knowledge that promote cumulative learning; making learning inclusive; and managing various environments.***
- Engagements with Council on Higher Education (CHE) on the relationship between their Qualification Standards and SACE Professional Teaching Standards, as well as the possible CHE-SACE joint/collaborative accreditation and review of the Teacher Education Programmes through the Quality Council – Professional Body Accreditation MOU process. This will strengthen SACE role in professionalising the teaching

profession as it is already working with the DHET in the evaluation of teacher education programmes and qualifications from the faculties and schools of education.

- As part of Advocacy, Communication and Orientation to the teaching profession, teacher education and development community, and the education sector, Council is currently unpacking each of the 10 professional teaching standards in terms of their meaning and implications for,
  - **Educators as professionals, classroom practice, management, and leadership**
  - **Employers**
  - **Initial Teacher Education (students' provisional registration, and programmes)**
  - **Continuing Professional Development Provisioning and Management**
  - **SACE – professional registration and certification processes**

Overall, the professional teaching standards are being implemented through teacher professionalisation path.

### **Initial Teacher Education**

- Council Developed the Draft Policy Framework on the Registration of Student Teachers from year one. In doing so, it benchmarked against other professional councils such as, the South African Pharmacy Council, Built Environment Professional Councils and General Teaching Councils of Scotland.

A part of preparing the students teachers for entry into the teaching profession, Council developed the Student Teacher Orientation Programme. The programme includes, amongst others:

- Understanding the role of SACE as educators and student teachers' professional body, provisional registration with Council as a student teacher, sign-up for participation in the CPTD system, Code of professional for student teachers and the one for educators

Due to the COVID-19 related challenges, the implementation of the programme took place in 4 higher education institutions during the period under review.

### **Newly Qualified Educators**

- In line with the teacher professionalisation path, Council developed the Professional Certification Policy Framework that will ensure that SACE moves from the ordinary process of paper-based registration of teachers, to an enhanced process of professionally certifying the new entrants into the teaching profession, once they satisfy the set requirements.



- Additionally, the newly qualified educators were orientated on the CPTD Management System through the professional development division.

#### Strategy to overcome areas of under performance

While the draft documents have been developed, additional work needs to be done in engaging the stakeholders and the profession widely for buy-in and ownership. Accordingly, the following will be done:

- Consultations with stakeholders on draft policy frameworks
- Formation of working groups of experts for the three sub- programme areas
- Teacher Designation has been developed and will be consulted on extensively.
- Sharing the Professional teaching standards extensively with the sector
- Fast tracking the SAQA recognition process by ensuring that all policies needed for submission are approved.

#### Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable for this programme.

#### Linking performance with budgets

Programme	2019/2020			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Professional Teaching Standards	1 500	1 205	295	1 000	137	863
Total	1 500	1 205	295	1000	137	863

## **Revenue collection**

The Council is mainly funded by its members through determined membership fees. After consultation with the Teaching Profession, the Council took a decision to increase the educator membership fees from R120 per annum to R180 per annum effective from 1<sup>st</sup> November 2017. The Council has under collected the estimated revenue collection by 1%. Of the R104,3 million collected, R16.7 million was received from the Department of Basic Education as a subsidy for the management of the Continuous Professional Teacher Development. The Council spent 77.2% of the R16, 7 million received as subsidy for the management of Continuous Professional Teacher Development.

Registration administration fee collected from registering members remains at R400, 00 for foreign nationals and R200, 00 for South African. The council has taken note of its funding pressure on the MTEF projections and differed the funding review to 2022 financial year.

## **Expenditure**

The Council has operated within its revenue collection of R104.2 million and remained with the accumulated annual surplus of R16.0 million. The council has made a request from the National Treasury to retain the total accumulated surplus for continuous improvement of IT infrastructure; the acquisition of the remaining planned provincial offices in Free State; Eastern Cape and Western Cape. The financial position of Council is declared to be in good order and that the Council will consider the review of its financial resourcing in the 2022 financial year to ensure continued delivery of mandatory functions.

## **Capital Investment**

The Council used to own an administrative building located at No. 240 Lenchen Avenue, Centurion for the value as disclosed in the financial statements.

The continued with its plan to utilize its accumulated surplus to acquire provincial administrative buildings in the Western Cape, Free State, KwaZulu-Natal, Eastern Cape and Limpopo with this MTEF period. The acquisition processes in Limpopo and KwaZulu-Natal were concluded during 2020/21 reporting period. The property in Limpopo is situated at 25 Rhodes drift, Bendor, Polokwane, and the one in KZN is located at 180 Point Road, Durban. The acquisition processes of properties in Eastern Cape; Free State and Western Cape will be concluded in the first quarter of 2021/22 financial year.





# **PART C** **GOVERNANCE**

## GOVERNANCE: INTRODUCTION

The South African Council for Educators (SACE) is regulated by SACE Act (No.31 of 2000) as amended by Basic Education Laws Amendment Act (No.15 of 2011). It is a statutory self-regulating professional body in the teaching profession. Its powers and duties are defined in Chapter 2 of the Act, section 5 (a-d), which amongst others include:

- Registration of educators
- Promotion and Development of the teaching profession.
- Setting, maintain and protecting the ethical and professional standards.
- Provide advice to the minister on relevant educational aspects.

## PORTFOLIO COMMITTEES

Portfolio Committee Meetings 2020/2021			
Date	Committee	Topic for Discussion	Matters Raised by the Committee
12 May 2020	Portfolio Committee	SACE Annual Performance Plans 2020/2021	<ul style="list-style-type: none"> <li>• Concerns about educators found guilty of violating ethical standards moving from province to province.</li> <li>• measures put in place to ensure that perpetrators are easily identified.</li> <li>• What measures prohibiting the readmission of these educators into the education sector were put in place.</li> <li>• need to urgently close loopholes in the legislation on transgressors re-entering the sector.</li> <li>• Explanation on budget allocations of R1.5 million for publicity and communication, R3.4 million for rates, water, and electricity; and R800 000 for telephone services. It was noted that SACE should not be budgeting so much for improvements to leased buildings. SACE was asked to submit a breakdown of expenditure and to include a sample of its distribution strategy.</li> </ul>



Portfolio Committee Meetings 2020/2021			
Date	Committee	Topic for Discussion	Matters Raised by the Committee
7 July 2020	Portfolio Committee	SACE special adjustment budget (APP 2020/2021)	<ul style="list-style-type: none"> <li>• Clarity on measures that SACE will put in place in dealing with the reported ethical misconduct.</li> <li>• Looking into possibilities of ethical misconduct cases being dealt with on virtual platforms in order not to have a situation where some learners re-live their trauma repeatedly, because of a delay in these cases.</li> <li>• Measures, capacity, and resources to vet new educators?</li> <li>• Why SACE included in their adjusted budget allocations travel and accommodation when there is no travelling under COVID-19 restrictions.</li> <li>• What support SACE provides to teachers, both for COVID-19, and the “second pandemic”, gender-based violence (GBV) and femicide. Is there any support that SACE has made provision for if any members or clients need such support?</li> </ul>
13 November 2020	Portfolio Committee	2019/2020 Annual Report	<ul style="list-style-type: none"> <li>• Concern on the people who were excluded from being educators. Are there any discussions between the DBE and the SACE to ensure police clearance because learners would be vulnerable?</li> <li>• Reasons for non-cooperation by witnesses after cases had been reported. Were the witnesses being intimidated by the perpetrators? The ethics of educators were important and once they sexually abused learners, they must be removed from the registry. What was being done to ensure good behaviour by educators.</li> <li>• Why the SACE was pushing for educators to have a postgraduate certificate in education.</li> <li>• Targets for the SACE had been overachieved by almost 200 percent, how was this achieved.</li> </ul>

## EXECUTIVE AUTHORITY

The Department of Basic Education issued submission dates, for the APP, Budget, Quarterly Reports and Annual Reports at the beginning of a financial year to the entity. The following submissions were sent to the DBE as follows:

Date	Topic	Issues Raised by the Executive Authority
31 July 2020	<ul style="list-style-type: none"> <li>• Quarter 1 Performance Report</li> <li>• Quarter 1 Financial Statement</li> <li>• Procurement Report</li> <li>• PFMA Compliance Report</li> </ul>	<ul style="list-style-type: none"> <li>• The first quarterly performance report for 2020/2021 has shown that performance was generally not good across most strategic objectives except for performance on the development of Teacher Professionalization Policy and Policy Framework on Registering Student Educators from year one.</li> <li>• SACE needs to make an investment in exploring, developing, and implementing online platforms which will assist in ensuring that services continue to be provided even if there are “disruptors” such as Covid 19.</li> <li>• SACE needs to provide reasons every time a Strategic objective is removed or omitted from the report.</li> </ul>
31 October 2020	<ul style="list-style-type: none"> <li>• Quarter 2 Performance Report</li> <li>• Quarter 2 Financial Statement</li> <li>• Procurement Report</li> <li>• PFMA Compliance Report</li> </ul>	<ul style="list-style-type: none"> <li>• Alignment to APP: The quarterly report indicators differ in wording from those on the 2020/21 APP.</li> <li>• Targets differ from the revised as per Annexure tabled in August 2020. Revise targets for indicators as per revisions in the Annexure tabled in August 2020.</li> <li>• The Council must strengthen its planning of indicators which are over-achieved and under-achieved.</li> </ul>
31 January 2021	<ul style="list-style-type: none"> <li>• Quarter 3 Performance Report</li> <li>• Quarter 3 Financial Statement</li> <li>• Procurement Report</li> <li>• PFMA Compliance Report</li> </ul>	<ul style="list-style-type: none"> <li>• SACE should report quarterly milestone achievements for annual indicators to indicate progress.</li> <li>• Reporting cycles do not correspond with targets, this should have been corrected in the addendum.</li> </ul>
30 April 2021	<ul style="list-style-type: none"> <li>• Quarter 4 Performance Report</li> <li>• Quarter 4 Financial Statement</li> <li>• Procurement Report</li> <li>• PFMA Compliance Report</li> </ul>	<ul style="list-style-type: none"> <li>• Revise targets for indicators as per revisions in the re-tabled 2020/21 APP addendum.</li> <li>• Report on all indicators as per re-tabled 2020/21 APP addendum.</li> <li>• The Council must strengthen its planning some indicators are over-achieved and under-achieved.</li> </ul>

## THE ACCOUNTING AUTHORITY / COUNCIL

### Introduction

The council is composed in terms of the SACE Act No.31 of 200; Chapter 2 and section 6 (1-8), Members of the council are appointed by the Minister, taking into consideration representation in respect to race, gender, disability, and geographic distribution. The Chairperson of the council is appointed by the Minister; from a list of five candidates nominated by the council in its first seating for a new term of office. Organized professional bodies will nominate 18 educators collectively to serve in the council. Department of Education also nominate its five representatives to serve on the council. The National School Governing Bodies Contemplated by section 20 (3) of the South African Schools Act. (Act No. 98 of 1998) nominate two persons to serve on the council. One person nominated by the council on Higher Education (Act No 101 of 1997). One person nominated by the councils of further education and training institutions contemplated in section 8 of the Further Education and training (Act No 98 of 1998). The Chief Executive Officer appointed in line with section 17 of the Act.

### The powers and duties of the council are as follows:

- (a) Concerning the registration of educators-
  - must determine minimum criteria and procedures for registration or provisional registration;
  - must consider and decide on any application for registration or provisional registration;
  - must keep a register of the names of all persons who are registered or provisionally registered;
  - must determine the form and contents of the registers and certificates to be kept, maintained, or issued in terms of this Act.
- (b) Concerning the promotion and development of the education and training profession-
  - must promote, develop and maintain a professional image;
  - must advise the Minister on matters relating to the education and training of educators,
  - must research and develop a **professional development** policy;
  - must promote h-service training of all educators;
  - may develop resource materials to initiate and run, in consultation with an employer,

training programmes, workshops, seminars and short courses that are designed to enhance the profession; and

- must manage a system for the promotion of the continuing professional development of educators (as amended by the Basic Education Laws Amendment Act 15 of 2011).

