

Annual Report 2013/4



SACE

South African Council of Educators

Towards Excellence in Education



Veroninca Hofmeester
Chairperson



Mr Rej Brijraj
Chief Executive Officer (CEO)



Ms Matseliso Dipholo
Chief Operations Officer
(COO)



Ms Ella Mokgalane
Senior Manager: Professional
Development, Policy and
Research



Mr Morris Mapindani
Chief Financial Officer
(CFO)



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PART A: GENERAL INFORMATION



SACE

South African Council of Educators

Towards Excellence in Education



PUBLIC ENTITY'S GENERAL INFORMATION

Public Entity's General Information

REGISTERED NAME:	South African Council for Educators	TELEPHONE NUMBER/S:	012 663 9517
REGISTRATION NUMBER (if applicable):	Act 31 of 2000	FAX NUMBER:	012 663 9238
PHYSICAL ADDRESS:	Crossway Office Park, Block 1 240 Lenchen Avenue Centurion 0046	EMAIL ADDRESS:	info@sace.org.za / pr@sace.org.za
POSTAL ADDRESS:	Private Bag x 127 Centurion 0046	WEBSITE ADDRESS:	www.sace.org.za
		EXTERNAL AUDITORS:	N M N Chartered Accountants (SA) 62 5 th Avenue Linden Johannesburg 2195
		BANKERS:	Nedbank Limited
		COMPANY/ BOARD SECRETARY	Mr. A.W. Mlambo

LIST OF ACRONYMS

List of acronyms

AFTRA	African Forum of Teaching Regulatory Authorities	NAISA	National Alliance of Independent Schools Association
CAPS	Curriculum and Assessment Policy Statement	NAPTOSA	National Professional Teachers Organization of South Africa
CEPD	Centre for Education Policy Development	NATU	National Teachers Union
CHE	Council on Higher Education	NPFTED	National Policy Framework on Teachers Education and Development
CPTD	Continuing Professional Teacher Development	PEDs	Provincial Education Departments
CSVSR	Centre for the Study of Violence and Reconciliation	PEU	Professional Educators Union
DBE	Department of Basic Education	PFMA	Public Finance Management Act
ECD	Early Childhood Development	PTC	Primary Teachers Certificate
ELRC	Education Labour Relations Council	PTD	Primary Teachers Diploma
ETDP-SETA	Education and Training Development Practises Sector Education and Training Authority	SACE	South African Council for Educators
FET	Further Education and Training	SADTU	South African Democratic Teachers Union
GCIS	Government Communication and information Systems	SAOU	Suid-Afrikaanse Onderwysunie
HEDCOM	Heads of Education Departments Committee	SAPA	South African Principals' Association
HIV	Human Immunodeficiency Virus	SAQA	South African Qualifications Authority
HOD	Head of Department	STD	Secondary Teachers Diploma
HPCSA	Health Professions Council of South Africa	TB	Tuberculosis
HSRC	Human Sciences Research Council	VVOB	(The) Flemish Association for Development Cooperation and Teacher Assistance
IFTRA	International Forum of Teaching Regulatory Authorities	WTD	World Teachers' Day
JPTD	Junior Primary Teachers Diploma		



Veronica Hofmeester
Chairperson - SACE

FOREWORD BY THE CHAIRPERSON *Foreword by the chairperson*

It is an honour for me to be appointed as Chairperson of SACE (South African Council for Educators) for the four-year term ending 31 July 2017. As a person who is passionate about educational issues and teacher professionalism, I shall endeavour to steer the teaching profession, through SACE, “towards excellence in education.”

SACE’s main strategic objectives, emanating from the SACE Act (No 31 of 2000), pertain to professionalising teaching through:

- Compulsory Registration;
- Professional Development; and
- Ethical Conduct.

SACE has performed more than satisfactorily on the first two mandates, but experienced some challenges on the third, due to budget constraints. The performance in the area of processing complaints will be up to standard as the new methodology is implemented.

The Council enjoys excellent working relationships with all its key stakeholders, all of whom are represented in Council. These include:

- The Ministry of Basic Education;
- Departments of Education;
- Teacher Unions;
- School Governing Body Associations; and
- Independent School Associations

Council also enjoys good status with a range of national and international entities who work in education. It has really done well

to raise the level of public consciousness on teacher professionalism issues. The biggest challenge the Council faced during the period under review was the financial constraints caused by the fact that SACE was saving to acquire for its own office premises. As the organisation has now met its target, in the next financial year, the Council will be able to deliver at an enhanced level in its three main areas of operation. It is hoped that Council’s visibility and effectiveness will rise to even greater heights. I place on record the deep gratitude of all the teachers of South Africa to:

- SACE Stakeholders;
- National and International Education organs;
- Fellow Councillors and Committee members; and
- SACE Management and Staff

for steering the profession towards a higher level of professionalism.

It is my wish that Council attains the status, authority and autonomy befitting the SACE motto: “Towards Excellence in Education.”

Veronica Hofmeester
Chairperson - SACE
31 March 2014

PRESENTATION ON THE CODE
Code
of
Professional Ethics





Rej Brijraj
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S OVERVIEW *Chief executive officer's overview*

The South African Council for Educators (SACE) is governed by a new Council, which was inaugurated on 15th August 2013 by the Minister of Basic Education. The new Council's four-year term expires on 31st July 2017. The Chairperson is Ms Veronica Hofmeester and the Deputy Chairperson is Mr Sibusiso Mchunu. SACE derives its mandate from the SACE Act (No 31 of 2000). Council has jurisdiction over approximately 450 000 teachers.

SACE has functioned less than optimally due to the austere budget caused by savings for "the building reserve fund." Through disciplined spending, Council has saved enough to purchase the building it currently occupies. The budget for the current year therefore eases by about 25%, which will optimize delivery.

SACE's total revenue has been made up mainly of levies from educators amounting to approximately R55 million and a special Government grant of about R10 million. The grant has been utilized for expenses related to the Continuing Professional Teacher Development (CPTD) system, as per agreement.

In spite of the budget constraints restricting output in SACE's FIVE main areas of operation, SACE has delivered satisfactorily:

1. Council registered 25 314 new educators during the review period, leading to a total of 625 731 to date. Of these, 4682 were full registrations, leading to a total of 500147 to date and 20632 provisional registrations, currently standing at 108 951. 1630 provisional registrations were for foreign educators with a total of 16633 to date.

Council employs a stricter vetting regime for incumbents to prevent usage of fraudulent documents and avoid entry into the profession of individuals who cannot be trusted with learners. This process will be strengthened further by operationalising protocols with the African Forum for Teaching Regulatory Councils (AFTRA).

Current projects include initiation of on-line registration, validation, rapid response systems, and categorization of registration and tracking of levies due.

2. The Council received 582 complaints for the current year on top of a backlog of 180 from the previous year. 343 cases have been finalized, leaving a balance of 419 cases to be carried over. The low turnover was due to budget constraints. The current budget and a newly adopted methodology for case management

will eliminate backlogs and ensure that cases are resolved within a four-month cycle. Council is presently involved in interactions with relevant authorities to develop a more streamlined approach to respond to educator misconduct and to ensure that sanctions are adhered to.

3. The Professional Development division has picked up momentum, signing over 40 000 school managers for participation in the Continuing Professional Teacher Development (CPTD) system, having conducted nationwide orientation sessions. Council has endorsed 245 programmes (bringing the total to 495).

Council's next challenges are to mobilize the classroom practitioners to engage in more professional development programmes and activities, and to liaise with Departments of Education and providers to ensure relevant and accessible provision.

4. SACE's Research section has been involved in the following areas:

- International migration of Teachers in South Africa;
- Principals' and Deputy Principals' needs identification;
- Teacher demand and supply;
- Analysis of misconduct cases; and
- Resource centre and virtual library.

The section is busy finalizing proposals for professional standards and designations. The immediate challenge is to expand the section and optimise its mandate.

5. SACE excelled in its outreach activities, considering its minimal budget. Workshops and lectures were conducted in all the provinces covering all SACE's operations. The Advocacy section managed SACE's international engagements. SACE presides over AFTRA and attended its Conference and Round Table in Mombasa and its Steering Committee meetings in Accra and Pretoria. AFTRA seeks to professionalise teaching in Africa. To this end, SACE has lobbied its neighbouring countries to participate in AFTRA.

The operational areas of SACE have been supported by sound administration and financial management. Thanks to the vigilance of Council, The Executive Committee, Finance and Audit Committee's and efficient administration:

- SACE's finances are in good order;
- Spending has been within budget;
- Request for roll over is adequately motivated;
- Procurement is effected as per legislative requirements;
- Audit findings and recommendations have been followed up; and
- SACE's prognosis for future viability is good.

Sincerest appreciation goes to:

- Council and SACE Committees for their astute stewardship;
- The Ministry and Departments of Education for sound leadership;
- The Teacher Unions and other shareholders in Council for progressive direction and reliable support;
- The SACE staff (of almost 100 members) for their loyal dedication; and
- All Teachers for striving towards excellence in education.



Rej Brijraj
Chief Executive Officer
South African Council for Educators (SACE)
Date: 31 March 2014



Statement of responsibility and confirmation of accuracy for the annual report

Statement of responsibility and report confirmation of accuracy for the annual

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the external Auditor.

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 generally Accepted Accounting Principles standards applicable to the public entity.

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 public entity for the financial year ended 31 March 2014.

Yours faithfully



Chief Executive Officer

Name: Mr Rej Brijraj

Date: 31 March 2014



Chairperson of the Council

Name: Veronica Hofmeester

Date: 31 March 2014

1. STRATEGIC OVERVIEW

Strategic overview

1.1 Vision

SACE's vision is to promote the professionalism of all Educators in South Africa by ensuring that its services are easily accessible and by continuously empowering educators through development, thus ensuring that educators are committed to the profession and adhere to the ethos of our education enshrined in our Constitution.

1.2 Mission

SACE shall ensure that all Stakeholders within the education sector are involved in ensuring that the core deliverables are enhanced, by providing appropriately registered, professionally developed educators that would display professionalism.

1.3 Values

Core Values/Principles of the South African Council for Educators

Service-oriented

Ensure that the teaching profession and educators, in particular, are serviced satisfactorily at all times. Servicing educators at all material times is priority number one for all SACE employees.

Quality

Provide quality and excellent service and programmes to all educators and the profession as a whole.