(c) Concerning professional ethics-

- must compile, maintain and from time to time review a code of professional ethics for
- educators who are registered or provisionally registered with the council;
- must determine a fair hearing procedure;
- subject to sub-paragraph (ii), may-

(aa) caution or reprimand;

(bb) impose a fine not exceeding one month's salary on; or

(cc) remove from the register for a specified period or indefinitely, or subject to specific conditions, the name of an educator found guilty of a breach of the code of professional ethics; and

(d) may suspend a sanction imposed under sub-paragraph (iii) (bb) or (cc) for a period and on conditions determined by the council:

(e) in general - must advise the Minister on any educational aspect.

(f) the council Charter must - Provide commentary on the board's charter and comment on the progress made on complying with the charter.

### Composition of the Council

The term of the current council which began on the 1st August 2017 comes to an end on the 31 July 2021. The following table depicts the composition of the council and attendance for the year under review.

Name	Designation ( <i>in terms of the Public Entity Council structure</i> )	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Mr. Lucky Goodman Mabutho Cele	Chairperson	01 <sup>st</sup> August 2017	-	Secondary Teachers' Diploma, Diploma in Labour Law, Certificate in Project Management, Advance Certificate in Education - Professional Development and Ed. Honours - Education Management.	Education and Organised Labour		Ex- officio member	4 Council 13 EXCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Master in Educational Management and Leadership				
Dr Louis H Swanepoel	Deputy Chairperson	01 <sup>st</sup> August 2017	-	B. Comm, HED, B. Comm (Honours - Economics), M. Comm (Economics), Ph. D, Educational Management)	Education and School Leadership		Council, Exco and Ethics Committee	3 Council 14 EXCO 6 ETHCOM
Mr. Elphus Maseko		01 <sup>st</sup> August 2017	-	BSc	Strategic Management		Council and Registration Committee	3 Council 4 REGCO
Dr Hendrik J Deacon		01 <sup>st</sup> August 2017	-	LLB LLM LLD	Education & Labour law		Council and Ethics Committee	3 Council 6 ETHCOM

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Mr. John William Bester		01 <sup>st</sup> August 2017	-	Higher Diploma in Education	School Management	Michael Mount Waldorf School  Southern African Federation of Waldorf Schools  Bryanston Organic and Natural Market  European Council of Waldorf Schools  South African Council of Educators	Council Committee	3 COUNCIL

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
						National Alliance of Independent Schools		
Ms. Gaylin Wendy Bowles	Chairperson: Registration Committee	01 <sup>st</sup> August 2017	-	H.Dip Ed – JCE 1989  Bachelor of Arts – UNISA 11198  FDE – CAE – University of Pretoria  Advanced Certificate in Education – Leadership, and Management -	Education and School Leadership	Provincial Vice President NAPTOSA Gauteng  Member of the National Executive Committee - NAPTOSA	Council, Registration Committee and Executive Committee	3 Council 14 EXCO 4 REGCO



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				WITS				
Mr. Magope Lucas Maphila	Chairperson: Finance Committee	01 <sup>st</sup> August 2017	-	Senior Teachers Diploma  Higher Education Diploma	Education and Organised Labour	Old Mutual Education Trust; ETD SETA Board Member	Council, Executive, Advocacy and Communications, Finance Committee	1 Council 6 EXCO 2 ADVOCCO 3 FINCO
Mr. Tseliso Ledimo		01 <sup>st</sup> August 2017	-	BA Education; Hon BA Psychology; Project management; Cert in financial & accounting principles for public entities; Labour law in Education	Education and Organised Labour		Council and Professional Development Committee	3 Council 1 PRODCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Mr. Thabile Kunene		01 <sup>st</sup> August 2017	-	Higher Certificate in Economic Development; Project management; Senior Teachers Dip; Case handling & grievance procedure	Education and Organised Labour		Council and Advocacy and Communications Committee	3 Council 4 ADVOCO
Ms. L Motshwane		01 <sup>st</sup> August 2017	-	Senior Teachers Diploma; ACE; Post-Graduate Diploma in Public Management	Education and Organised Labour		Council and Finance committees	3 Council 8 FINCO
Ms. Nomarashiya Caluza		01 <sup>st</sup> August 2017	-	SPTD; Advanced Dip in Practical	Education and Organised		Council, Registration and Advocacy and	3 Council 3 ADVOCO 3 REGCO



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Labour Law; ACE;  BEd Hons  Med (Current Studies)	Labour		Communications Committees	
Mr. Nkosiphendule Ntantala	Chairperson: Advocacy and Communications Committee	01 <sup>st</sup> August 2017	-	BA (Ed)	Education and Organized Labour		Council, EXCO, Advocacy and Communications and Finance committees	3 Council 13 EXCO 9 FINCO 4 ADVOCO
Mr. Mokholoane Samuel Moloi		01 <sup>st</sup> August 2017	-	STD(Tech); FDE	Education and Organised Labour		Council and Staffing Committee	2 Council 5 STAFFCO
Mr. Walter Hlaise	Chairperson: Staffing Committee	01 <sup>st</sup> August 2017	-	Secondary Education Dip; ACE; Hon BA; Advanced cert	Education and Organised Labour		Council, EXCO, Staffing, Registration, ECD and	3 COUNCIL 14 EXCO 5 STAFFCO 4 REGCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				in labour law			Executive Committee	
Mr. Jonovan Rustin		01 <sup>st</sup> August 2017	-	Senior Primary Teachers Diploma  Further Diploma in Education – School Management	Education and Organised Labour		Council, Ethics, ECD and Audit committees	3 Council 4 AUDCO 6 ETHCOM
Mr. Paul Sauer		01 <sup>st</sup> August 2017	-	B.Sc; Hon B.Sc; Dip in Business Management	Education and Organised Labour		Council, Finance, Advocacy and Communications Committee	3 Council 6 FINCO 4 ADVOCO
Dr Simelane		01 <sup>st</sup> March 2017		PhD	Inclusive Education		Council, Registration, Advocacy and Communications	1 Council 4 REGCO 2 ADVOCO



Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
							Committee	
Mr. Sello Sethusha		01 <sup>st</sup> August 2017	-	Dip in Education; BA; B. Ed; BTech in Human Resources Management			Council, Registration and Professional Development	3 Council 4 REGCO 7 PRODCO
Mr. K. Geza		01 <sup>st</sup> August 2017	-	B Juris.  MBA –General  Post Graduate Diploma in Labour Law	Education and Organised Labour		Council, Ethics, ECD and Staffing Committees	3 Council 5 STAFFCO 4 ETHCOM 1 ECD
Mr. Enoch T Rabotapi	Chairperson: Professional Development Committee	01 <sup>st</sup> August 2017	-	BED (Hons): Assessment & Quality Assurance	Teacher Education and Development		Council, Professional Development, Finance Executive committees	3 Council 12 EXCO 4 FINCO 8 PRODCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Advanced Diploma in Labour Law  Bachelor of Science in Education				
Prof. Salome Human- Vogel		01 <sup>st</sup> August 2017	-	BA; BA Hon; B.Ed Hons  M.Ed	Teacher Education		Professional Development	4 PRODCO
Ms. Cheryl Weston		01 <sup>st</sup> August 2017	-	B.Ed Hon(ICT) IN Education; ACE;  Higher Diploma in Education;  Diploma in Education	Curriculum  ICT In Education		Council, Advocacy and Communications committees	3 Council 2 ADVOCCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Ms. Ella Mokgalane	Chief Executive Officer	01 August 2017	-	<p>Bachelor of Primary Education.</p> <p>BEd Hons – Teacher Education.</p> <p>Post-Grad Diploma in Education – Policy Studies.</p> <p>Postgraduate Diploma in Management – Monitoring and Evaluation.</p> <p>Certificate in Financial Accounting Principles for</p>	<p>Teacher Education and Development</p> <p>Monitoring and Evaluation</p> <p>Public Policy</p> <p>Management and Leadership</p>		<i>All Committees</i>	<p>5 ETHCOM</p> <p>4 COUNCIL</p> <p>4 REGCO</p> <p>4 AUDCO</p> <p>14 EXCO</p> <p>7 FINCO</p> <p>4 STAFFCO</p> <p>3 ADVOCO</p> <p>8 PRODCO</p>

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
		2019		BA Degree, Advanced Certificate in Education	Labour		Committee	
Ms Brenda Mbatha		01 July 2019	-	Junior Primary Teachers Diploma,  Higher Diploma in Education,  BED Honours,  Diploma in Human Resource Management	Education and Organised Labour		Council, Staffing Committee and Advocacy and Communications Committees	3 Council 3 STAFFCO 4 ADVOCO
Prof. Sarah Gravett		01 November 2019	-	Diploma in Education,  Masters in	Teacher Education		Council, Professional Development	3 Council 4 PRODCO





Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Public Entities.  Diploma in Human Resource Management and Development.  Master of Management in Public Policy.  Master of Education in Educational Leadership and Development (Current)				
Ms Faseega Solomon		01 November	-	Diploma in Education: Senior Primary,	Education and Organised		Council, ECD and Professional Development	3 Council 8 PRODCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Education (cum laude),  Bachelor of Education (cum laude),  Higher Education Diploma,  Bachelor of Arts.			Committees	
Mr George Themba		01 August 2018	-	University Diploma in Education (Secondary),  National Higher Diploma in Education Management,	Education and Organised Labour		Council, EXCO, Audit and Finance Committee	2 Council 5 EXCO 6 FINCO 3 AUDCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				BED Honours Project Management in Education,  ACE in School Leadership, e-School Law for Educators,  Certificate-Finance for Non – Financial Managers Programme				
Ms Esther Mokoele		01 November 2019	-	Secondary Teachers Diploma,  Higher Diploma in Education,	Education and Organised Labour		Council, Finance and Ethics Committee	3 Council 5 FINCO 5 ETHCOM

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				<p>Certificate in Labour Relations Management,</p> <p>Certificate in Human Resource Management,</p> <p>Advanced Certification in Education,</p> <p>BED Honours,</p> <p>Certificate in Leading and Managing Trade Unions</p>				

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Mr Mkhusele Dubula		31 October 2019	-	BA in Education,  Certificate in Labour Law in Education	Education and Organised Labour		Council, Professional Development and Ethics Committee	3 Council 5 ETHCOM 8 PRODCO
Mr Senzo Mpalala		1st August 2019	-	Secondary Teachers Diploma in Education,  Advance Certificate in Education,  Certificate in Project Management,  Higher Certificate in Economic	Education and Organized Labour		Council and Staffing Committee	1 STAFFCO

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Development, BED Honours (current)				
Mr Sowell Tjebane		October 2020	-	Secondary Teacher's Diploma,  Advanced Certificate in Education  Programme in Life Orientation, Extra Curricular  Diploma Labour Law in Education,	Education		Council, Ethics and Staffing Committee	3 Council 4 STAFFCO 5 ETHCOM

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
				Certificate in Political Economy of Labour,  Bachelor of Law (LLB)				

#### Committees

Committee	No. of meetings held	No. of members	Name of members
Executive Committee	14	9	<ul style="list-style-type: none"> <li>Mr Mabutho Cele</li> <li>Ms Gaylin Bowles</li> <li>Mr George Themba</li> <li>Mr Walter Hlase</li> <li>Mr Nkosiphendule Ntantala</li> <li>Mr Enock Rabotapi</li> <li>Dr Hendrik Swanepoel</li> <li>Ms Ella Mokgalane</li> <li>Mr Lucas Magope Maphila (Resigned with effect from 1st October 2020)</li> </ul>
Registration Committee	4	7	<ul style="list-style-type: none"> <li>Ms Gaylin Bowles</li> <li>Mr Walter Hlase</li> </ul>

Committee	No. of meetings held	No. of members	Name of members
			<ul style="list-style-type: none"> <li>• Mr Elphus Maseko</li> <li>• Ms Nomarashiya Caluza</li> <li>• Mr Sello Sethusha</li> <li>• Dr Moses Simelane</li> <li>• Ms Ella Mokgalane</li> </ul>
Ethics Committee	6	8	<ul style="list-style-type: none"> <li>• Dr Hendrik Swanepoel</li> <li>• Mr Mkhusele Dubula</li> <li>• Dr Jaco Deacon</li> <li>• Mr Toto Geza</li> <li>• Ms Ella Mokgalane</li> <li>• Mr Jonavon Rustin</li> <li>• Mr Sowell Tjebane</li> <li>• Ms Esther Mokoele</li> </ul>
Professional Development Committee	8	9	<ul style="list-style-type: none"> <li>• Mr Enock Rabotapi</li> <li>• Prof Salomé Human-Vogel</li> <li>• Prof Sarah Gravett</li> <li>• Mr Mkhusele Dubula</li> <li>• Mr Tshediso Ledimo</li> <li>• Ms Faseega Solomon</li> <li>• Mr Sello Sethusha</li> <li>• Ms Ella Mokgalane</li> </ul>
Finance Committee	10	8	<ul style="list-style-type: none"> <li>• Mr George Themba</li> <li>• Mr Nkosiphendule Ntantala</li> <li>• Mr Enock Rabotapi</li> <li>• Mr Paul Sauer</li> <li>• Ms Ella Mokgalane</li> <li>• Ms Esther Mokoele</li> <li>• Ms Lindiwe Motshwane</li> </ul>



Committee	No. of meetings held	No. of members	Name of members
			<ul style="list-style-type: none"> <li>• Mr Lucas Magope Maphila (Resigned with effect from 1st October 2020)</li> </ul>
Staffing Committee	5	7	<ul style="list-style-type: none"> <li>• Mr Toto Geza</li> <li>• Mr Walter Hlaise</li> <li>• Mr Sowell Tjebane</li> <li>• Ms Brenda Mbatha</li> <li>• Mr Senzo Mpalala</li> <li>• Mr Mokholoane Moloi</li> <li>• Ms Ella Mokgalane</li> </ul>
Advocacy Committee	4	9	<ul style="list-style-type: none"> <li>• Mr Nkosiphendule Ntantala</li> <li>• Mr Tabile Kunene</li> <li>• Mr Lucas Magope Maphila (Resigned)</li> <li>• Mr Paul Sauer</li> <li>• Ms Nomarashiya Caluza</li> <li>• Ms Cheryl Weston</li> <li>• Dr Moses Simelane</li> <li>• Ms Brenda Mbatha</li> <li>• Ms Ella Mokgalane</li> </ul>
Risk and Audit Committee	4	5	<ul style="list-style-type: none"> <li>• Mr George Themba</li> <li>• Mr Jonavon Rustin</li> <li>• Mr N Maluleke</li> <li>• Mr P White</li> <li>• Mr G Bengell</li> </ul>

## RISK MANAGEMENT

Risk management is recognized as an integral part of sound organizational management. Risk management in South African Council for Educators (SACE) derives its mandate from the Public Finance Management Act (PFMA). The Public Finance Management Act stipulates in section 51 that:

“an accounting authority for public entity-(a) must ensure that public entity has and maintains –

(i) effective, efficient and transparent system of financial and risk management and internal control;

(ii) A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77;

In line with best practice, the governance structures are in place to ensure effective management of risk management at both strategic and operational level

Management has designed and implemented a risk management system. The system is documented in the SACE Enterprise Risk Management Policy. The policy has been developed to achieve maximum integration of the risk management process in normal business process

Risk management has been into performance management system of the Council as well as quarterly reporting to the Audit and Risk management committee

During the period under review, Management reviewed and recommend approval of Enterprise Risk Management policy in line with their commitment to ensure risk management is integrated into the normal business processes of the entity. A detailed strategic and operational risk assessment for organization was conducted and the risk register updated accordingly. The purpose of risk assessment was to identify business risk related to SACE. The risks were measured and rated in terms of impact and likelihood of occurrence.

The top risk identified by Risk Owners are prioritized in terms of their importance and are being managed and reported on accordingly

Key controls and mitigation strategies/plans have been identified and are being implemented for both strategic and operational risks to ensure that risks are kept within the councils’ risk appetite.

## INTERNAL CONTROL UNIT

Internal control is a process, effected by the council, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives strategic and operational

The council established a system of internal control and regularly reviewing its effectiveness and relevance. The control environment enhances the tone of risk management and provide the necessary discipline and structure. It is the foundation for all other components of risk management. The control environment includes factors such as integrity, ethical values, organizational culture, competence of people, management philosophy and operating style, a delegation of authority and responsibility, the way in which people are organized and developed as well as the intention and direction provided by the council

Management is further responsible for the establishment and maintenance of an effective system of internal control. The objective of system of internal control are, inter alia, to provide management with reasonable but not absolute, assurance that:

- Risks are properly managed
- Assets are safeguarded
- Financial and operational information is reliable
- Operations are effective and efficient and
- Laws, regulations, policies, procedure and contractual obligations are complied with

## INTERNAL AUDIT AND AUDIT COMMITTEES

The internal audit operates within the framework of the Institute of Internal Auditors (IIA) under the direction of the Audit and Risk Committee, which approved the Internal Audit Charter, three years Internal Audit Rolling Plan, and Internal Audit Operational Plan. The Internal Audit Plan was informed by strategy and key risks that may impair the realization of strategic objectives and goals. The operational plan is updated annually and as and when the need arises to ensure that it is responsive to changes in the business.

The internal audit functionally reports to the Audit and Risk Committee and administratively to the Chief Executive Officer (CEO). Internal audit is responsible for the overall preparation and execution of the risk-based audit plan and for coordinating the internal audit service. It, therefore, evaluates and contributes to the improvement of risk management, internal control and governance systems within SACE.

The SACE Management is ultimately accountable for the Council's system of internal controls. These controls are designed to provide reasonable assurance regarding the achievement of the Council's objectives concerning the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulation. Findings by the internal audit are reported to the Audit and Risk Committee at each scheduled meeting. In addition, follow-up audits are conducted in areas where significant control weaknesses are found to ensure that mitigating strategies are adequately and effectively implemented by management.

### **Audit and Risk Committee**

The Audit and Risk Committee of the SACE is independent and fulfils a vital role in corporate governance by amongst others, ensuring the integrity of integrated reporting and internal financial controls and the management of risk.

The Committee has adopted appropriate formal terms of reference as its Audit Committee Charter, which has been approved by the Council. The Committee has also regulated its affairs in compliance with the Charter and has discharged its responsibilities as contained therein. The Audit and Risk Committee is an advisory committee of the Council operating with an independent and objective stance.

The Audit and Risk Committee reports that it has operated and performed its oversight responsibilities independently and objectivity in compliance with section 51(1)(a)(ii) of the PFMA and Treasury Regulations Part 3. The system of internal control applied by the Council over financial and risk management is effective. In line with the PFMA and the KING IV Report on corporate governance requirements, internal audit provides the Audit and Risk Committee and management with assurance on the appropriateness and effectiveness of the internal controls. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes

The table below discloses relevant information on the audit committee member

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr J. Rustin	BA(UWC)  Financial management for non-financial managers (UNISA)  Labour (NMMU)	External	N/A	August 2013	Not Resigned	4
Mr. N Maluleke	-	External	N/A	-	Not resigned	3
Mr P. White	Grade 12	External	N/A	August 2013	Not Resigned	4
Mr G. Themba	-	External	N/A	March 2019	Not resigned	4
Mr G. Bengell	Grade 12  PTD 3	External	N/A	November 2013	Not Resigned	4

## COMPLIANCE WITH LAWS AND REGULATIONS

The Council has established sub-committees to oversee the delivery of mandatory functions within the relevant legislation and regulations.

The committee are:

- Executive Committee (EXCO); Finance Committee (FINCO); Registration Committee (REGCO); Professional Development Committee (PRODCO); Ethics Committee (ETHCOM); Advocacy Committee (ADVOCO) and Audit Committee (AUDCO).
- These committees formulate policies which guide the operations and aid the oversight roles of Council and report progress to the Executive Committee on a quarterly basis. The policies of the Council are reviewed annually to ensure consistency with current legislation and regulations.

## FRAUD AND CORRUPTION

In line with its zero-tolerance approach towards fraud, corruption and other economic crimes, SACE has recognized that managing fraud risk is imperative to the business, and if sustained, effective fraud risk management will improve the control environment and enhance SACE's operational performance and reputation. A fraud-free environment is important to SACE's efforts for the continued delivery of mandatory function. As required by Regulation 29.1.1 of the Treasury Regulations prescribed under the Public Finance Management Act, 1999 (Act No. 1 of 1999). During the year under review the council has developed and adopted a fraud prevention policy.

## MINIMISING CONFLICT OF INTEREST

All Council members are required to declare any possible conflict of interest in each meeting as an agenda item. All staff members must complete declaration of interest forms annually to manage possible conflict. Any conflicted member is recused from the discussion of the conflicted agenda item. The Council has Supply Chain Management Policy and guideline which guides the procurement of goods and services. A Supply Chain unit under the control of the CFO exists as a central point to process all requisitions of Council. Proper segregation of responsibilities amongst officers and structures as well as a delegation of powers is implemented in terms of the Supply Chain Management Policy. Members who declare interest are recused from the relevant discussion. For the year under review, there was no violation identified in this regard.

## CODE OF CONDUCT

The SACE Code of Conduct is reviewed on annual basis by the end of March every financial year. The Council adopted the reviewed HR Policies including the Code of Conduct. The reviewed Code of Conduct was circulated to all personnel accordingly.



## **HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

Emanating from the previous report on establishing occupational health and safety plans; SACE has established occupational health and safety committee. This committee will ensure that the council complies with required legislations and roll-out all activities necessary for occupational health and safety measure. OHS representatives are already appointed and will be responsible to ensure compliance to the Act. SACE is developing Employee wellness programme. The plan has been submitted to structures and it has wellness activities lined-up to take place during this period under review, including activities for Heritage Day, women's day etc. This will include awareness for stress management; Healthy eating and good lifestyles, work-life balances and any other such activities.

Name of Sphere of Government / Public Entity / Organ of State:	South African Council for educators
Registration Number (If Applicable):	ACT no. 31 of 2000
Physical Address:	240 Lenchen Avenue
Type of Sphere of Government / Public Entity / Organ of State:	Schedule 3A public entity
Organisation Industry / Sector	Education

### B-BBEE COMPLIANCE PERFORMANCE INFORMATION

TEMPLATE ON REPORTING BY ORGANS OF STATE AND PUBLIC ENTITIES IN TERMS OF SECTION 13(G)(1) OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT 53 OF 2003 AS AMENDED BY ACT 46 OF 2013

The following table must be completed in full by the Sphere of Government / Public Entity / Organ of State:

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Circle relevant answer	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	If yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing and implementing a preferential procurement policy	No	If yes, please attach Preferential Procurement Policy as well as the compliance report of implementation thereof in the Annual Report
Determining qualification criteria for the sale of state-owned enterprises	No	If yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing criteria for entering into partnerships with the private sector	No	If yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report





# **PART D** **HUMAN** **RESOURCE** **MANAGEMENT**

## HUMAN RESOURCE MANAGEMENT: INTRODUCTION

The South African Council for Educators aims to enhance the status of the teaching profession and to promote the development of educators and their professional conduct. The Corporate Services provides support services and functional expertise to SACE whilst ensuring effective and efficient delivery of SACE's statutory mandates. The Corporate Services division takes the lead in the provision of the following areas: people management, efficiency planning and property management. It also provides support, guidance and expertise relating to personnel management, learning, growth and administrative services to SACE divisions. The division is also responsible for the following aspects amongst others:

- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee Wellness Activities

### HR Priorities

Filling of both strategic and administration positions to resource the Council remained the critical path followed by the HRM Unit within Corporate Services Division. Strategic Posts such as Project Manager for SACE Review and Repositioning and Provincial Heads was at the centre of the path and more than 30 administrative posts were filled during the period under review. The intention of the HRM Unit for this strategic path aimed at ensuring that the Council is sufficiently resourced in order to deliver its mandatory responsibilities. The Job Evaluation conducted in 2018 as previously reported, remains the focus area in filling the posts and resourcing the Council. Appointment of Provincial Heads and administrative posts in those areas was conducted during this period under review through the guidance of Staffing Committee of the Council.