Openness and transparency

All SACE matters should be treated with honesty and sincerity SACE will strive to engage and consult with its Stakeholders on various matters regularly.

Professionalism

Display a high level of professionalism at all times.

2. LEGISLATIVE AND OTHER MANDATES

Legislative and other mandates

The South African Council for Educators is a Schedule 3A public entity established in terms of Act No. 31 of 2000, as amended, to enhance the status of the teaching profession.

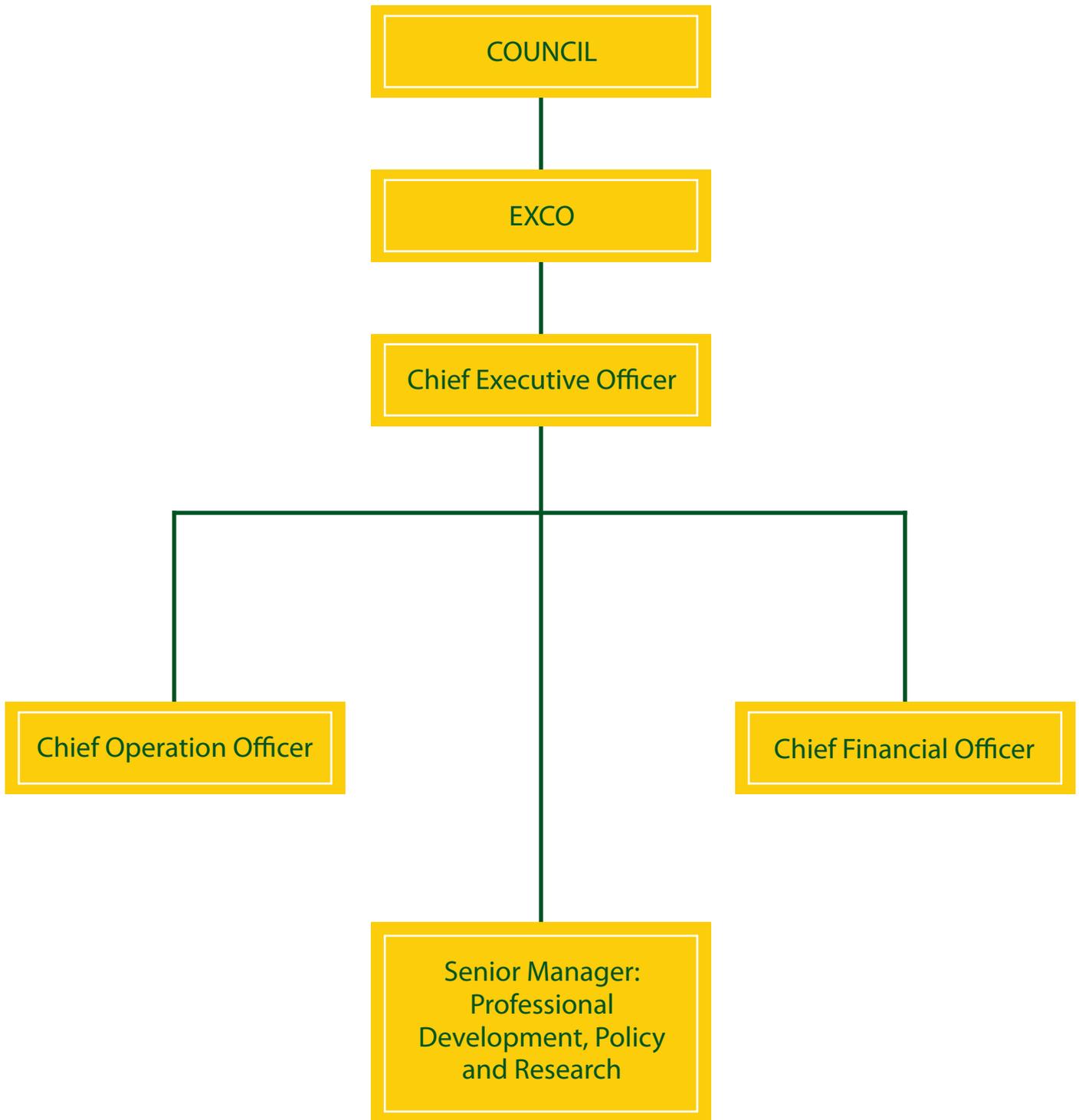
The Basic Education Laws Amendment Act (2011) has amended the South African Council for Educators Act No. 31 of 2000 to enable the Council to manage the Continuing Professional Teacher Development System, and to allow the Council to request additional funding from the public fiscus when necessary.

The South African Council for Educators is accountable to the Department of Basic Education (DBE) and fits into sub-output number one of DBE Delivery Agreement and Action Plan 2014, which speaks to "improving the quality of teaching and learning" through the improvement of teacher capacity and practices.



3. ORGANISATIONAL STRUCTURE

Organisational structure



PART B: PERFORMANCE INFORMATION
Performance Information



PART B: PERFORMANCE INFORMATION

Performance information

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

TO THE ACCOUNTING AUTHORITY OF SOUTH AFRICAN COUNCIL FOR EDUCATORS REPORT ON OTHER REGULATORY REQUIREMENTS

In accordance with the Public Audit Act (Act No. 25 of 2004) and in terms of General Notice 839 of 2011, issued in Government Gazette 34783 of 28 November 2011, we include below our findings on the annual performance report and material non-compliance with the Public Finance Management Act of South Africa (Act 1 of 1999) and the South African Council for Educators Act (Act 31 of 2000).

Predetermined objectives

- **Usefulness of information**

The reporting of targets and objectives in the quarterly reports and annual report were not always in line with the targets and objectives set out and approved in the annual plan.

- **Compliance with laws and regulations**

There are no matters to report.

INTERNAL CONTROL

In accordance with the Public Audit Act (Act No. 25 of 2004) and in terms of General Notice 839 of 2011, issued in Government Gazette 34783 of 28 November 2011, we considered internal control relevant to our audit, but not for the purpose of expressing an opinion on the effectiveness of internal control.

There are no matters to report.



Per: Ganas
N.M.N. Chartered Accountants (SA)
Registered Auditors
30 June 2014
62 - 5th Avenue
Linden
Johannesburg
2195

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

Teachers are the prime beneficiaries of SACE services. The secondary beneficiaries are members of the public, who want to see the teaching profession serving the best interests of the learners.

The teaching fraternity and the public at large welcome all SACE interventions and services. There is a demand for more intensive outputs. The teacher unions, Ministry, departments and other educational stakeholders and entities have received and supported SACE well.

SACE has not experienced any hostility from any quarter. SACE is constrained by its revenue base and will have to review its funding model if it is to deliver as per demand and in accordance with its mandate. However, there is more pressure regarding SACE's visibility and impact.

2.2. Organisational Environment

SACE has put in place various strategies to facilitate the turnaround time on educator misconduct cases received from various complaints. A more streamlined approach towards resolution of complaints against educators is being implemented, ensuring timeous closure, correction, rehabilitation and remedy where appropriate. The Communication output lagged due to budget constraints.

The Council is now forging good relations nationally and internationally. It has set a pattern of dialogues with national stakeholder groupings, viz. teacher unions, Department of Basic Education, statutory organs, media groupings and providers. On the international front, Council Chaired the Steering Committee for African Teaching Regulatory Authorities (AFTRA) in November 2011. An International Federation of Teaching Regulatory Authorities (IFTRA) conference is scheduled for November 2014 in Toronto. The Council continues to forge relationships with other Southern African stakeholders to influence the establishment of similar professional councils, and has succeeded in Namibia and Botswana.

2.3. Key Policy Developments and Legislative Changes

During the year, no legislation or policy change which might have had a major change in the operation of Council, has taken place.

2.4. Strategic Outcome Oriented Goals

SACE lagged behind in fulfilling its Strategic objectives Annual Performance Plan targets in areas. Council did not complete processing a satisfactory number of cases as indicated in the CEO's overview. This created the need to carry forward a substantial number of cases to the next financial period. The budget difficulties hampering the process have been resolved.

Council research initiatives were inward looking. Council has agreed to re – prioritize more relevant research informing the specific status quo of teachers in schools in particular and the profession generally. Recommendations regarding the needs of the profession are to be formulated, based on an analysis of the credentials and deployment of all practicing educators.



3. PERFORMANCE INFORMATION BY PROGRAMMES

3.1. REGISTRATION

Purpose:

The purpose of the programme is to register educators who satisfy registration requirements for professionally qualified educators, compile and maintain a sub-register of educators who are provisionally registered and maintain and sustain the credibility of the educator data base.

Strategic Objective:

To register all qualified educators

SACE register educators who are professionally qualified. This means that these educators have acquired the 4yr BED or the 3yrs Diploma.

There are educators that have the two years qualifications, who are also registered and are encouraged to upgrade their qualifications.

Student educators are registered provisionally until they qualify as educators. For the convenience of the students, SACE embarks on an outreach to the different universities to ensure easy access to the students. They are then registered provisionally, as this allows them to graduate and then furnish SACE with their qualifications in return for a SACE certificate.

The third category of educators are those who are academically qualified(BA OR Bsc), they are given a conditional registration for a period of 3 yrs, and also encouraged to study towards their PGCE.

Key performance indicators, planned targets and actual achievements

Programme Name REGISTRATION					
Key Performance Indicators	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Number of educators registered in the reporting period	50 748	28 000	25 314	2 686	Due to budgetary constraints SACE did not carry out sufficient outreach programmes to the universities.
Number of registrations updated in the reporting period	28 229	20 000	30 571	10 571	SACE exceeded the target set for the financial year in that more people came for updates.

Commentary on performance for objectives

The key areas of performance for this year were to ensure that we register all practising educators. SACE has indeed managed to achieve as we have registered almost 28 000 1st time educators. Over 30 000 educators who were either provisionally or conditionally registered, were full registration accorded.