The following are some of the current and future HRM Priorities: -

- Building Capacity amongst SACE employees and the HRM Unit, through the training and development initiatives led by SACE Staff Development Committee that determines training and development priorities and programmes
- Achievement of Employment Equity Targets as determined by Employment Equity Committee and directed by SACE Equity Policy and Plans remain a high priority for Corporate Services and HRM Unit.
- Holding and keeping a balance between Work life and Wellness of employees through Wellness activities which are held annually.

- Improving Employee Performance through participation of employees in the Performance Evaluation Development System and consistent improving of agreed guidelines remain the focus of HRM Unit for the future and period under review.

### **Workforce Planning Framework and Key Strategies to attract and recruit a skilled capable workforce**

The Job Evaluation conducted in 2018 remains the key strategic document guiding the Plans and strategies in recruiting and attracting employees to fill existing posts. The Council has recently adopted the Employment Equity Plan that remains an instrument used in filling posts and targeting the designated groups as guided by applicable legislative frameworks. The Council has strengthened its Recruitment and Selection Policy Guidelines during the year under review to strengthen the selection and recruitment procedures to attract and recruit skilled and capable employees. Policy reviews are conducted from time to time to recruit and select capable employees.

### **Employee Performance Management Framework**

The Council has prioritised Employee performance in view of achieving the new Strategic Objectives as espoused in the Strategic objectives (2025). It is against this background, that the Council has initiated processes of reviewing Performance Evaluation Development System guidelines in collaboration with Labour Representatives. This is done with the intention to improve the areas that are not implementable from the guidelines and ensure that the instruments used to measure and evaluate employee performance is aligned to recently adopted strategic objectives (2025).

Efforts are made to implement the Performance Evaluation Development System by annually signing performance agreements and conducting the evaluation as per the existing guidelines whilst simultaneously attempting to review the system to improve the performance evaluation guidelines.

### **Employee wellness programmes**

Maintaining a healthy workforce is an important part of the Human Resource function. The period under review has experienced unprecedented challenges because of the Covid-19. The pandemic has posed various challenges to the Organisation and affected the operations of the Council negatively. The offices had to be closed for several days to months due to different Lockdown Alert levels as declared from time to time. The pandemic posed uncharted challenges to the Council and ways of navigating through the pandemic had to be

found and Operations of the Council had to be adapted to the new norm. Working from home and other remote working arrangements were made to enable the Council to continue to render reasonable services to Educators, under those uncharted conditions. Task Team composed of Labour Representatives, Provincial Heads and Management were established, to help and guide management on decisions to be taken in response to Covid -19 and help develop Health and Safety Protocols as guided by Department of Health and Labour & Employment from time to time.

Compliance Officer was appointed at the Head- Office and Provincial Heads were appointed as Compliance Officers at that level to adhere to government guidelines and they were responsible for compliance and adherence to all relevant Safety and Health Protocols and Occupational Health and Safety Act.

#### HUMAN RESOURCE OVERSIGHT STATISTICS

##### **Personnel Cost by programme/ activity/ objective**

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Executive, Finance, Int Audit, Corporate	49,627	28,250	56%	62	456
Planning, M&E, Reporting and Research	1,808	1,689	93%	4	422
Registration and TP	6,927	6,278	90%	16	392
Professional Development, CPTD, Legal and Ethics	23,843	16,628	69%	38	437
Communications	5,945	5,471	92%	15	364
TOTAL	88,150	58,316	66%	135	431

**Personnel cost by salary band**

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	5,998	10%	4	1,499
Senior Management	10,690	18%	11	971
Professional qualified	12,720	22%	26	489
Skilled	11,651	20%	32	364
Semi-skilled	8,555	15%	35	244
Unskilled	8,702	15%	27	322
<b>TOTAL</b>	<b>58316</b>	<b>100%</b>	<b>135</b>	<b>429</b>

**Performance Rewards**

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	5,998	0%
Senior Management	0	10,690	0%
Professional qualified	0	12,720	0%
Skilled	0	11,651	0%
Semi-skilled	0	8,555	0%
Unskilled	0	8,702	0%
<b>TOTAL</b>	<b>0</b>	<b>58,316</b>	<b>0%</b>

**Training Costs**

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Executive, Finance, Int Audit, Corporate	28,250	112	0.4%	3	37
Planning, M&E, Reporting and Research	1,689	11	0.7%	1	11
Registration and TP	6,278		0%	0	0
Professional Development, CPTD, Legal and Ethics	16,628	106	0.6%	4	27
Communications	5,471	73	1.3%	3	24
<b>TOTAL</b>	<b>58,316</b>	<b>302</b>	<b>0.5%</b>	<b>11</b>	<b>27</b>

### **Employment and Vacancies**

Programme/activity/objective	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of vacancies
Top Management	04	04	04	0	0
Senior Management	11	13	10	3	30%
Professional qualified	24	32	26	6	23%
Skilled	30	34	32	2	6%
Semi-skilled	35	50	36	14	39%
Unskilled	31	31	28	3	11%
<b>TOTAL</b>	<b>135</b>	<b>164</b>	<b>136</b>	<b>28</b>	<b>20%</b>

### **Employment changes**

The staff complement for the period under review was 136, inclusive of 15 temporarily appointed personnel.

The table below discloses the appointments of senior personnel made in 2020/21 financial year. In addition to these appointments, 8 junior personnel were appointed in different positions.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	0	4
Senior Management	11	0	2	9
Professional qualified	25	2	3	24
Skilled	30	4	1	33
Semi-skilled	35	15	2	48
Unskilled	31	2	15	18
<b>Total</b>	<b>136</b>	<b>23</b>	<b>23</b>	<b>136</b>

### **Reasons for staff leaving**

Reason	Number	% of total no. of staff leaving
Death	1	4%
Resignation	7	31%
Dismissal	-	
Retirement	-	
Ill health	-	
Expiry of contract	15	65%
Other	0	
<b>Total</b>	<b>23</b>	<b>100%</b>



Staff leaving Council is mainly because of resignations. Exit interviews conducted indicated that they all found better opportunities in other organizations. No threat to the organization could be detected from their exit interviews.

**Labour Relations: Misconduct and disciplinary action**

Nature of disciplinary Action	Number
Verbal Warning	-
Written Warning	-
Final Written warning	-
Dismissal	-
TOTAL	-

**Equity Target and Employment Equity Status**

SACE subscribes to the National Employment Equity Principles. In terms of gender equity, we have 87 female employees against 49 male employees. The race equity is as follows: 128 Africans; 3 whites; 4 coloreds and 1 Indian.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	0	0
Senior Management	7	0	0	0	0	0	0	1
Professional qualified	14	0	0	1	0	0	0	0
Skilled	6	0	0	2	0	2	0	1
Semi-skilled	10	2	0	1	0	2	0	1
Unskilled	9	2	1	1	0	1	0	1
<b>TOTAL</b>	<b>48</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>4</b>

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	1	0	0	0	0
Senior Management	3	0	1	0	0	1	0	1
Professional qualified	11	0	0	0	0	1	1	0
Skilled	21	0	2	1	1	1	2	1
Semi-skilled	29	0	0	0	0	1	0	0
Unskilled	14	0	0	2	0	1	0	1
<b>TOTAL</b>	<b>80</b>	<b>0</b>	<b>3</b>	<b>148</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>3</b>



What remains a huge challenge for Council is attracting and appointing individuals with disabilities. For the year under review Council is at 0% to reach the national target of 2%.

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	1
Senior Management	0	0	0	1
Professional qualified	0	0	0	0
Skilled	0	1	0	0
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
<b>TOTAL</b>	0	1	0	3





# **PART E** **FINANCIAL** **INFORMATION**



**S A C E**

South African Council for Educators

*Towards Excellence in Education*

SOUTH AFRICAN COUNCIL FOR EDUCATORS  
Annual Financial Statements  
for the year ended 31 March 2021

These annual financial statements were prepared by:  
Finance manager  
Published 31 August 2021

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### General Information

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Registration of educators, promotion of professional development of educators and the establishment, maintenance and protection of ethical and professional standards for educators.
<b>Members</b>	<p>Mr M. Cele (Chairperson) Dr L.H. Swanepoel (Deputy chairperson) Ms M.E. Mokgalane (Chief Executive officer) Mr W. Hlaise Mr M. Moloi Mr T.K. Geza Mr T. Ledimo Mr J. Rustin Mr T. Kunene Ms C. Weston Ms L. Motshwane Mr M.L. Maphila (Resigned 30 September 2020) Mrs G.W. Bowles Dr M.T. Simelane Mr M.E. Maseko Dr H.J. Deacon Mr N. Ntantala Mr S. Mpalala Mr E.T. Rabotapi Mr P. Sauer Mr J.W. Bester Mr S. Sethusha Prof. S. Human-Vogel Ms N. Caluza Ms B. Mbath's Mr M. Dubula Mr M. Simelane Prof. S. Gravett Ms E. Mokoele Ms F. Solomon Mr S.S. Tjebane (appointed 01 October 2020)</p>
<b>Registered office</b>	Block 1, Crossway Office Park 240 Lenchen Avenue Centurion 0046



## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2021

### **General Information**

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**Postal address**

Private Bag X127  
Centurion  
0046

**Bankers**

Nedbank Limited  
Reserve Bank

**Auditors**

A2A KOPANO INCORPORATED

# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

## Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Abbreviations	

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
SAICA	South African Institute of Chartered Accountants
SAQA	South African Qualification Authority
SACE	South African Council for Educators
ASB	Accounting Standard Board
PFMA	Public Finance Management Act
ETDP SETA	Education Training and Development Practices SETA
CPTD	Continuing Professional Teachers Development
SDL	Skills Development Levy
PAYE	Pay As You Earn
UIF	Unemployment Insurance Fund
IT	Information Technology



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Council's Responsibilities and Approval

The councilors are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.


The councilors acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the councilors to meet these responsibilities, the council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the council and all employees are required to maintain the highest ethical standards in ensuring the council's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the council is on identifying, assessing, managing and monitoring all known forms of risk across the council. While operating risk cannot be fully eliminated, the council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The councilors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The councilors have reviewed the council's cash flow forecast and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page 128 - 133.

The annual financial statements set out on pages 136 to 173, which have been prepared on the going concern basis, were approved by the council on 31 August 2021 and were signed on its behalf by:

  
\_\_\_\_\_  
Mr M. Cele (Chairperson)  
Designation

  
\_\_\_\_\_  
Ms M.E. Mokgalane (Chief Executive officer)  
Designation

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2021.

#### Audit committee members and attendance

The audit committee consists of five (5) members and should meet 3 times per annum as per its approved terms of reference. During the current year 4 meetings were held.

Name of member	Number of meetings attended
Mr G Bengel (Chairperson)	4
Mr P White	4
Mr N Maluleke	3
Mr E Themba	4
Mr J Rustin	4

#### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 77 of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

#### The effectiveness of internal control

The system of internal controls applied by the council over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From Various reports of the Internal Auditors, the audit report on the annual financial financial statements, and the management report of the External Auditors, it was noted that no matters were reported that indicate material deficiencies in the system of internal control or any deviations there from. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective with the exception of deficiencies reported by external auditors.

The quality of the quarterly management reports were submitted in terms of the PFMA.

The Audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the members of the council during the year under review.

Our review of the findings of the Internal Audit work, which was based on the risk assessment conducted in the public entity revealed certain weaknesses, that were addressed with management.

The following internal audit work was completed during the year under review:

- Review and approval of the council's Internal Audit charter
- Performance information
- ICT system application control review -
- The approval of the 3 year risk based plan
- Approval of the annual audit plan



## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2021

### **Audit Committee Report**

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#### **Evaluation of annual financial statements**

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the External Auditors and the members;
- reviewed the External Auditors' management report and management's response thereto;
- reviewed and approved changes in accounting policies in line with the Standards of Generally Recognized Accounting Practice (GRAP);
- reviewed the entities compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the External Auditors' report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the External Auditors.

#### **Internal audit**

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the council and its audits.

The audit committee has also continued with its review of the progress with respect to the ICT Governance in line with ICT Framework approved by council. There will be a continued increase in the oversight in the coming financial year to the committees and management.



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Chairperson of the Audit Committee

Date: 30-08-2021



## INDEPENDENT AUDITOR'S REPORT

To parliament on South African Council for Educators

### Report on the audit of the financial statements

#### Opinion

1. We have audited the financial statements of South African Council for Educators set out on pages 136 to 173, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Council for Educators at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.
4. We are independent of the public entity in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B)*.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the council for the Financial Statements

6. The council, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public

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**Directors:** Chairman: KJ Sithole  
Chief Executive Officer: HAS Moosa  
List of Directors available at the registered office or national website

**Offices in:** Gauteng, Mpumalanga, Free State, Kwa-Zulu Natal, Eastern Cape, Western Cape and North West

**Website:** [www.a2akopano.co.za](http://www.a2akopano.co.za)



Finance Management Act (Act no. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the entity'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 public entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

8. Our 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 our 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.
9. A further description of our 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**

10. In accordance with the Public Audit Act of South Africa of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.
11. Our procedures address the usefulness and reliability of the reported performance information which must be based on the approved performance planning documents of the entity. We have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. Our procedures do not examine whether the actions taken by the entity enables service delivery. Our procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that maybe included as part of the reported performance information. Accordingly, our findings do not extend to these matters.
12. We 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 annual performance report of the entity for the year ended 31 March 2021:

Programme	Page in the annual performance report
Programme 4 – Professional Development	59-70



13. We performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. We 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.
14. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

#### Programme 4 – Professional Development

##### Various indicators

15. We were unable to obtain sufficient appropriate audit evidence for the reported achievements of 5 of the 6 indicators relating to this programme. This was due to the lack of accurate and complete records. We were unable to confirm the reported achievements by alternative means. Consequently, we were unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator number	Indicator description
4.1.1	Percentage of selected practising signed-up educators verified for the continuing professional development uptake
4.1.2	Percentage of signed-up final-year initial teacher education students
4.2.1	Number of educators supported on professional matters
4.3.2	Percentage of professional development activities endorsed
4.3.3	Percentage of endorsed activities monitored

##### Percentage of professional development providers approved

16. The achievement of 100% was reported against target 70% in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

##### Other matters

17. We draw attention to the matter below. Our opinion is not modified in respect of this matter.

##### Achievement of planned targets

18. Refer to the annual performance report on pages 24 to 77 for information on the achievement of planned targets for the year and explanations provided for the under and over-achievement of a number of targets. This information should be considered in the context of the qualified opinion expressed on the usefulness and reliability of the reported performance information in paragraph 15 of this report.

## Report on the audit of compliance with legislation

### Introduction and scope

19. In accordance with statement the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements

21. The financial statements submitted for audit were not prepared in accordance with the generally recognised accounting practice as required in terms of section 55(1)(a) and (b) of the Public Finance Management Act.
22. Material misstatements of revenue and related parties were identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

## Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the directors' report, directors responsibilities and approval and the audit and risk committee report as required by the Companies Act of South Africa 2008 (Act No. 71 of 2008) (Companies Act). The other information does not include the financial statements, the auditor's report and those selected strategic objective presented in the annual performance report that have been specifically reported in this auditor's report.
24. Our opinion on the financial statements and our findings on the reported performance and findings on compliance with legislation do not cover the other information and do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with our audit, our 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 programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. We did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are 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, we 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

27. We considered internal control relevant to our audit of the financial statements, reported performance information and compliance with applicable legislation; however, our 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 material adjustments made to the annual financial statements, the findings on the annual performance report and the findings on compliance with legislation included in this report.

28. Management did not exercise effective oversight to ensure that the annual financial statements are properly reviewed for accuracy and completeness. Material misstatements were identified during the audit, which were subsequently corrected by management, could have been prevented had management implemented adequate and effective oversight controls.
29. Management did not implement adequate internal controls that enabled the sufficient review of the annual performance report this led to material findings in respect of the reliability of the selected programme.
30. Management did not ensure that sufficient controls were in place to prepare accurate and complete financial statements and performance information that are supported and evidenced by complete and accurate information.

*A2A Kopano Inc.*

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A2A KOPANO INCORPORATED  
Director: T.A Maenzanise  
Registered Auditor  
Pretoria  
31 August 2021



## **Annexure – Auditor's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected strategic objectives and on the entity's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we 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 our 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 entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
  - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the South African Council for Educators to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also confirm to the accounting authority that we 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 our independence and, where applicable, actions taken to eliminate threats or safeguards applied

# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

## Council's Report

The members submit their report for the year ended 31 March 2021.

### 1. Review of activities

#### Main business and operations

The council is engaged in registration of educators, promotion of professional development of educators and the establishment, maintenance and protection of ethical and professional standards and operates principally in South Africa..

The operating results and state of affairs of the council are full set out in the attached annual financial statements and do not in our opinion require a further comment.

Net surplus of the council was R 16 053 891 (2020: surplus R 5 184 118).

### 2. Going concern

We draw attention to the fact that at 31 March 2021, the council had an accumulated surplus of R 172 710 251 and that the entity's total assets exceed its liabilities by R 172 710 251.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The management has determined that there is no material uncertainty that casts doubt on the council's ability to continue as a going concern. The council expects that COVID-19 might have some impact, though not significant, in relation to expected future performance and CPTD funding.

### 3. Accounting policies

The annual financial statements have been prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations of such Statements issued by the Accounting Practices Board, as the prescribed framework by National Treasury.

### 4. Corporate governance

#### General

The councilors are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the councilors support the highest standards of corporate governance and the ongoing development of best practice.

The council confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King IV Report on Corporate Governance for South Africa. The council members discuss the responsibilities of management in this respect, at council meetings and monitor the council's compliance with the code on a three monthly basis.

#### Executive committee

The committee:

- retains full control over the council, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the council;
- is of a unitary structure comprising:
  - Council members
  - Chief executive officer.

## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2021

### **Council's Report**

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#### **Council meetings**

The council councilors have met on 3 separate occasions during the financial year. The council members must meet at least 3 times per annum as per section 16(1) of the SACE act.

Executive committee members have access to all members of management of the council.

#### **Internal audit**

The council has established the internal audit function internally. This is in line with section 51 of the PFMA.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Statement of Financial Position as at 31 March 2021

	Note(s)	2021	2020
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	4	996 568	588 216
Receivables from non-exchange transactions	5	354 159	374 441
Cash and cash equivalents	6	105 626 344	107 894 193
		<b>106 977 071</b>	<b>108 856 850</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	77 636 387	63 528 667
Intangible assets	3	2 660 676	2 145 128
		<b>80 297 063</b>	<b>65 673 795</b>
<b>Total Assets</b>		<b>187 274 134</b>	<b>174 530 645</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	8	10 800 244	14 037 453
Unspent CPTD grant	7	3 763 639	3 836 832
		<b>14 563 883</b>	<b>17 874 285</b>
<b>Total Liabilities</b>		<b>14 563 883</b>	<b>17 874 285</b>
<b>Net Assets</b>		<b>172 710 251</b>	<b>156 656 360</b>
Accumulated surplus		172 710 251	156 656 360

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Statement of Financial Performance

	Note(s)	2021	2020
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Registration and reprints	10	9 195 207	9 971 198
Recoveries	12	19 755	-
Other income	12	9 318	41 956
Interest received	13	2 003 222	4 629 426
Gain on disposal of property, plant and equipment		-	4 785
<b>Total revenue from exchange transactions</b>		<b>11 227 502</b>	<b>14 647 365</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants	14	12 951 193	18 832 932
Membership fees	15	79 464 717	77 730 525
Fines	11	640 616	798 000
<b>Total revenue from non-exchange transactions</b>		<b>93 056 526</b>	<b>97 361 457</b>
<b>Total revenue</b>	9	<b>104 284 028</b>	<b>112 008 822</b>
<b>Expenditure</b>			
Employee benefit costs	16	(58 435 915)	(56 223 424)
Depreciation and amortisation	17	(3 077 915)	(2 765 423)
Lease rentals on operating lease		(1 462 524)	(1 262 496)
Debt Impairment	18	(584 983)	(2 119 421)
Loss on disposal of assets and liabilities		(862)	-
Operating Expenses	19	(24 667 938)	(44 453 940)
<b>Total expenditure</b>		<b>(88 230 137)</b>	<b>(106 824 704)</b>
<b>Surplus for the year</b>		<b>16 053 891</b>	<b>5 184 118</b>

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
<b>Balance at 01 April 2019</b>	<b>151 472 242</b>	<b>151 472 242</b>
Changes in net assets		
Surplus for the year	5 184 118	5 184 118
Total changes	5 184 118	5 184 118
<b>Balance at 01 April 2020</b>	<b>156 656 360</b>	<b>156 656 360</b>
Changes in net assets		
Surplus for the year	16 053 891	16 053 891
Total changes	16 053 891	16 053 891
<b>Balance at 31 March 2021</b>	<b>172 710 251</b>	<b>172 710 251</b>

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Cash Flow Statement

	Note(s)	2021	2020
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Membership, registration, reprints and other receipts		88 862 509	88 541 418
Grants		12 878 000	20 000 000
Interest received		2 003 222	4 629 426
		103 743 731	113 170 844
<b>Payments</b>			
Employee costs		(56 671 907)	(56 223 424)
Payment suppliers and others		(31 637 627)	(43 185 276)
		(88 309 534)	(99 408 700)
<b>Net cash flows from operating activities</b>	20	<b>15 434 197</b>	<b>13 762 144</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(16 629 261)	(2 673 335)
Proceeds from sale of property, plant and equipment	2	-	19 144
Purchase of intangible assets	3	(1 072 781)	(83 141)
<b>Net cash flows used in investing activities</b>		<b>(17 702 042)</b>	<b>(2 737 332)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2 267 845)</b>	<b>11 024 812</b>
Cash and cash equivalents at the beginning of the year		107 894 193	96 869 381
<b>Cash and cash equivalents at the end of the year</b>	6	<b>105 626 348</b>	<b>107 894 193</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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#### Statement of Financial Performance

##### Revenue

##### Revenue from exchange transactions

Revenue	5 700 000	(893 500)	<b>4 806 500</b>	9 195 207	<b>4 388 707</b>	29.1
Recoveries	-	-	-	19 755	<b>19 755</b>	
Other income	-	-	-	9 318	<b>9 318</b>	
Interest received	3 500 000	-	<b>3 500 000</b>	2 003 222	<b>(1 496 778)</b>	29.3
<b>Total revenue from exchange transactions</b>	<b>9 200 000</b>	<b>(893 500)</b>	<b>8 306 500</b>	<b>11 227 502</b>	<b>2 921 002</b>	