1. Registration Outreach

Date	Place	Reprints of certificates	New Full Registration	Provisional	Provisional Extension	Updates	Total
14 - 16 August 2013	East London	57	3	-	-	-	60
14-16 August 2013	Bloemfontein	-	4	150	2	20	176
23 - 24 August 2013	Durban	81	23	19	-	39	162
02 - 05September 2013	Lusikisiki	71	52	35	15	35	208
14 - 16 October 2013	University of Zululand	-	-	446	-	-	446
17 October 2013	Wits University	-	-	272	-	-	272
TOTALS		209	82	204	17	94	606

Strategy to overcome areas of underperformance

The following strategies will be implemented to improve our underperformance in the areas indicated:

- A detailed plan in conjunction with our communication division has been derived, with more focus on all universities.
- MOU's between SACE, UMALUSI And QCTO are developed this is to ensure that we ensure smooth working between these organisations and to ensure quick responses in cases where fraudulent activities may be suspected
- The cleaning and updating of the SACE database which will indicate the identification of practising educators who are not registered will be implemented.

Changes to planned targets

No changes were made to the planned targets.

Programme/ activity/objective	2013/2014			2012/2013		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Registration	370	296	74	500	334	166
Total	370	296	74	500	334	166

3.2. PROFESSIONAL ETHICS

Purpose:

To promote ethical conduct among educators through workshops, seminars and imbizo's, and to distribute materials that set the standard of professional conduct; to improve case management processes; and to render support to schools, educators and stakeholders on ethical matters.

Strategic objectives

Case management

Every complaint that the Council receives is investigated either telephonically, by written correspondence or by conducting a physical investigation at a school. As soon as all information has been collected, it is referred to the Ethics Committee for it to give direction on how such a complaint should be dealt with. The committee may recommend that an educator be charged, that a complaint be referred to a relevant authority, that a matter be mediated upon or that an advisory letter be forwarded to an alleged perpetrator. Should the Ethics Committee recommend that charges be levelled against the educator, a summons is issued against the educator and a hearing gets scheduled to take place at the earliest possible time.

Most of our disciplinary hearings take the form of peer adjudication; this means that educators serve as presiding officers and panellists and pass judgment on their fellow educators accused of breaching the Code of Professional Ethics. Our panel members are trained on issues of law, disciplinary procedures and various other legal processes to enable them to effectively carry out these duties.

In the past financial year, the division has seen a sharp increase in the number of reported cases, especially in respect of educators who still apply corporal punishment, abuse learners sexually and educators assaulting one another within the school environment. This necessitated the division and, ultimately Council, to take a firm stance against this kind of abuse in an attempt to curb future occurrences.

This year has not been any different as there appeared to be a steep increase in the reported number of corporal punishment cases, sexual abuse of learners, both male and female, assault of colleagues, submission of fraudulent qualifications and other forms of unprofessional conduct by educators.

The division's performance for the year under review was severely and negatively affected by the financial allocation for the year 2013/14. The financial situation prevented the division from conducting and finalizing as many disciplinary hearings as it had planned to do.

The council has also reviewed its disciplinary procedures to shorten the time frame allocated to deal with and finalise cases.

Workshops on SACE including the Code of Professional Ethics

The division has conducted several workshops for educators in an attempt to conscientise them about SACE, its functions and, in particular, the code of professional ethics. Not many educators could be reached owing to severe budgetary constraints, which could be attributed to severe budget cuts for the fiscal period under review.

We have, however, conducted workshops for final year students and Postgraduate Certificate in Education (PGCE) students at the North-West University, University of the Free State, Central University of Technology and the University of KwaZulu-Natal. Owing to the high number of young educators who get dismissed and/or whose names get removed from the roll of educators, it became apparent that there

was a need to conscientise the students on the Code of Professional Ethics at tertiary level. Universities thus usually invite SACE to speak to especially final year students before releasing them into the work space.

The workshops for both pre-service and in-service educators were mostly focused on corporal punishment and sexual abuse, and to alert pre-service educators of the pitfalls that exist within the profession and the type of behaviour they ought to avoid when in service. Of cardinal importance, it was evident that most educators were and are still applying corporal punishment. They have since asked SACE to assist them with training on the alternatives to corporal punishment and the application of the said alternatives. This matter will be attended to in the next financial year.

Key performance indicators, planned targets and actual achievements

Programme Name ETHICS					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to actual achievement for 2013/2014	Comment on deviations
Management of cases	Actual number of cases finalised 376	Expected number of cases to be finalised 450	Actual number of cases finalised 343	While it was expected that a total of 650 cases would be received, a total number of 582 cases were received and it has resulted in a shortfall of 68 cases. We were expected to finalise 450 cases, but only managed to conclude 343 which then resulted in a deviation of 107 cases.	We experienced the negative deviation owing to severe budgetary constraints and lack of personnel.
Standard of Professional Ethics	Actual number of educators and stakeholders work-shopped on the code of professional ethics: 7795	Expected number of educators and stakeholders to be workshopped on the code of professional ethics: 35 000	Actual number of educators and stakeholders work-shopped on the code of professional ethics: 5747	4253 educators and stake holders could not be workshopped physically as anticipated, however; many radio interviews were conducted across the various radio stations to conscientise them.	Owing to severe budgetary constraints and lack of personnel, workshops could not be conducted physically as anticipated

BREAKDOWN OF CASES RECEIVED FROM 01 APRIL 2012 TO 31 MARCH 2013

Total number of complaints received from 1 April 2013 to 31 March 2014

582

Total number of complaints received per province

Province	KZN	Northern Cape	Eastern Cape	Limpopo	Mpumalanga	North-West	Gauteng	Free State	Western Cape	TOTAL
	78	4	36	29	37	21	79	21	277	582

Types of offences or breaches:

Verbal Abuse, Victimization, Harassment, Defamation.	Sexual misconduct, incl. rape.	Fraud, Theft, Financial Mismanagement	Racism	Corporal Punishment, Assault.	Unprofessional Conduct, Alcohol Abuse, Absenteeism, Insubordination.	Negligence	Threatening to kill/ murder	No Jurisdiction
98	82	42	5	202	146	5	1	1

Total number of on-site investigations conducted from 1 April 2012 to 30 March 2014 = 53

Province	KwaZulu-Natal	NorthernCape	EasternCape	Limpopo	Mpumalanga	North-West	Gauteng	Free State	Western Cape	TOTAL
	11		3	9	3	3	18	3	4	54

Total number of disciplinary hearings finalized from 1 April 2012 to 30 March 2013 = 21

Province	KZN	Northern Cape	Eastern. Cape	Limpopo	Mpumalanga	North-West	Gauteng	Free State	Western Cape	TOTAL
	6		2	2	3	2	4	2		21

A. CASES FINALIZED IN OTHER FORMS, OTHER THAN DISCIPLINARY HEARINGS: 322

These are cases where educators have been reprimanded or given advice by Council and their files closed instead of disciplinary charges being instituted against them.

(i) Total number of advisory letters issued: 236

These are cases where council sought it fit that advisory letters be forwarded to the accused educators instead disciplinary hearings being conducted against them.

(ii) Total number of cases mediated upon: 06

Mediations are conducted where Council has observed that relationships between educators have broken down and rifts have to be healed.

(iii) Total number of cases withdrawn before a hearing could be conducted: 10

These are cases which have merit in them but were withdrawn owing to lack of cooperation by parents or legal guardians or parents refusing SACE access to their children.

(iv) REFERRALS TO OTHER INSTITUTIONS: 70

- **Cases referred to the ELRC: 26**

These are labour related cases referred to us instead of the referral to the ELRC. The cases related to promotions of educators or unfair dismissals

- **Cases referred to the DBE: 42**

These cases related to conditions of service, for example, high enrolment rolls in classes, other educators being given preferences above others by the principals, etc.

- **Case referred to the SAPS: 02**

TOTAL NUMBER OF DISCIPLINARY HEARINGS CONDUCTED AND FINALISED = 27

Educators found guilty:	21
Educators found not guilty:	03
Cases withdrawn at the hearing:	03

BREAKDOWN OF SANCTIONS METED OUT TO EDUCATORS FOUND GUILTY

Educators struck off indefinitely:	03
Educators struck off but may re-apply after a certain period:	06
Educators struck off but striking off suspended for a certain period, including fines:	08
Educators struck but striking off suspended for a certain period:	04

APPEALS:

These appeals were received from educators whose names have been struck from the roll of educators indefinitely for sexual offences.

Total number of appeals received:	07
Total number of appeals finalised:	06
Total number of appeals postponed:	01

REINSTATEMENT APPLICATIONS:

Reinstatement applications are received from those educators whose names were struck off from the roll for several offences, but they wish to return back to the profession.

Total number of reinstatement applications received:	02
Total number of reinstatement applications finalised:	01
Total number of reinstatement applications postponed:	01

TOTAL NUMBER OF CASES FINALISED BETWEEN 01 APRIL 2013 AND 31 MARCH 2014 INCLUDING DISCIPLINARY HEARINGS: 343

TOTAL NUMBER OF CASES CARRIED OVER INTO THE NEXT FINANCIAL YEAR: 419

Commentary on performance for objectives

SACE is tasked with the duty of upholding the image of the teaching profession and through this division. The aim is to see to it that all educators behave ethically and in manner that upholds the ethos of the profession and that does not bring the profession into disrepute.

This is done by conducting workshops for educators, investigating complaints, conducting disciplinary hearings where necessary, mediating over disputes where necessary and intervening in schools to bring peace and stability in a schooling environment

Strategy to overcome areas of underperformance

For the period under review, a total of 582 cases were received by the Council plus 180 carried over from 2013, of which only 343 cases could be finalised as outlined hereunder.

While it was expected that the division would attend to and finalise all complaints received, they could not be finalised owing to a number of reasons ranging from lack of personnel to handle the cases to budgetary constraints.

A total of 419 cases have been carried over into the next financial year while it is expected that the division might receive up to 700 cases for the period 2014/2015. This means that the division will have about 1000 cases to resolve and or finalise.

SACE’s new case-solving methodology involves:

- Making use of experienced educationists in all provinces to investigate complaints and where possible, mediate over disputes on behalf of the Council;
- Making use of panellists trained by SACE in all provinces to investigate complaints and where possible, mediate over disputes on behalf of the Council;
- Making use of panellists trained by SACE in all provinces to conduct workshops and conscientise educators about the code of professional ethics on behalf of the Council;
- Making use of labour relations officials to prosecute cases on behalf of Council within provinces;

- Making use of seasoned or experienced labour relations officials to preside over disciplinary hearings, and
- Reducing duplication of processes.