##### Revenue from non-exchange transactions

##### Transfer revenue

Government grants	21 100 000	(4 385 168)	<b>16 714 832</b>	12 951 193	<b>(3 763 639)</b>	29.4
Levies	80 100 000	-	<b>80 100 000</b>	79 464 717	<b>(635 283)</b>	29.10
Fines, Penalties and Forfeits	300 000	(100 000)	<b>200 000</b>	640 616	<b>440 616</b>	29.2
<b>Total revenue from non-exchange transactions</b>	<b>101 500 000</b>	<b>(4 485 168)</b>	<b>97 014 832</b>	<b>93 056 526</b>	<b>(3 958 306)</b>	
<b>Total revenue</b>	<b>110 700 000</b>	<b>(5 378 668)</b>	<b>105 321 332</b>	<b>104 284 028</b>	<b>(1 037 304)</b>	

##### Expenditure

Personnel	(62 704 000)	4 993 500	<b>(57 710 500)</b>	(58 435 915)	<b>(725 415)</b>	29.5
Depreciation and amortisation	(3 800 000)	-	<b>(3 800 000)</b>	(3 077 915)	<b>722 085</b>	29.6
Lease rentals on operating lease	(1 200 000)	(230 000)	<b>(1 430 000)</b>	(1 462 524)	<b>(32 524)</b>	29.7
Debt Impairment	-	-	-	(584 983)	<b>(584 983)</b>	29.8
General Expenses	(42 996 000)	615 168	<b>(42 380 832)</b>	(24 667 938)	<b>17 712 894</b>	29.9
<b>Total expenditure</b>	<b>(110 700 000)</b>	<b>5 378 668</b>	<b>(105 321 332)</b>	<b>(88 229 275)</b>	<b>17 092 057</b>	

<b>Operating surplus</b>	-	-	-	<b>16 054 753</b>	<b>16 054 753</b>	
Gain on disposal of assets	-	-	-	(862)	<b>(862)</b>	

<b>Surplus</b>	-	-	-	<b>16 053 891</b>	<b>16 053 891</b>	
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<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual</b>	-	-	-	<b>16 053 891</b>	<b>16 053 891</b>	
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## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2021

### **Accounting Policies**

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#### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 55 of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenue and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 5 Changes in accounting policy. The council implemented GRAP 108 in terms of statutory receivables that were previously classified under GRAP 104 note 4.

##### **1.1 Presentation currency**

These annual financial statements are presented in South African Rand and are not rounded off.

##### **1.2 Going concern assumption**

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

##### **1.3 Materiality**

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

##### **1.4 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Estimates and judgements are continually reassessed and are based on historical experiences as well as expectations of future events. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

###### **Impairment testing**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of intangible and tangible assets.

The council reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.4 Significant judgements and sources of estimation uncertainty (continued)

##### Provisions

Provisions were raised and management determined an estimate based on the information available.

##### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

##### Depreciation

During each financial year, management reviews the assets within property, plant and equipments to assess whether the useful lives and residual values applicable to each asset are appropriate.

#### 1.5 Property, plant and equipment

Property, plant, equipment and leasehold improvements are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant, equipment and leasehold improvements is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant, equipment and leasehold improvements are carried at cost less accumulated depreciation, accumulated amortisation and accumulated impairment losses.

Property, plant, equipment and leasehold improvements are initially measured at cost.

Costs include costs incurred initially to acquire an item of property, plant, equipment and leasehold improvements and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant, equipment and leasehold improvements, the carrying amount of the replaced part is derecognised.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant, equipment and leasehold improvements are depreciated and amortised on the straight line basis over their expected useful lives to their estimated residual value

The useful lives of items of property, plant, equipment and leasehold improvement have been assessed as follows:

Item	Depreciation and Amortisation method	Average useful life
Land	Straight line	indefinite
Buildings	Straight line	40 years
Motor vehicles	Straight line	5-10 years
Office equipment, furniture and fittings	Straight line	5-25 years
IT equipment	Straight line	3 to 13 years
Leasehold improvements	Straight line	lease term

The residual value, and the useful life and depreciation method as well as the amortisation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimates.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

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### Accounting Policies

#### 1.5 Property, plant and equipment (continued)

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimates unless expectations differ from previous estimates.

The council assesses at each reporting date whether there is any indication that the council expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the council revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The council separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).

#### 1.6 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the council; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets which are received by means of a non-exchange transaction, the fair value of the asset is the deemed cost. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	5-15 years
Computer software, other	5-15 years

#### 1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one council and a financial liability or a residual interest of another council.





# SOUTH AFRICAN COUNCIL FOR EDUCATORS

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## Accounting Policies

### 1.7 Financial instruments (continued)

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A financial asset is:

- cash;
- a residual interest of another council; or
- a contractual right to:
  - receive cash or another financial asset from another council; or
  - exchange financial assets or financial liabilities with another council under conditions that are potentially favourable to the council.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another council; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the council.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an council in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

#### Classification

The council has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position :

#### Class

Other receivables  
Cash and cash equivalents

#### Category

Financial asset measured at amortised cost  
Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Trade and other payables

#### Category

Financial liability measured at amortised cost

#### Initial recognition

The council recognises a financial asset or a financial liability in its statement of financial position when the council becomes a party to the contractual provisions of the instrument.

#### Initial measurement of financial assets and financial liabilities

The council measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.7 Financial instruments (continued)

##### Subsequent measurement of financial assets and financial liabilities

Financial assets are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

##### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

##### Impairment and uncollectibility of financial assets

The council assess at the end of each financial year whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

#### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 1.9 Impairment of non-cash generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets. Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.9 Impairment of non-cash generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is the period of time over which an asset is expected to be used by the council. Judgement is needed to determine whether an asset is cash-generating or non-cash-generating. The council determined that all non-current, non-financial assets are non-cash generating. This is determined based on the mandated function of the entity which is to provide statutory services for which significant funding is received from members. It is not the intention of the council to generate positive cash flows from its operations.

##### Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating.

The designation is made on the basis of the council's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy, rather than the accounting policy on Impairment of non-cash-generating assets.

##### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The council assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

##### Recognition and measurement

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

##### Reversal of an impairment loss

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.9 Impairment of non-cash generating assets (continued)

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

#### 1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgement is needed to determine whether an asset is cash-generating or non-cash generating. The council determined that all non-current, non-financial assets are non-cash generating. This is determined based on the mandated function of the council which is to provide statutory services for which the significant funding is received from members. It is not the intention of the council to generate positive cash flows from its operations

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.10 Impairment of cash-generating assets (continued)

##### Reversal of impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### 1.11 Statutory Receivables (GRAP 108)

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means; and are settled in cash, or another financial asset. Supporting regulations or similar means includes regulations supporting laws, by-laws or other documents issued in terms of legislation, such as ministerial orders and cabinet or council decisions.

Statutory assets are not financial instruments. Receivables that are financial instruments are accounted for using GRAP 104 on Financial Instruments and are measured initially at fair value based on prevailing market terms.

##### Initial Recognition

At initial recognition, the council designates statutory receivables as non-exchange transaction. The designation is made on the basis that membership fees and fines by nature are compulsory and there is no willing party in statutory arrangements.

##### Initial Measurement

As receivables arise from revenue transactions, the initial measurement of statutory receivables is largely dependent on the measurement outlined in GRAP 23 on Revenue from Non-Exchange Transactions.

The revenue standard indicates the following: GRAP 23 - Fair value at the date of acquisition

GRAP 108 explains that the measurement in the revenue standards should be read to mean the 'transaction amount' as outlined in GRAP 108. The transaction amount is the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means. The effect is that fair value in the revenue related Standard of GRAP and GRAP 108 should be determined solely based on what is prescribed in legislation





## SOUTH AFRICAN COUNCIL FOR EDUCATORS

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### Accounting Policies

#### 1.11 Statutory Receivables (GRAP 108) (continued)

##### Gains and losses

A gain or loss arising from a change in the fair value of the financial liability or asset measured at fair value is recognised in surplus or deficit.

For financial assets and liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or liability is derecognised or impaired.

##### Subsequent measurement

The statutory receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

##### Impairment and uncollectibility of statutory receivables

The council assess at each reporting date whether there is any indication that a statutory receivable or a group of statutory receivables is impaired.

If there is objective evidence that an impairment loss on statutory receivable is incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

A reversal of an impairment loss for a statutory receivable is recognised in surplus or deficit.

##### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

#### 1.12 Employee benefits

Employee benefits are all forms of consideration given by the council in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- the council's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the council's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the council has indicated to other parties that it will accept certain responsibilities and as a result, the council has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.12 Employee benefits (continued)

##### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the council recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The council measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the council has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### 1.13 Provisions

Provisions are recognised when:

- the council has a present obligation as a result of a past event;
- 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are not recognised for future operating surplus.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

#### 1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

#### 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.15 Revenue from exchange transactions (continued)

An exchange transaction is one in which the council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

##### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

##### Revenue

When the outcome of a transaction involving the rendering of services can be measured reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the council;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

##### Interest received

Revenue arising from the use by others of entity assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the council, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit.

#### 1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the council, which represents an increase in net assets, other than increases relating to contributions from owners.

Membership fees fines are economic benefits or service potential received or receivable by council, as determined by council.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the council either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.



## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2021

### **Accounting Policies**

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#### **1.16 Revenue from non-exchange transactions (continued)**

##### **Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

##### **Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the council.

When, as a result of a non-exchange transaction, the council recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

##### **Transfers**

Apart from Services in kind, which are not recognised, the council recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The council recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

##### **Membership fees and Fines**

Membership fees and Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

##### **Government grants and receipts**

Government grants are recognised when there is reasonable assurance that:

1. the entity will comply with the conditions attaching to them; and
2. the grants will be received

Government grants are recognised as revenue over the periods necessary to match them with the related costs that they are intended to compensate.

#### **1.17 Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

#### **1.18 Fruitless and wasteful expenditure**

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure will always emanate from an action or lack of action instigated by an official that resulted in a financial loss to the council.

On discovery, the fruitless and wasteful expenditure is recorded in a register; and then referred for investigation. If an investigation reveals that the employee is liable in law, then accountability for the fruitless and wasteful expenditure and any losses relating thereto shall be vested with that official.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.18 Fruitless and wasteful expenditure (continued)

In line with the Treasury Regulations, fruitless and wasteful expenditure must either be recovered from the person liable and in instances where recovery is not possible, such fruitless and wasteful expenditure may be written off by the accounting officer or authority.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Fruitless and wasteful expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the fruitless and wasteful expenditure register. If liability for the fruitless and wasteful expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The fruitless and wasteful expenditure register must also be updated accordingly. If the fruitless and wasteful expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the fruitless and wasteful expenditure register. .

#### 1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures.

National Treasury practice note no. 2 of 2019/20 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2020):

Irregular expenditure is incurred when the resulting transaction is recognised in the financial records of the council in accordance with the relevant Accounting Framework.

When an irregular expenditure is being suspected, it is reported to the head of the entity and then recorded in the irregular expenditure register.

The alleged irregular expenditure is then investigated for confirmation.

When the irregular expenditure is confirmed, recovery steps are taken where there is a liable official; or a condonation is sought from the National Treasury.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Accounting Policies

#### 1.19 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

#### 1.20 Contingent liabilities

Contingent liabilities are possible obligation that arose from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the council; or a present obligation that arises from past events,

A contingent liability that relates to a present obligation is not recognised because the amount cannot be measured with sufficient reliability.

#### 1.21 Budget information

Council is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by council shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget covers the fiscal period from 2020/04/01 to 2021/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

#### 1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the council, including those charged with the governance of the council in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the council.

The council is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the council to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

# SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

### 1.22 Related parties (continued)

Where the council is exempt from the disclosures in accordance with the above, the council discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

### 1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The council will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The council will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.24 New Standards and interpretation

#### 1.16.1 Standards and interpretations effective and adopted in the current year

In the current year, The council has adopted the following standards and interpretation that are effective for current financial year and that are relevant to its operations with the effective date of 01 April 2020:

	Expected impact
1. IGRAP 20: Accounting adjustments to revenue	The impact of the standard is not material
2. IGRAP 1(revised): Apply the probability test on initial recognition of revenue	The impact of the standard is not material

#### 1.17.2 New standards and interpretation issued, but not yet effective

The council has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later.