Changes to planned targets

No changes were effected to the planned targets

Challenges

One challenge is the lack of cooperation by the parents of abused learners. On many occasions, while cases have been reported to SACE and in some cases by parents, parents refuse the SACE access to the abused learner/s, especially at disciplinary hearings. They come to the hearing, if at all, with statements denying the abuse on their children or claiming that the learner was abused by another person other than the accused educator. In some cases, the abusers would end up being referred to as sons-in- law. SACE is forced to withdraw many serious cases against perpetrators owing to the lack of cooperation by parents.

This practice has impacted negatively on our operations, such that each year we have a many sexual abuse cases are being carried over into the next financial year. The battle against the abuse of learners is not about to be won until such time that parents take the responsibility to protect their children and to support the SACE cause.

The other challenge that still persists is that, while it is a statutory requirement that all disciplinary matters that have been reported to provincial departments be brought to the attention of SACE, such still remain a challenge as some provincial departments omit to report matters that have been received, processed and finalised by them. We will, however, continue to engage with provincial departments of Education.

Financial performance

Programme/activity/ objective	2013/2014			2012/2013		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Case management	1 020	666	354	1 500	1 382	118
Total	1 020	666	354	1 500	1 382	118

3.3 PROFESSIONAL DEVELOPMENT

3.3.1 Introduction

The Professional Development and Research report focuses on two main areas: the Continuing Professional Teacher Development (CPTD) Management System and Policy and Research.

Professional Development of Educators Programme

SACE Professional Development Programme focuses largely on the management and implementation of the Continuing Professional Teacher Development (CPTD) system. The SACE Act No.31 of 2000 (as amended by the Basic Education Laws Amendment Act, No. 15 of 2011) mandates SACE to manage a system for continuing professional development for all teachers. The ultimate goal of the CPTD management system is to improve the quality of teaching and learning in the education system and contribute more specifically to one of the Department of Basic Education's delivery agreements and action plan 2014 in terms of Output No.1 (improving the quality of teaching and learning) and sub-Output No.1 (strengthening the capacity of teachers).

SACE started the process of phasing-in the CPTD management system in 2013, in line with the CPTD system implementation plan approved by the SACE Council in November 2012. The implementation process is taking place according to the three identified cohorts – principals and deputy principals (1st cohort), school Heads of Departments (second cohort), and Post Level 1 educators (third cohort). In addition, the process of approving providers and endorsing professional development activities formed part of the CPTD implementation process. SACE has been able to phase-in the implementation of the CPTD management system with the support of the Department of Basic Education (DBE), the 9 Provincial Education Departments (PEDs) and a wide range of SACE's partners and stakeholders.

Purpose of the Professional Development Programme

The aim of the programme is to enhance the quality of the practicing educators through the management of the CPTD system, develop various strategies and processes of assisting and supporting educators with regard to professional matters and needs, and improve and maintain the status and image of the teaching profession.

Strategic Objective of the Professional Development Programme

- To enhance the status of the teaching profession.

Key performance indicators, planned targets and actual achievements

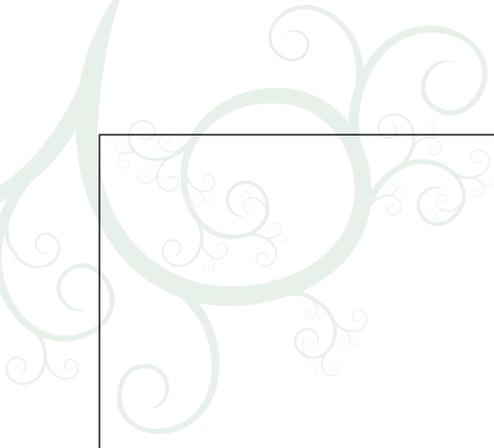
Programme/Activity/Objective					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviations
Establish SACE presence in the 9 provinces.	-		<p>Achieved:</p> <p>The SACE Provincial Presence Concept has been developed and approved by Council for implementation.</p> <p>Subsequently, as a start nine (9) SACE CPTD Provincial Coordinators posts were advertised. By the end of March 2014 6 SCAE CPTD Provincial Coordinators were appointed. Posts were re-advertised in the remaining three provinces.</p> <p>The SACE CPTD Provincial Coordinators started working very closely with the teacher development units/directorates in the Provincial Education Departments in terms of implementing and monitoring the CPTD Management System.</p>		



<p>Number of educators orientated and signed-up on the CPTD system</p>	<p>545</p>	<p>40 747</p>	<p>Not Achieved:</p> <p>Only 24 305 principals and deputy principals signed-up for the CPTD Management system between April 2013 and end March 2014. The majority of these educators were from KwaZulu-Natal Gauteng, Northwest, Mpumalanga, Free State, Western Cape, and Northern Cape.</p> <p>These educators were also orientated on the CPTD Management System and started with their first year of their three year CPTD cycle from January 2014.</p> <p>16 206 educators / officials / people were orientated on the CPTD system through SACE's collaborations with teacher unions, South African Principals Association (SAPA), Education Deans Forum and School Governing Bodies Association as employers.</p> <p>In addition, the following were achieved in the process of implementing the CPTD Management System:</p> <p>CPTD Management System Launch</p> <p>The CPTD Management system was launched jointly by the SACE the Department of Basic Education (DBE) in March 2014. The launch was attended by stakeholders / partners from SACE structures, DBE senior management and officials, Provincial Education Department, SACE/PEDs/DBE CPTD Task Team, teacher unions and other stakeholders. The Deputy Minister, Enver Surty, gave the keynote address. The aim of the launch was to officially present the CPTD Management System to the teachers and advocate it as well. Furthermore, all the five national teacher unions presented messages of support.</p> <p>CPTD Mobsite</p> <p>SACE has developed the CPTD mobsite to enable educators, amongst other things, to sign-up for the CPTD system and log-in to update their information and go through the online Professional Development Portfolio. The address for the CPTD mobsite is www.sace.cptd.za</p>	<p>16 442</p>	<p>The Eastern Cape and Limpopo Provinces started with their CPTD Orientation and Sign-up Sessions from February / March 2014. The number of the principals and deputy principals in these two provinces are contributing to the existing variance.</p> <p>We have also posted 9880 CPTD orientation and sign-ups packs and forms to the principals and deputy principals in the Limpopo and Eastern Cape provinces since they were lagging behind with the CPTD processes. We have also provided them with CPTD business reply envelopes to send the forms back to SACE.</p> <p>In addition, the majority of provinces indicated some challenges in orientating and signing-up principals and deputy principals from the independent schools.</p>
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	<p>CPTD Self-Service Centre</p> <p>SACE has also developed the CPTD Self-Service Centre for educators who come to SACE on a daily basis to register for the first time, renew their provisional registration, and re-print their lost certificate and others. The centre has 9 work stations / cubicles and connectivity. The CPTD Self-Service Centre is being used by the educators and principals and deputy principals in particular to do the following:</p> <ul style="list-style-type: none"> • Sign-up and log-in; • Update qualifications and subjects being taught currently; • Upload/Record PD activities and points earned; and • Access database of SACE approved providers and endorsed PD activities. 		
	<p>CPTD Self –Service Portal Instructional DVD</p> <p>SAEC has developed and printed 30 000 copies of the CPTD Self Service instructional DVD Printed 30 000 copies of the CPTD self-service portal DVD. They have been delivered to the schools across the country with the assistance of the Provincial Education Departments and District Offices. The DVDs assist educators to work on the CPTD self-service portal in terms of sign-ups, updating personal and school information, uploading PD points and participation in professional development activities, developing own professional development portfolio and searching for the approved providers and endorsed PD activities.</p>		
	<p>CPTD System Mobile App:</p> <p>We have developed and signed-off the business requirements document to implement the mobile application (App) for the CPTD Management System's self-service portal. This will extend SACE's CPTD Self Service functionality to IOS, Android, Windows and BlackBerry mobile devices. Not all the educators have access to computers to access the CPTD Self Service portal for Sign-up, log-in and updating information on a regular basis. A successful solution was to implement a mobile App to provide access to the CPTD Self Service portal in preparation for the school Heads of Departments (HODs) and Post level 1 teachers who will be signing-up and participating in the CPTD Management System from 2014 onwards.</p>		





		<p>Capacity Building for the Office Based Educators</p> <p>The Capacity Building sessions focused on Officials / Directorates / Units that will be responsible for providing support on the implementation of the CPTD Management System to the educators. The composition varied from province to province but included, amongst others, officials in provincial and district offices responsible for:</p> <ul style="list-style-type: none"> • Teacher Development • HRD • EMGD • Curriculum • E-Learning • Education / Teacher Resource Centres • Provincial Institutes <p>A total of 988 office based educators were capacitated in the Free State, North West Western Cape, Gauteng, Limpopo, Eastern Cape, Northern Cape, KwaZulu-Natal and Mpumalanga.</p>	
		<p>CPTD Orientation Sessions</p> <p>A total of 36 161 educators benefited from the CPTD orientation sessions that took place through various models as follows:</p> <ul style="list-style-type: none"> • Slots in the existing Principals' Meetings / Road Shows / Dialogues • Presentations and sign-ups in various teacher unions and SAPA Conferences / Workshops / Meetings • Downloading CPTD Orientation and Sign-Up information and resources on the SACE website • Posting 9980 CPTD material and sign-up forms and information packs with the SACE business reply envelopes to all the schools in the Limpopo and Eastern Cape provinces, and follow this up with radio campaign. • E-mailing sign-up packs and information packs in some of the Gauteng schools • Electronically through the CPTD Self-Service Web Portal 	