	Expected impact
1. GRAP 104 (amended): Financial Instruments	Unlikely there will be a material impact
2. Guideline: Guideline on the application of materiality to Financial Statements	Unlikely there will be material impact
3. GRAP 1 (amended): Presentation of Financial Statements	Unlikely there will be material impact

### 1.25 Government grants

Government grants are recognised when there is reasonable assurance that:

1. the entity will comply with the conditions attaching to them; and



## **SOUTH AFRICAN COUNCIL FOR EDUCATORS**

Annual Financial Statements for the year ended 31 March 2021

### **Accounting Policies**

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#### **1.25 Government grants (continued)**

##### **2. the grants will be received**

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grant related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grants as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the surplus or deficit (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	21 816 913	-	21 816 913	21 816 913	-	21 816 913
Buildings	54 027 024	(4 780 747)	49 246 277	39 294 024	(3 683 815)	35 610 209
Motor vehicles	1 207 372	(372 411)	834 961	1 207 372	(238 580)	968 792
Office equipment, furniture and fittings	7 530 389	(3 556 613)	3 973 776	6 564 122	(2 869 709)	3 694 413
IT equipment	4 463 139	(2 902 135)	1 561 004	3 594 829	(2 357 694)	1 237 135
Leasehold improvements	895 885	(692 429)	203 456	838 865	(637 660)	201 205
<b>Total</b>	<b>89 940 722</b>	<b>(12 304 335)</b>	<b>77 636 387</b>	<b>73 316 125</b>	<b>(9 787 458)</b>	<b>63 528 667</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	21 816 913	-	-	-	21 816 913
Buildings	35 610 209	14 733 000	-	(1 096 932)	49 246 277
Motor vehicles	968 792	-	-	(133 831)	834 961
Office equipment, furniture and fittings	3 694 413	970 931	(862)	(690 706)	3 973 776
IT equipment	1 237 135	868 310	-	(544 441)	1 561 004
Leasehold improvements	201 205	57 020	-	(54 769)	203 456
	<b>63 528 667</b>	<b>16 629 261</b>	<b>(862)</b>	<b>(2 520 679)</b>	<b>77 636 387</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

#### 2. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Land	21 816 913	-	-	-	21 816 913
Buildings	36 592 560	-	-	(982 351)	35 610 209
Motor vehicles	18 687	1 069 372	-	(119 267)	968 792
Office equipment furniture and fittings	3 569 390	672 683	-	(547 660)	3 694 413
IT equipment	919 889	759 532	(14 359)	(427 927)	1 237 135
Leasehold improvements	122 899	171 748	-	(93 442)	201 205
	<b>63 040 338</b>	<b>2 673 335</b>	<b>(14 359)</b>	<b>(2 170 647)</b>	<b>63 528 667</b>

##### Pledged as security

The council has no assets classified under property, plant and equipment pledged as security for liabilities and no restrictions have been imposed on any of the assets.:

##### Expenditure incurred to repair and maintain property, plant and equipment

##### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services	77 857	83 953
General expenses	233 072	555 502
	<b>310 929</b>	<b>639 455</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
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#### 3. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	6 966 421	(4 907 728)	2 058 693	6 066 359	(4 501 296)	1 565 063
Computer software	1 595 322	(993 339)	601 983	1 422 601	(842 536)	580 065
<b>Total</b>	<b>8 561 743</b>	<b>(5 901 067)</b>	<b>2 660 676</b>	<b>7 488 960</b>	<b>(5 343 832)</b>	<b>2 145 128</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	1 565 063	900 061	(406 431)	2 058 693
Computer software	580 065	172 720	(150 802)	601 983
	<b>2 145 128</b>	<b>1 072 781</b>	<b>(557 233)</b>	<b>2 660 676</b>

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	1 976 618	-	(411 555)	1 565 063
Computer software	680 145	83 141	(183 221)	580 065
	<b>2 656 763</b>	<b>83 141</b>	<b>(594 776)</b>	<b>2 145 128</b>

#### Pledged as security

The council does not have intangible assets whose carrying value is pledged as security:



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>4. Receivables from exchange transactions</b>		
Prepayments	110 965	-
Deposits	194 128	184 128
Staff loans	691 475	404 088
	<b>996 568</b>	<b>588 216</b>
<b>5. Receivables from non-exchange transactions</b>		
Statutory debtors	354 159	374 441
<b>Statutory receivables included in receivables from non-exchange transactions above are as follows:</b>		
Membership fees and Fines	2 969 065	4 136 679
Less: Refunds	(95 338)	(92 457)
Less: Provision for Impairment	(2 519 568)	(3 669 781)
	<b>354 159</b>	<b>374 441</b>
<b>Total receivables from non-exchange transactions</b>	<b>354 159</b>	<b>-</b>

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
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#### 5. Receivables from non-exchange transactions (continued)

##### Statutory receivables general information

##### Transaction(s) arising from statute

Membership levies and fines arise from section 19 of the SACE act, which states that funds of the council consists of compulsory fees, money appropriated by parliament, money received from donations, contributions, interest, fines and money received from other source.

##### Determination of transaction amount

Membership levies and fines receivable are based on a council decision and are charged at R 180.00 per annum for membership and fines are charged at a maximum of monthly salary of a member.

##### Basis used to assess and test whether a statutory receivable is impaired

The council will assess at the end of each reporting date whether there is objective evidence that a receivable account or group of receivable accounts is impaired.

Membership fees and fines receivable with any outstanding balances will be assessed as a group for evidence of impairment.

##### Statutory receivables impaired

As of 31 March 2021, Statutory receivables of R584 983 (2020: R2 167 090) were impaired and provided for.

The amount of the provision was R(2 519 568) as of 31 March 2021 (2020: R(3 669 781)).

##### Factors the entity considered in assessing statutory receivables impaired

Any of the following events is considered in assessing statutory receivables impaired:

- Accounts handed over to debt collectors
- All in-active account in the system
- when accounts have been formally presented to the CFO or Finance Committee for write-off
- All accounts with balances outstanding current and beyond

##### Reconciliation of provision for impairment for statutory receivables

Opening balance	3 669 781	1 502 690
Provision for impairment	584 983	2 167 091
Amounts written off as uncollectible	(1 735 196)	-
	<b>2 519 568</b>	<b>3 669 781</b>

##### Receivables from non-exchange transactions impaired

As of 31 March 2021, other receivables from non-exchange transactions of R 584 983 (2020: R 2 167 090) were impaired and provided for.

The amount of the provision was R (2 519 568) as of 31 March 2021 (2020: R (3 669 781)).



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>5. Receivables from non-exchange transactions (continued)</b>		
<b>Reconciliation of provision for impairment of receivables from non-exchange transactions</b>		
Opening balance	3 669 781	1 502 690
Provision for impairment	584 983	2 167 091
Amounts written off as uncollectible	(1 735 196)	-
	<b>2 519 568</b>	<b>3 669 781</b>
<p>The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note ). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.</p> <p>The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors mentioned above. The council does not hold any collateral as security.</p>		
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	31 136	27 933
Bank balances	85 978 289	88 984 653
Short-term deposits	19 616 919	18 881 607
	<b>105 626 344</b>	<b>107 894 193</b>
<b>7. Unspent CPTD grant</b>		
<b>Movement during the year</b>		
Balance at the beginning of the year	3 836 832	2 669 765
Additions during the year	12 878 000	20 000 000
Income recognition during the year	(12 951 193)	(18 832 933)
	<b>3 763 639</b>	<b>3 836 832</b>
<p>The CPTD grant is recognised in the annual financial statements as revenue from non-exchange transaction when the conditions of the grant is met by the council.</p> <p>When the conditions of the grant are not met, the council records the deferred grant on the statement of financial position as Non-current liabilities.</p> <p>These amounts are not invested in a ring-fenced investment.</p>		
<b>8. Payables from exchange transactions</b>		
Trade payables	1 156 608	4 435 297
Payments received in advanced	1 226 609	1 317 786
Payroll related payables	735 293	1 419 002
Accrued expense	7 681 734	6 865 368
	<b>10 800 244</b>	<b>14 037 453</b>

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>9. Revenue</b>		
Licences and permits	9 195 207	9 971 198
Recoveries	19 755	-
Other income	9 318	41 956
Interest received	2 003 222	4 629 426
Government grants	12 951 193	18 832 932
Membership fees	79 464 717	77 730 525
Fines	640 616	798 000
	<b>104 284 028</b>	<b>112 004 037</b>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Licences and permits	9 195 207	9 971 198
Recoveries	19 755	-
Other income	9 318	41 956
Interest received	2 003 222	4 629 426
	<b>11 227 502</b>	<b>14 642 580</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Transfer revenue</b>		
Government grants	12 951 193	18 832 932
Membership fees	79 464 717	77 730 525
Fines	640 616	798 000
	<b>93 056 526</b>	<b>97 361 457</b>
<b>10. Registration and reprints</b>		
Registration fee	7 451 406	7 934 283
Reprints of certificates	1 743 801	2 036 915
	<b>9 195 207</b>	<b>9 971 198</b>
<b>11. Fines, Penalties and Forfeits</b>		
Fines, Penalties and Forfeits	640 616	798 000
<b>12. Other income</b>		
Debt impairment recovered	19 755	-
Letter of good standing and ETDP SETA rebates	9 318	41 956
	<b>29 073</b>	<b>41 956</b>
<b>13. Interest received</b>		
<b>Interest revenue</b>		
Bank	1 958 470	4 598 003
Interest received - other	44 752	31 423
	<b>2 003 222</b>	<b>4 629 426</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>14. Government grants</b>		
<b>Operating grants</b>		
CPTD grant	12 951 193	18 832 932
<b>15. Membership fees</b>		
Membership fees	79 464 717	77 730 525
<b>16. Employee benefit costs</b>		
Basic salary	51 349 395	49 118 730
Compensation Commissioner	119 654	118 352
Leave accruals	968 511	1 273 303
	<b>52 437 560</b>	<b>50 510 385</b>
<b>Remuneration of chief executive officer</b>		
Annual Remuneration	1 210 847	1 157 496
Car Allowance	471 169	449 295
Annual Bonuses	100 895	96 192
Contributions to UIF, Medical and Pension Funds	235 247	222 502
	<b>2 018 158</b>	<b>1 925 485</b>
<b>Remuneration of chief finance officer</b>		
Annual Remuneration	1 048 097	1 000 928
Car Allowance	431 428	411 932
Annual Bonuses	87 332	83 177
Contributions to UIF, Medical and Pension Funds	179 961	170 158
	<b>1 746 818</b>	<b>1 666 195</b>
<b>Remuneration of Senior Manager Professional Development and Ethics</b>		
Annual Remuneration	669 927	640 364
Car Allowance	123 727	118 911
Annual Bonuses	55 818	52 590
Contributions to UIF, Medical and Pension Funds	143 303	125 212
Other	123 861	118 911
	<b>1 116 636</b>	<b>1 055 988</b>
<b>Remuneration of Senior Manager Registration and Teacher Professionalisation</b>		
Annual Remuneration	669 998	640 432
Housing Allowance	247 619	237 743
Annual Bonuses	55 824	52 596
Contributions to UIF, Medical and Pension Funds	143 302	134 600
	<b>1 116 743</b>	<b>1 065 371</b>
<b>17. Depreciation and amortisation</b>		
Property, plant and equipment	2 520 680	2 170 646
Intangible assets	557 235	594 777
	<b>3 077 915</b>	<b>2 765 423</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>18. Bad debt provision</b>		
Contribution to debt impairment provision	584 983	2 119 421
<b>19. Operating expenses</b>		
Advertising	263 754	273 759
Auditors remuneration	558 870	547 777
Bank charges	594 308	548 201
Cleaning	142 549	544 774
Consulting and professional fees	2 809 957	6 395 670
Fines and penalties	2 144	62 151
Insurance	392 839	380 903
Motor vehicle expenses	2 792	31 617
Postage and courier	32 126	20 044
Printing and stationery	480 605	896 702
Project maintenance costs	2 412 740	3 631 982
Repairs and maintenance	462 800	792 053
Security	556 277	699 635
Staff welfare	247 963	373 516
Subscriptions and membership fees	2 196 166	911 205
Telephone and fax	797 482	755 865
Training	301 700	270 951
Travel - local	1 232 966	3 129 323
Utilities	2 203 951	2 327 009
Registration costs	511 277	820 326
Professional development	4 601 988	11 578 697
Code of conduct	2 635 462	4 349 918
Communications	589 371	3 786 866
Research	119 535	1 324 996
Chemicals	518 316	-
	<b>24 667 938</b>	<b>44 453 940</b>
<b>20. Cash generated from operations</b>		
Surplus	16 053 891	5 184 118
<b>Adjustments for:</b>		
Depreciation and amortisation	3 077 915	2 765 423
Gain/ losses on sale of property, plant and equipments	862	(4 785)
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(408 352)	249 073
Other receivables from non-exchange transactions	20 282	1 644 203
Payables from exchange transactions	(3 237 208)	2 757 045
Unspent CPTD grant	(73 193)	1 167 067
	<b>15 434 197</b>	<b>13 762 144</b>