		<p>Provincial Visits</p> <p>Provincial visits were held with the North West, Gauteng, Western Cape, Mpumalanga, Eastern Cape provinces to share the CPTD system implementation plans, clarify roles and responsibilities and identifying areas of collaboration.</p> <p>CPTD Advocacy and Communication</p> <p>The CPTD Management system was advocated to all the educators and the entire teaching profession through:</p> <ul style="list-style-type: none"> • Two months radio campaign that consisted of adverts and interview sessions on all the SABC radio stations • Slots in teacher unions and South African Principal Associations' conferences at different levels • Exhibitions in various educational gathers • Posters and brochures sent to all the schools • SACE website • Advertiser articles in national newspapers • SACE Stakeholder Forum <p>CPTD Orientation, Sign-up and Advocacy Material for the Principals, Deputy Principals and HoDs</p> <p>The following sets of the CPTD orientation, sign-up and advocacy/communication materials were developed and distributed to the educators widely and through stakeholder conferences:</p> <ul style="list-style-type: none"> • 60 000 CPTD System Handbooks; • 60 000 CPTD System Brochures; • 30 000 CPTD System Posters; • 100 000 Z-Folders on the relationship between the IQMS and the CPTD Management System; • 30 000 CPTD Self-Service Instructional DVDs; and • 30 000 Educators' Guide on How to Participate in a three-year CPTD cycle; and • 30 000 CPTD system orientation and sign-up workshop booklets for principals and deputy principals. The booklets have the CPTD system presentation, Professional Development Portfolio, Manual sign-up forms, and Professional Development Points schedule. 	
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Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviations
Develop the manual and electronic Professional Development Portfolios	First draft Professional Development Portfolio developed and piloted	Professional Development Portfolio Approved and implemented for the first cohort	<p>Achieved: As part of the planning for, recording and reporting educators' three year professional development portfolio SACE developed the two professional development portfolio documents : First, the Professional Development Portfolio Guidelines and Professional Development Portfolio templates for principals, Deputy principals and HODs.</p> <p>The Professional Development Portfolio Guidelines and Templates consist of three sections as follows:</p> <p>Planning for my three year professional development cycle</p> <p>Recording and my participation in type 1, 2, and 3 Professional Development activities.</p> <p>This also includes reflecting on the effect of those activities on the educator's professional practise / competence. This section also includes evidence of participation in developmental activities.</p> <p>Reporting Participation in PD Activities</p> <p>Educators have an option of reporting their participation in PD activities/ programmes electronically or manually. The online Professional Development Portfolio has been tested and finalised for utilisation by the principals, deputy principals and HoDs.</p> <p>The two portfolio documents have been tested in the CPTD orientation and sign-up workshop sessions in provinces.</p> <p>The Portfolio guidelines and templates are accessed by the principals and deputy principals manually in the principals and deputy principals' booklet/ manuals or electronically through the SACE website and the CPTD self-service portal.</p>		

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviations
Number of evaluators recruited and functional	10	54	Achieved We have a database of 58 evaluators and 7 of them have expertise in the special education needs field. All the evaluators went through a capacity building process and are being supported by SACE on an ongoing basis.		
Number of professional development providers evaluated and approved	33	150	Not Achieved 164 New provider approval applications were received during the 2013/24 financial year. Out of the 164 received applications the following took place: <ul style="list-style-type: none"> 99 providers were approved 65 were not approved In addition, two provider forums were held in Gauteng and Limpopo provinces to share the CPTD management system implementation issues and provide the necessary support.	51	Reasons for variance: The advocacy for provider submission had not reached the majority of providers. There is higher concentration of providers in Gauteng than in other provinces and in as far as provision for teacher development there seems to be fewer providers. In the beginning, providers who were not meeting all aspects of the SACE criteria for approval were not considered until SACE introduced the third category of emerging providers with an exemption on submission of Tax clearance and Audited financial statements.



Number of professional development activities evaluated and endorsed	80	450	<p>Not Achieved</p> <ul style="list-style-type: none"> • 245 new Professional Development activities/programmes were endorsed. • 641 new endorsement applications were received for the period under review. The 626 activities / programmes were processed as follows: • 245 PD activities/programmes were endorsed and the majority of these are from the private providers; • 114 were not endorsed. SACE is working closely with the VVOB in terms of supporting them to re-submit their PD activities/programmes; • 109 have been evaluated and awaiting the endorsement process in the new financial year. • 91 have not been evaluated fully; • 12 were irrelevant for teachers; • 20 were rejected because of incomplete documents. Activities that did not have all the aspects expected for granting endorsement; and • 50 activities / programmes have not been evaluated as yet. <p>A catalogue of these endorsed PD activities/programmes has been developed (version 1 and version 2 of the approved providers and endorsed PD activities/programmes are available on the SACE website).</p>	220	Processing of application forms is slow, as we implement a principle that an activity should be evaluated by three evaluators. The compliance with SACE endorsement criteria led to the non-endorsement of 114 activities. The providers' conceptualization of activities not responding to what is relevant w.r.t. teachers, legislation and current policies. Some of the submitted activities still used old policies like Outcome based education or curriculum 2005. Some activities were intended for use by other professions and not educators.
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Strategy to Overcome Areas of Under Performance in Professional Development

(A) CPTD Orientation and Sign-Up

Both the Limpopo and Eastern Cape Education Departments of Education have been visited to ensure that plans and strategies to sign-up all principals and deputy principals are in place, because these are the two provinces lagging behind with the CPTD orientation and sign-up processes. In addition various Independent Schools Associations were visited to ensure that all principals and deputy principals in this sector are orientated and signed-up as well.

(B) Provider Approval and Activity/Programme Endorsement

- We are going to intensify the advocacy and communication through the VVOB/SACE initiative to reach more providers.
- The proposal to have an activity evaluated by only two evaluators will be tabled to the Council structures.
- The support of providers whose application has not been successful will be strengthened.
- The frequency of provider forums will be revisited and the quality thereof improved.
- The approval of providers will be streamlined.
- Collaboration between SACE, ETDP SETA and SAQA will be pursued in order to draw additional providers.
- The PEDs will be followed up in terms of submission of all the possible activities that are geared towards supporting the educators.
- The frequency of evaluation and turn-around time will be improved.

Financial performance

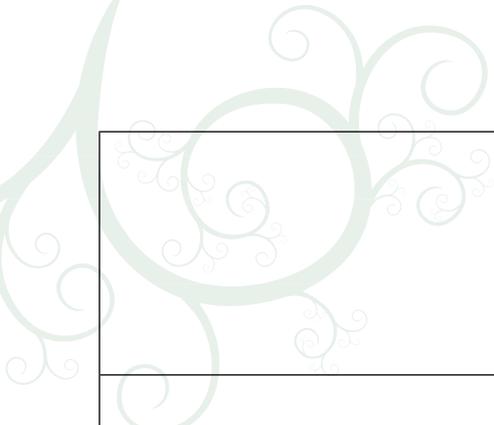
Programme/activity/ objective	2013/2014		2012/2013		(Over)/Under Expenditure
	Budget	Actual Expenditure	Budget	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000
Professional Development	15 073	10 278	10 052	2 279	7 773
Total	15 073	10 278	10 052	2 279	7 773

3.4. POLICY AND RESEARCH

3.4.1. The strategic objective of the Policy and Research Programme

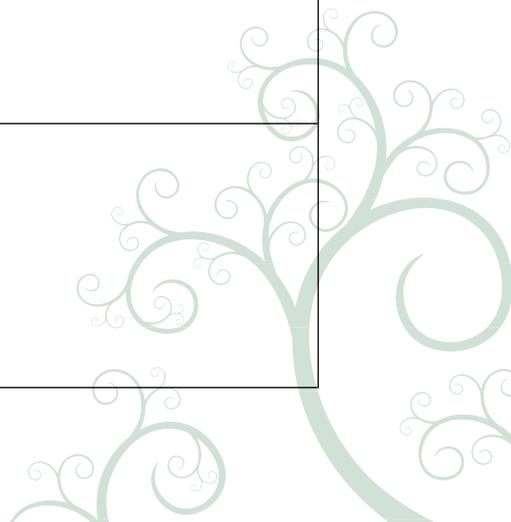
Identifying and undertaking research on relevant professional matters in order to inform SACE programmes and advice Council, the Ministers of Basic and Higher Education and Training, and the profession.

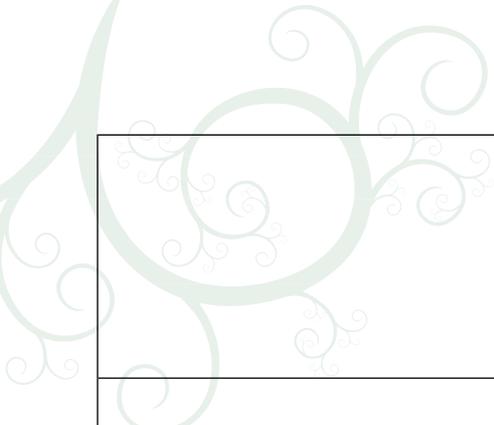
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from Planned Target to Actual Achievement 2013/2014	Comment on Deviations
The number of research projects undertaken in line with SACE research policy and priorities.	4	8 (annual target)	<p>1. The Principals and Deputy Principals Needs Identification</p> <p>SACE engaged in a process of identifying the needs for principals and deputy principals with the aim of:</p> <ul style="list-style-type: none"> Informing the professional development provisioning by the providers; Informing planning and decision making processes by the employers and relevant stakeholders <p>A total of 13 242 principals' and deputy principals' needs identification instrument were administered through the CPTD Orientation and Sign-up workshop sessions in all the 9 provinces.</p>	4	<p>The policy and research sub-division had inadequate financial resources for the 2013/14 financial year.</p> <p>Because of this challenge, the sub-division spent most of the time supporting the process of implementing the CPTD Management System internally.</p>



	<p>The process of analysing the instrument is being finalised, and the preliminary results indicates the following as top 10 priorities for principals and deputy principals:</p> <ul style="list-style-type: none"> • Providing leadership, mentoring, support and development; • Financial Management; • Policy development and implementation; • Managing quality of teaching and learning; • Computer Literacy; • Managing information and record keeping; • Managing IQMS and SPMDS; • Training in changes in policies/legislation; • Administration of resources and record keeping; and • General institution management and administration. 		
			<p>2. Analysis of Educator Misconduct Cases referred to SACE from 2008 to 2012</p> <p>This research project focuses on the analysis of educator misconduct cases reported to SACE between 2008 and 2012. This five year review deals with both the quantitative and qualitative aspects.</p> <p>The process of extracting, reviewing, sorting and capturing data from the 2008/2009/2010 educator misconduct files has been finalised. The data from the remaining two years (2011 and 2012) will be finalised by the end of the third quarter in the new financial year.</p>

	<p>3. Provider Capacity Research</p> <p>The provider capacity study was conducted with the aim:</p> <p>To provide SACE with data relating to providers and programmes for educators' development in order to further populate the provider database with accurate, current and relevant information about service providers that can be used for the CPTD Management System.</p> <p>To review, revise and (if required) update the criteria used by SACE to endorse service providers and their Professional Development programmes.</p> <p>At the end a report on mapping and assessment of service providers' capacity with the context of the CPTD Management System, was produced. This report informed provider approval and activity endorsement and support processes further.</p>		
	<p>4. Internal Teacher Migration</p> <p>This report seeks, first and foremost, to explore key conceptual and empirical ideas around the notion of teacher migration, covering especially: the conceptual terrain on teacher migration; global trends in teacher migration; regional trends in teacher migration in Southern African; Teacher Migration in South Africa and Internal Teacher migration in South Africa. It also provides an analysis of findings from a survey conducted with approximately 1500 teachers in which issues of internal migration are gleaned. The report ends with a discussion of these findings in relation to both school level practice and broader policy implications.</p>		





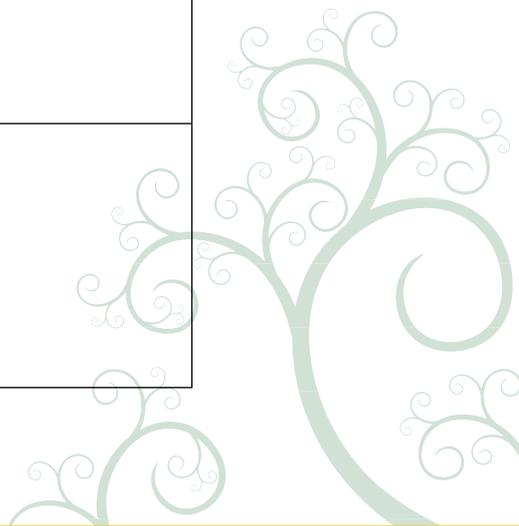
			<p>In addition to the research projects highlighted above, the following research activities were done:</p> <p>Foreign Teachers</p> <p>SACE conducted a book review on the status of migrant teachers in South Africa (by SAQA/ DHET/UKZN). As a follow-up, SACE is conceptualising a project on the foreign teachers who are in the CPTD system database, starting modestly with the 82 principals and deputy principals (classified as foreign educators) who signed-up for the CPTD system. The project will look at their role in the South African schools, qualifications and professional status. The actual project will start in the new financial year (2014/15).</p> <p>Resource Centre and Virtual Library</p> <p>The electronic teacher educational material (EBSCON) has also been installed for use by SACE staff, councillors and stakeholders.</p> <p>In addition the following research related activities were achieved:</p> <ul style="list-style-type: none"> • Analysis of approved provider and endorsed PD activities document. • Initial process of registering SACE as a professional council with SAQA as per the NQF Act (Act No. 67 of 2008). • Draft booklet for the CPTD System launch. • Business and functional requirements for the CPTD Mobile App. • Advertorial CPTD System articles published in the City Press, Daily Sun and NAPTOA Insight Magazine. • Book Review on the status of migrant teachers – by SAQA, DHET and UKZN. <p>Furthermore SACE participated and / or collaborated with the following structures / organizations in the teacher education and development field during this quarter:</p>
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	<p>Furthermore SACE participated and / or collaborated with the following structures / organizations in the teacher education and development field during this quarter:</p> <ul style="list-style-type: none"> • SACE was one of the main partners in organizing and participating in the teacher education conference for the Department of Environmental Affairs and Fundisa for Change. The Fundisa for change teacher education programme and learning material are in the process of being submitted to SACE for endorsement processes. • Participation in the SAQA Professional Bodies Forum. Part of this involves SACE's recognition as a professional body by SAQA and recognition of continuing professional development not leading to a qualification. • Participation in CHE's HEQC Professional Bodies Forum • Participation in DBE's HEDCOM Subcommittee on Quality Assurance and Skills Development. • Participation in the DBE's National Teacher Education and Development Committee. 		
	<p>Bilateral with and Participation in HESA's Education Deans Forum</p> <p>Policy Matters</p> <p>Commented on current promotion requirements and other related matters that impact on the standard of the NSC</p>		



<p>The number of newly identified concept documents developed on teacher education and development matters.</p>		<p>2</p>	<p>Achieved</p> <p>The concept note for launching the CPTD Management System,</p> <p>Concept document for SACE professional magazine – 2nd edition,</p> <p>The Draft concept document on the recognition of professional bodies by SAQA: (some implications for SACE), and</p> <p>SACE Provincial Presence Concept Document was prepared.</p>		
<p>The number of policy and research publications produced and disseminated.</p>		<p>8</p>	<p>Achieved</p> <p>The following outputs were secured:</p> <ul style="list-style-type: none"> • The CPTD Management System Educator's Guide; • SACE professional magazine; The CPTD System Orientation Booklet for HODs; • Draft Internal Migration Report; • Provider Capacity Report – Mapping and Assessment of Service Providers' Capacity in the Context of the CPTD Management System; and • The CPTD System Handbook (January 2014). 		
<p>The number of reports produced on the state of the teaching profession</p>		<p>2</p>	<p>Not Achieved</p> <p>Analysis of the principals and Deputy principals CPTD sign-up data is in progress.</p>	<p>2</p>	<p>The sign-ups of principals and deputy principals took longer than anticipated, especially in the Limpopo and Eastern Cape provinces. This had a direct bearing on the state of readiness of the data set that we currently have on the principals and deputy principals.</p>

The number of professional magazine produced		2	<p>Not Achieved</p> <p>The first edition of SACE professional magazine was released in December 2013. It has also been distributed to schools, stakeholders and the 2014 National Teaching Awards (NTA) finalists.</p> <p>The second edition is complete and awaiting the new budget allocation for printing and distribution.</p>	1	Financial Constraints in terms of producing the second edition of the SACE professional Magazine
The number of policy and research seminars conducted.		2	<p>Not Achieved</p>	2	Concept and plans not finalised
The number of quarterly reports produced on the Monitoring and Evaluation of the CPTD System.		4	<p>Achieved:</p> <ul style="list-style-type: none"> Firstly, quarterly statistical Reports are produced through the educator database on the CPTD Information System. The report shows the number of principals and deputy principals sign-ups (manual and electronic), number of school sign-ups, provincial visits and the stakeholder engagements on the CPTD Management System. Secondly, school visits have been conducted in Gauteng in order to monitor progress made by SACE in sign-up, orientation, as well as how informed principals and deputy principals are with regards to CPTD. <p>The CPTD Monitoring and Evaluation report for the Gauteng schools is available with some recommendations on how to address the identified gaps.</p>		



Additional funding and time will be allocated so that more research work could be done.

Programme/activity/ objective	2013/2014			2012/2013		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Research	250	73	177	537	308	228
Total	250	73	177	537	308	228

4. REVENUE COLLECTION

The Council has collected 122% of the budgeted revenue. The amount of R15 million for the CPTD subsidy was received. It has to be noted that only R10, 28 million was spent, and the unspent R4, 72 million has been deferred to the following financial year. The Council has

reviewed certification related fees as follows: Registration fees have been increased from R120 to R400 for foreigner educators and from R60 to R200 for South African Educators, and renewal of provisional registration was introduced to be R50. The subscription fee which is the main source of Council funding is collected from each active member at a rate of R120 per annum.

Source of Revenue	2013/14			2012/13		
	Estimate	Actual collection	(Over)/under collection	Estimate	Actual collection	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Registration fees	3,300	4,190	-890	1,800	1,953	-153
Subscription fees	51,360	50,122	1,238	51,000	50,206	794
Reprints of certificates	600	1,046	-446	180	167	13
Interest receivable	2,800	2,810	-10	2,020	2,055	-35
CPTD Subsidy	15,073	15,073	0	10,052	2,279	7,773
Donations	0	183	-183	0	29	-29
Sundry income	400	231	169	200	239	-39
TOTAL REVENUE	73,533	73,655	-122	65,252	56,929	8,323

4.1. Capital investment

The Council had been accommodated in leased buildings since its inception. In an effort to cut rental cost the Council took a decision to invest an amount of R13, 1 million per annum towards a building reserve fund effective from 01 July 2010 for the purpose of acquiring its

own building. The Council managed to reach the planned target of R60 million for that purpose. The Council is now in the process of acquiring its own building which will be concluded towards the end of 2013/14 financial year. On conclusion of the purchase of its own building, the Council is planning to expand its infrastructure to Provincial level by establishing Provincial offices.

PART C: GOVERNANCE

Governance



PART C: GOVERNANCE

Governance

1. INTRODUCTION

The South African Council for Educators SACE operates under the auspices of the SACE Act (No. 31 of 2000) as amended by Basic Education Laws Amendment Act (No15 of 2011). It operates within the confines of Treasury regulations and the prescriptions of the Public Finance Management Act as it pertains to schedule 3A entities.

Council abides by principles contained in the King's report on Corporate Governance.

Council is accountable to the Minister for Basic Education.

2. PORTFOLIO COMMITTEES

Council was represented at the Basic Education Portfolio Committee on 10 October 2013. Council was also represented at the Select Committee on Basic Education on the 12th June 2013.

Both committees were satisfied with SACE interventions. They emphasized the need for more proactive interventions regarding professionalism and greater visibility of SACE. The Select Committee requested more details regarding its mandates and delivery over the years.

The committees lauded SACE's Continuing Professional Development activities and urged SACE to press ahead in this regard. Council has heeded the advice of the Committees and supplied additional information requested.

3. EXECUTIVE AUTHORITY

Council submitted quarterly reports to the Minister of Basic Education at the end of each quarter on **30 June 2013, 30 September 2013, 31 December 2013 and 31 March 2014.**

The authority requested that SACE pays more attention to Research and Ethics cases.

4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

SACE is a professional council for educators that aims to enhance the status of the teaching profession and promote the development of educators and their professional conduct.

The role of the Council is as follows:

(a) with regard to 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) with regard to 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 Basic Education Laws Amendment Act 15 of 2011)

(c) with regard to 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 subparagraph (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 subparagraph (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.