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>21. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2021</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Other receivables from exchange transactions	885 603	885 603
Cash and cash equivalents	105 626 344	105 626 344
	<b>106 511 947</b>	<b>106 511 947</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Trade and other payables from exchange transactions	10 800 245	10 800 245
<b>2020</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Other receivables from exchange transactions	588 216	588 216
Cash and cash equivalents	107 894 193	107 894 193
	<b>108 482 409</b>	<b>108 482 409</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Trade and other payables from exchange transactions	12 719 669	12 719 669
<b>22. Commitments</b>		
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	494 282	565 110
- in second to fifth year inclusive	-	120 000
	<b>494 282</b>	<b>685 110</b>

Operating lease payments represent rentals payable by the council for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

### 23. Comparative figures

Certain comparative figures have been reclassified. the effects of the reclassification are as follows in 2021:

Due to the adoption of GRAP 108 (statutory receivables) and GRAP 23 (Revenue from non-exchange transactions) in the current financial year, the council has reclassified the part of the Receivables from Exchange Transaction to Revenue from Non-exchange Transactions. This change was to allow the council to comply with the GRAP 108 standard before the compulsory due date of 31 March 2022.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
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#### 23. Comparative figures (continued)

The reclassification had an effect on the Statement of Financial Position and Statement of Financial Performance.

Refer to note 4, 5 and 9 of the annual financial statements.

The effects of the reclassification are as follows:

##### Statement of financial position - extract

	Comparative figures previously reported	Reclassifi- cation	After reclassification
Receivables from exchange transactions	962 657	(374 441)	588 216
Receivables from non-exchange transactions	-	374 441	374 441
<b>Total</b>	<b>962 657</b>	<b>-</b>	<b>962 657</b>

##### Statement of financial performance - extract

	Comparative figures previously reported	Reclassifi- cation	After reclassification
Revenue fro exchange transactions	93 175 890	(78 528 525)	14 647 365
Revenue from Non-Exchange transactions	18 832 932	78 528 525	97 361 457
<b>Total</b>	<b>112 008 822</b>	<b>-</b>	<b>112 008 822</b>



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

#### 24. Risk management

##### Financial risk management

The council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the council's financial performance.

##### Liquidity risk

The council's risk to liquidity is a result of the funds available to cover future commitments. The council manages liquidity risk through an ongoing review of future commitments and credit facilities.

##### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The council only deposits surplus cash with the reserve banks and transactional cash with a major bank with high quality credit standing to limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council.

The council did not pledge any financial assets as a collateral for liabilities and contingent liabilities.

Financial instrument	2021	2020
Cash and cash equivalents	105 626 344	107 894 193
Trade payables	(1 156 609)	(4 435 297)
Other receivables	996 568	588 216

##### Market risk

##### Interest rate risk

As the council has no significant interest-bearing assets, the council's income and operating cash flows are substantially independent of changes in market interest rates.

#### 25. Going concern

We draw attention to the fact that at 31 March 2021, the council had an accumulated surplus of R 172 710 251 and that the council's total assets exceed its liability by R 172 710 251.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The management has determined that there is no material uncertainty that casts doubt on the council's ability to continue as a going concern.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

#### 26. Fruitless and wasteful expenditure

Opening balance as previously reported	62 151	-
	<b>62 151</b>	<b>-</b>
Add: Expenditure identified - current	197 268	62 151
Less: Amounts recoverable - current	(195 124)	-
Less: Amount written off - prior period	(62 151)	-

#### Expenditure identified in the current year include those listed below:

	Treatment		
Late payment penalty	Condonation request will be submitted to the Accounting Authority	2 144	62 151
Wrong products procured	Amount recovered	112 500	-
Late payment penalty	Amount recovered	82 624	-
		<b>197 268</b>	<b>62 151</b>

#### Amounts recoverable

Late payment penalty	82 624	-
Wrong products procured	112 500	-
	<b>195 124</b>	<b>-</b>

#### Amounts written-off

	Treatment		
Opening balance 1 April 2020	Write-off	62 151	2 998

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

#### 27. Irregular expenditure

Opening balance as previously reported	174 275	-
<b>Opening balance as at 01 April 2020</b>	<b>174 275</b>	<b>-</b>
Add: Irregular Expenditure - current	-	174 275
Less: Amount written off - current	(174 275)	-
<b>Closing balance</b>	<b>-</b>	<b>174 275</b>

#### 28. Contingent liabilities

Cash and cash equivalents	105 626 344	107 894 193
Add: Receivables	1 350 727	962 657
Less: Current liabilities	(14 563 884)	(17 669 435)
Less: Commitments	(494 282)	(685 110)
<b>Surplus</b>	<b>91 918 905</b>	<b>90 502 305</b>

In terms of PFMA Section 53 (3) entities are not allowed to accumulate surpluses unless approved by National Treasury.

The council is obliged to repay to National Treasury any amount of the surplus not granted for retention.

The surplus of R 91 997 940 has been classified as a contingent liability at 31 March 2021 as there is no approval received as yet to retain the surplus funds.

Contingent liabilities are possible obligation that arose from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the council; or a present obligation that arises from past events but is not recognised because:

The council at the end of the 2020/21 financial year had legal cases that have a potential of litigation against the council. These cases have carried forward from the previous financial year. The total estimated litigations amounts to R 7 998 545 being the annual employee cost to company. The matter relates to 22 employees that were dismissed. The matters are subsequently before the Commission for Conciliation Mediation and Arbitration for review.

#### 29. Material differences between budget and actual amounts

The budget was prepared on an accruals basis covering the financial year ended 31 March 2021. The variances between budget and actual which are numerically 10% and R 100 000 above and below budget are explained below:

##### 29.1 Revenue

The council has over-collected on registration fees. This was due to the increase in the number of new graduates entering the profession.

##### 29.2 Other income

The council has over-collected on the fines. This is an indication that there has been a lot of conclusions on the cases report than anticipated.

##### 29.3 Interest income

Interest income is below the approved budget. The reason for this is the reduction of the repo rate by the reserve bank during the lockdown period.

##### 29.4 Government grant

Government grant is below the budget due to the deferred funds unspent at the end of the financial year.

##### 29.5 Personnel



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

2021	2020
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#### 29. Material differences between budget and actual amounts (continued)

Personel related costs are above the budget due to the staff appointments at the Eastern Cape provincial offices during the third quarter of the financial year.

##### 29.6 Depreciation and amortizations

Depreciation and amortizations are below the budget due to the review of the useful life of the assets that resulted in the reduction of this budget item

##### 29.7 Lease rentals on operating lease

This budget item overspent as a result of the delay in the purchase of the provincial office buildings. The delays were due to the lockdown restrictions at the beggining of the financial year.

##### 29.8 Debt impairment

The council has created a provision for impairment of debtors in the current year.

##### 29.9 General expenses

General expenses are below the budget due to underspending on CPTD and the effect of the lockdown on operations.

##### 29.10

Levies/ Membership fees received are below the budget due to the lockdown break that saw a reduction in the collection.

## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
<b>30. Related parties</b>		
<b>Amounts owing from related parties</b>		
South African Post Office	1 471 818	1 480 613
South African Revenue Services	839	839
<b>Amounts owing to related parties</b>		
State Information Technology Agency Proprietary Limited	-	(837 302)
National Treasury	(3 763 639)	(3 847 837)
Compensation fund	2 213	23 679
<b>Grants received from related parties</b>		
National Treasury	12 951 193	18 832 932
<b>Amounts provided as doubtful debt</b>		
South African Post Office	1 456 178	-
<b>Amount of transactions from related parties</b>		
South African Post Office	24 012	48 277
National Treasury	142 450	178 463
State Information Technology Agency Proprietary Limited	3 811 114	3 538 795
Telkom	274 134	332 037
Tshwane Municipality	1 573 377	1 866 583
South African Revenue Services	9 821 657	9 509 609
Compensation Fund	119 654	118 352
	<b>27 885 000</b>	<b>31 245 040</b>

The South African Council for Educators is presumed to be related to all other government entities within the national sphere of government, by virtue of its classification as a national public entity. All the parties that have the ability to control or exercise significant influence over the South African Council for Educators in making financial and operating decisions were considered to be related parties of the council.

As SACE is a public entity and controlled by the government any other controlled entity is a related party. All transactions with such entities are done at arms length and on normal commercial terms.

#### Relationships

National Department of Basic Education	Controlling entity (Parent department)
South African Post Office	The South African Council for Educators receive postal services from the South African Post Office for postage services and postal orders.
National Treasury	The National Treasury provides the South African Council for Educators with information relating to educators through persal and also transfer payment in the form of a CPTD Grant
State Information Technology Agency	The State Information Technology Agent provides the council with IT services in terms of maintaining and developing the registration system
Telkom	Telkom provides normal fixed line telephone service
Tshwane Municipality	Tshwane Municipality provides the electricity, water and other municipal related service
South African Revenue Services	The council pays the South African Revenue Services PAYE, UIF and SDL
Compensation Fund	The council pays the compensation fund for the workmen compensation.

Key management personnel have been disclosed under note 15 of the financial statements.



## SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021	2020
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#### 31. Change in estimates

In terms of the requirements of GRAP 17 Property, Plant and Equipment which states that the useful lives of assets must be reviewed at each balance sheet date, management revised the estimated useful lives of computer equipment, office equipment and furniture and fittings.

In prior periods, management had estimated the useful lives of computer equipment to be 3-12 years, furniture and fittings to be 5 to 25 years, office equipments to be 10 to 25 years and software to be 12 years. These assets were assessed with specific reference to each asset and the condition of the asset.

As at 31 March 2021, the council reviewed the useful lives of Computer equipment from 3-11 years to 3-13 years and the review resulted in increase in the carrying amounts of this class of asset by R 175 971, some class of furniture and fittings changed from 20 to 25 and 10 to 15 years and this resulted in the increase of the carrying amount of this class of asset by R 11 628, office equipments were reviewed and resulted in the increase in the carrying amount of this class of asset by R 6 436, leasehold improvements were reviewed based of the lease term and this resulted in the increase in the carrying amount of this class of asset by R 93 984.

As at 31 March 2021, the council reviewed the useful lives of intangible assets and the review resulted in increase in the carrying amounts of this class of asset by R 363 901.

The effect of this revision has reduced the depreciation and amortization charges for the current and future periods by R 653 197. The effect of this revision has increased surplus for the year by R 653 197.



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