Composition of the Council as at 1 April 2013 to 31 July 2013

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications
Mr Magope Lucas Maphila	Chairperson	1 August 2009	31 July 2013	Higher Education Diploma
Mr Sibusiso Timothy Mchunu	Deputy Chairperson	1 August 2009	31 July 2013	Primary Teachers Diploma (Senior) PT(D(S); Primary Teachers Certificate (PTC); Further Diploma in Educational Management (FDE); Labour Law Certificate; Bachelor of Education (Bed)
Vacant (CHE)				
Mr Elphus Maseko		1 August 2009	31 July 2013	
Mr Chris Nel		1 August 2009	31 July 2013	
Mr John William Bester		1 August 2009	31 July 2013	Higher Diploma in Education
Dr Josef Adriaan Breed		1 August 2009	31 July 2013	B.Sc; B.Ed (Honns); M.Ed; Ph.D; THED.
Mr Moses Ndlovu		1 August 2009	31 July 2013	
Mrs Gaylin Wendy Bowles		1 March 2012	31 July 2013	H.Dip Ed – JCE 1989 Bachelor of Arts – UNISA 11198 FDE – CAE – University of Pretoria 2002 Advanced Certificate in Education – Leadership and Management - WITS 2010
Mr Geoffrey Harrison		1 August 2009	31 July 2013	BSc UED Bed (Hon) FDE (Comp) Certificate Labour Law Diploma Management Development
Mr George Bengell		1 August 2009	31 July 2013	
Mr Malose Kutumela		1 August 2009	31 July 2013	BA (Unisa); BA Hons (Unisa); Graduate Diploma in HRM (SBS); Post Graduate Diploma in Management (SBS); ACE in Management and Leadership (Wits); Certificate in Choral Conducting (UP)
Mr Els Themba		1 March 2012	31 July 2013	
Mr Tseliso Ledimo		1 August 2009	31 July 2013	

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications
Ms Veronica Hofmeester		6 November 2012	31 July 2013	
Mr Nkosinathi Lukwe		6 November 2012	31 July 2013	
Mr Ronald Moroatshehla		1 March 2010	31 July 2013	
Mr John Jefftha		1 August 2009	31 July 2013	Bachelor of Education
Mr Sipho Mayongo		1 March 2010	31 July 2013	
Lucky Goodman Mabutho Cele		1 March 2012	31 July 2013	Secondary Teacher's Diploma, Diploma in Labour Law, Certificate in Project Management, Advance Certificate in Education - Professional Development and Bed. Honours - Education Management. Currently reading for a Master's Degree at UKZN.
Mr Mokholoane Moloi		1 March 2012	31 July 2013	
Mr Walter Hlaise		1 August 2009	31 July 2013	
Bongani MaNgqosini Ka Mcoyana		1 August 2009	31 July 2013	Senior Primary Teachers Diploma Further Diploma in Education – School Management
Ms Fezeka Loliwe		1 August 2009	31 July 2013	
Dr Francis Nzama		27 July 2012	31 July 2013	
Dr Nonhlanhla Nduna-Watson		1 August 2009	31 July 2013	
Prof Nomathemba Magi		1 August 2009	31 July 2013	B.Sc, UED, M.Ed., D.Ed
Prof Sarah Gravett		1 August 2009	31 July 2013	
Vacant (DBE)		1 August 2009	30 January 2010	
Mr Rej Brijraj	Chief Executive Officer	1 August 2009	31 July 2013	B.A. (Hons) M.Phil (Inc)

Composition of the Council for the term 1 August 2013 to 31 July 2017

Name	Designation (in terms of the Public Entity Board 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 Veronica Hofmeester		1 August 2013	-		Education and Organized Labour		Professional Development Committee	2/2
Mr Sibusiso Timothy Mchunu	Deputy Chairperson	1 August 2013	-	Primary Teachers Diploma (Senior) PTD(S); Primary Teachers Certificate (PTC); Further Diploma in Educational Management (FDE); Labour Law Certificate; Bachelor of Education (Bed)	Education and Organized Labour	National Teachers' Union	Ethics Committee and Executive Committee	2/2
Dr Brahm Fleisch		1 August 2013		BA cum laude (Hobart College); MA (Teachers College – Columbia University); PhD (Columbia University)			Professional Development Committee	1/2
Mr Elphus Maseko		1 August 2013	-	BSc	Strategic Management		Registration Committee	1/2
Dr Hendrik J Deacon		1 August 2013	-	LL.B (University of Orange Free State); LL.M (University of Orange Free State); LL.D (University of Orange Free State)	Education & Labour law		Ethics Committee	1/2
Mr John William Bester		1 August 2013	-	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 National Alliance of Independent Schools	Registration Committee	2/2

Name	Designation (in terms of the Public Entity Board 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
Dr Josef Adriaan Breed		1 August 2009	-	B.Sc; B.Ed (Honns); M.Ed; Ph.D; THED.	Education and Leadership	South African Education Foundation; SAOS Pension Fund; Edupen Pension Fund; Transvaal Onderwysersvereniging Onderlinge Maatskappy	Finance Committee and Executive Committee	1/2
Dr Louis H Swanepoel		1 August 2013	-	B Comm, HED, B Comm (Honours - Economics), M Comm (Economics), Ph.D, (Educational management)	Education and School Leadership		Advocacy & Communication Committee	2/2
Mrs Gaylin Wendy Bowles		1 August 2013	-	H.Dip Ed – JCE 1989 Bachelor of Arts – UNISA 11198 FDE – CAE – University of Pretoria 2002 Advanced Certificate in Education – Leadership and Management – WITS 2010	Education and School Leadership	Provincial Vice President – Naptona Gauteng Member of the National Executive Committee - Naptona	Registration Committee and Executive Committee	2/2
Mr Geoffrey Harrison		1 August 2013	-	BSc UED BEd(Hon) FDE(Comp) Certificate Labour Law Diploma Management Development	Education and Management	none	Professional Development Committee	2/2
Mr Malose Kutumela		1 August 2013	1 October 2013	BA (Unisa); BA Hons (Unisa); Graduate Diploma in HRM (SBS); Post Graduate Diploma in Management (SBS); ACE in Management and Leadership (Wits); Certificate in Choral Conducting (UP)	Education and Human Resource Management	Deputy President-PEU Chairperson of the Board of Halaletsang Home based Care	Professional Development Committee	1/1

Name	Designation (in terms of the Public Entity Board 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 Nijhojho Adam Mosia		1 November 2013	-	PTC (Mphohadi Teachers College); SEC (Vista Vudec); SED (Vista Vudec); BA (Unisa); B Ed (PU CHE) PDE (Unisa)			Professional Development Committee	1/1
Mr Els Themba		1 August 2013	-		Education and Organized Labour		Finance Committee	1/2
Mr Magope Lucas Maphila		1 August 2013	-	Higher Education Diploma	Education and Organized Labour	Old Mutual Education Trust; ETDP Seta Board Member	Finance Committee; Advocacy & Communications Committee; and Executive Committee	2/2
Mr Tseliso Ledimo		1 August 2013	-		Education and Organized Labour		Professional Development Committee	2/2
Mr Nkosinathi Lukwe		1 August 2013	28 February 2014		Education and Organized Labour		Advocacy and Communications Committee	0/2
Mr Ronald Moroaatshela		1 August 2013	-		Education and Organized Labour		Ethics Committee	2/2
Mr John Jeffina		1 August 2013	Resigned on 31 March 2014	Bachelor of Education	Education and Organized Labour	none	Advocacy and Communications Committee	2/2

Name	Designation (in terms of the Public Entity Board 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 Siphon Mayongo		1 August 2013	-				Staffing Committee	2/2
Lucky Goodman Mabutho Cele		1 August 2013	-	Secondary Teacher's Diploma, Diploma in Labour Law, Certificate in Project Management, Advance Certificate in Education - Professional Development and Bed. Honours - Education Management. Currently reading for a Master's Degree at UKZN.	Education and Organized Labour	none	Advocacy and Communications Committee	1/2
Mr Mokholoane Samuel Moloi		1 August 2013	-	STD(Tech); FDE	Education and Organized Labour	none	Ethics Committee	2/2
Mr Walter Hlase		1 August 2013	-				Staffing Committee and Executive Committee	2/2
Mr Jonovan Rustin		1 August 2013	-	Senior Primary Teachers Diploma Further Diploma in Education – School Management	Education and Organized Labour	none	Staffing Committee	2/2
Mrs Marie Schoeman		1 August 2013	-				Staffing Committee and Registration Committee	2/2
Dr Nonhlanhla Nduna-Watson		1 August 2013	-		Education Management		Professional Development Committee and Executive Committee	1/2

Name	Designation (in terms of the Public Entity Board 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
Prof Pinkie Mabunda		1 August 2013	-	Doctor of Philosophy Degree Masters of Arts in Teaching BED in Education Higher Education Diploma		none	Ethics Committee and Advocacy & Communications Committee	1/2
Mr Enoch T Rabotapi		1 August 2013	-	BED (HONS) :Assessment & Quality Assurance Advanced Diploma in Labour Law Bachelor of Science in Education			Professional Development Committee and Finance Committee	2/2
Vacant (DBE)								
Mr Rej Brijraj	Chief Executive Officer	1 August 2009	-	B.A. (Hons) M.Phil (Inc)	Ethics		All Committees	2/2



- **Mr M Kutumela replaced by Mr NA Mosia**

Committees

Committee	No. of meetings held	No. of members	Name of members
The Executive Committee	4 (four)	8 (eight)	Mr Magope Maphila Chairperson 1 April 2013 to 31 July 2013 Mrs Veronica Hofmeester Chairperson Mr Sibusiso Mchunu Mr Walter Hlaise Prof Nomathemba Magi April 2013 to 31 July 2013 Dr Nonhlanhla Nduna-Watson Dr Jopie Breed Mrs Gaylin Bowles Mr John Jefftha from 1 April 2013 to 31 March 2014 Mr Rej Brijraj
Professional Development Committee	4 (four)	8 (eight)	Prof N Magi - Chairperson from 1 April 2013 to 31 July 2013 Dr N Nduna-Watson, Chairperson Mr G Harrison Mr M Kutumela 1 April 2013 to 30 October 2013 Mr NA Mosia 1 November 2013 to 31 July 2017 Mr T Ledimo Dr B Fleisch Mr ET Rabotapi Ms V Hofmeester <i>ex officio</i> Mr R Brijraj
Registration Committee	3 (three)	7 (seven)	Mrs G Bowles Chairperson Mr W Bester Mr E Maseko Mrs R Du Toit Ms F Loliwe 1 April 2013 to 31 July 2013 Mrs M Schoeman Mr N Lukwe 1 April 2013 to 28 February 2014 Mr R Brijraj

Committee	No. of meetings held	No. of members	Name of members
Ethics Committee	3 (three)	8 (eight)	Mr S Mchunu - Chairperson Dr N Nduna-Watson 1 April 2013 to 31 July 2013 Dr HJ Deacon Mr R Moroatshehla Mr TK Geza Mr M Ndlovu 1 April 2013 to 31 July 2013 Mr M Cele Prof P Mr M Moloi Mr R Brijraj
Finance Committee	3 (three)	8 (eight)	Dr J Breed - Chairperson Mr E Themba Mr G Bengell Mr L Maphila Mr ET Rabotapi Mr G Clark Mr F Fourie Mr R Brijraj
Staffing Committee	3 (three)	6 (six)	Mr W Hlaise - Chairperson Mr B Mcoyana 1 April 2013 to 31 July 2013 Mr J Rustin Mr S Mayongo Mr C Nel Dr F Nzama 1 April 2013 to 31 July 2013 Mrs M Schoeman Mr R Brijraj

Committee	No. of meetings held	No. of members	Name of members
Advocacy & Communications	3 (three)	6 (six)	Mr J Jefftha – Chairperson 1 April 2013 to 31 March 2014 Mr L Cele 1 April 2013 to 31 July 2013 Dr N Nduna-Watson 1 April 2013 to 31 July 2013 Mr M Mafunda Mr N Lukwe 1 August 2013 – 28 February 2014 Dr LH Swanepoel Prof P Mabunda Mr R du Toit Mr R Brijraj
Endorsement Committee	2 (two)	4 (four)	Prof N Magi Chairperson Mr G Harrison Mr T Ledimo Mr M Kutumela
Audit Committee	2 (two)	5 (five)	Mr B Snayer Mr B Mcoyana 1 April 2013 to 31 July 2013 Mr J Rustin 1 August 2013 – 31 July 2017 Mr C Ndlazi Mr K Karim Mr P White

Remuneration of board members

- No Councillors were remunerated in the year under review.

5. RISK MANAGEMENT

During the period 01 March 2013 to 30 April 2014, a detailed operational risk assessment for the organisation (SACE) was performed. The assessment identified several high risks items that should be addressed by senior management.

The purpose of the risk assessment was to identify risks related to SACE. The risks were measured and rated in terms of impact and the likelihood of occurrence. The risk assessment was used to identify risk mitigation plans related to the organisation. The mitigation plan includes use of adequate and effective internal and financial controls.

Strategic Risk Register

SACE maintains a strategic risk register, which contains key risks faced by the Council that require senior management or Council attention. The register is regularly updated and reviewed by the Council Audit Committee.

Managing Risk

The Council, through the senior management, is responsible for the management, and putting in place effective mechanisms to ensure that risks are minimised and/or mitigated. Several control and financial internal control measures have been implemented as recommended by the Internal Audit Division.

6. 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 in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding of assets.

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

A number of audit findings were identified during the course of the year, mainly in the areas of Registration, Corporate Services IT controls, Human Resources, Ethics and Case Management, and other critical areas. All matters have received the attention of management and have either already been addressed or are on a control improvement roadmap for implementation. Progress against this roadmap is monitored by management and reported to the Audit and Risk Committee.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The Council Internal Audit Activity is governed by an internal audit charter, which is reviewed and is approved annually by the Council Audit and Risk Committee. The Charter defines the purpose, authority and responsibilities of the Internal Audit Activity.

In line with King Code III on Corporate Governance, the Internal Audit Activity has a dual reporting line; functionally, it reports to the Audit and Risk Committee and administratively to the Chief Executive Officer. The Head of Internal Audit is responsible for coordinating Internal Audit efforts to ensure sufficient coverage and the Activity's skills are leveraged to maximise efficiency. The functions comply with the international standards for the professional practice of internal auditing, the PFMA and Treasury Regulations.

Purpose of Internal Audit

Internal auditing is a catalyst for improving an organisation's governance, risk management and management controls by providing insight and recommendations based on analyses and assessments of data and business processes. With commitment to integrity and accountability, internal auditing provides value to the Council and senior management as an objective source of independent advice.



Summary of work performed

During the 2013/14 financial year, Internal Audit conducted a number of compliance, financial, operational, and performance review audits. The activities for the function were based on the results of risk assessments, which are continuously updated so as to identify not only residual or existing risks, but also emerging risks. The internal audit reviews conducted focused on internal control design, financial internal control and operating effectiveness for the specific focus areas reviewed:

Engagement	Focus area	Audit process planning: 0%–60% Testing: 60%–80% Reporting: Draft: 80% Final: 90%	Stage of completion percentage	Comment
Registration	Adequacy and effectiveness of registration process	Final report issued	100%	Completed
Performance	Review performance	Final report issued	100%	Completed
Ethics	Adequacy and effectiveness of ethical matters	Final report issued	100%	Completed
Corporate Service	Information Technology Audit	Final report issued	100%	Completed
Corporate Service	Human Resources	Final report issued	100%	Completed
Special Assignment	Case management	Final report issued	100%	Completed
Revenue	Adequacy and effectiveness of revenue process	Final report issued	100%	Completed
Research and Professional Development	-	-	-	Deferred to 2014/15

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
B Snayer	BCom Administration - Education	External		2010 – to Date	N/A	Four
K Karim	BA Degree – Education Diploma – National Teachers Snr Certificate	External		2002 – To date	N/A	Three
P White	Grade 12	External		2001 – To date	N/A	Three
C Ndlazi	National Professional Diploma in Education	External		2011 – To date	N/A	Two

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Council has established sub-committees to oversee governance as well as the delivery of mandatory functions. The committees are as follows:

- Executive Committee;
- Finance Committee;
- Registration Committee;
- Professional Development Committee;
- Ethics Committee;
- Advocacy Committee; and
- Audit Committee.

These committees formulate policies which guide the operations and aid the oversight roles of Council and report progress to the Executive Committee on quarterly basis. The policies of Council are reviewed annually to ensure consistency with current legislations and regulations.

9. FRAUD AND CORRUPTION

In line with its zero tolerance approach towards fraud, corruption and other economic crimes, SACE has recognised 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 functions. 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, SACE had developed the fraud and corruption management plan. The key focus of the plan is to identify fraud risks areas within the ambit of SACE together with the related key controls identified to prevent the risks of fraud.

The Council through FINCO recommended and approved the Fraud Prevention Management Plan for the financial year under review.

10. 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 have to 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 a 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 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.

11. CODE OF CONDUCT

The Code of Conduct for staff is being reviewed in line with the best practices. The need for a review was identified after the realisation that the previous Code was constructed along the lines of professional ethics, as such, poses some challenges regarding implementation. The new Code will endeavour to cover appeal procedures, to some detail, not catered for in the previous version and distinction between serious violations and minor infringements will be expanded upon, providing clarity on misconducts and penalties. The principles of corrective action, fairness and consistency will be given the necessary attention.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The building is a smoke free zone and designated areas have been identified for smokers. The safety equipment is checked and serviced twice a year. The Council takes issues of health and safety in the workplace seriously to this end continuous safety training is scheduled to be conducted for safety marshals. The areas on which capacity building has been identified are first aid, emergency training and health and safety management.

13. AUDIT COMMITTEE REPORT

13.1. Introduction

SACE Audit Committee has reviewed and adopted comprehensive terms of reference and an outline of such is detailed in the approved audit committee charter. The committee has conducted its work over the year and discharged all of its responsibilities in accordance with these terms of reference. The committee is pleased to present below its report in terms of section 77 of the PFMA for the financial year ended 31 March 2014.

13.2. Effectiveness of Internal and Financial Control

SACE has designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GRAP (generally recognised accounting practice). The committee is of the opinion that there were no material breakdowns in internal control, including financial controls, business risk management and maintenance of effective material control systems during the financial year.

13.3. Evaluation of Financial Statements

The Committee has:

- Confirmed the going concern as the basis of preparing the interim and annual financial statements;
- Ensured that the annual financial statements fairly represent the financial position of the "SACE" as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which "SACE" has been determined to be a going concern;
- Examined and reviewed the interim and annual financial statements prior to submission and approval by the Council;
- Reviewed and discussed the external auditors' audit report; and
- Noted that there were no material reports or complaints received concerning accounting practices, internal audit, internal financial controls, content of annual financial statements, internal controls and related matters.

13.4. Internal Audit

The audit committee has:

- Approved the one-year operational and three-year strategic internal audit plans and monitored Internal Audit's adherence to its annual programme;
- Approved the annual risk assessment performed by internal audit during the financial year period;
- Received and reviewed reports from internal auditors regarding the effectiveness of the "SACE" internal control environment, systems and processes;
- Reviewed and considered the adequacy and appropriateness of management's corrective action plan as a result of audit findings;
- Assessed the adequacy of the performance of the internal audit function and;
- Made appropriate recommendations to the Council regarding the corrective actions to be taken as a result of the audit findings.

13.5. External Audit

During the year under review the committee, amongst other matters, considered the following:

- Approved the external auditors' terms of engagement, the audit plan and budgeted audit fees payable;
- Reviewed the audit process and evaluated the effectiveness of the audit;
- Obtained assurance from the external auditors that their independence was not impaired;
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act 26 of 2005.

13.6. Conclusion

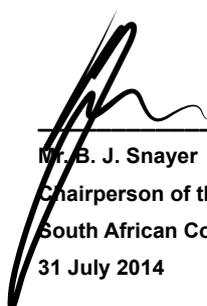
The Audit Committee noted with appreciation the progress made in :

- (a) The implementation of the Continuing Professional Teacher Development management system in terms of Basic Education Laws Amendment Act no. 15 of 2012;
- (b) The sale of the building in Visagie Street ; and
- (c) The attainment of the planned building reserve fund.

The Audit Committee further urges vigorous improvement of delivery levels on educator case management, external research and SACE general outreach.

The committee is satisfied that it has complied with all its statutory and other responsibilities and having had regard to all material risks and factors that may impact on the integrity of the annual financial statements following review and recommends the annual financial statements of "SACE" for the year ended 31 March 2014 for approval to the Council.

On behalf of the audit committee.



Mr. B. J. Snayer
Chairperson of the Audit Committee
South African Council for Educators (SACE)
31 July 2014

PART D: HUMAN RESOURCE MANAGEMENT
Human Resource Management



PART D: HUMAN RESOURCE MANAGEMENT

Human resource management

INTRODUCTION

• Overview of HR matters at the public entity

The HR unit is located under Corporate Services Department, which is supervised by the Chief Financial Officer. All HR related functions take place in this unit and are performed by the HR Officer, with the exception of leave administration which is recorded in Finance Department and verified by human resource function. The following are some of the activities and programmes that take place in HR.

- Review of HR policies;
- Employee relations; support;
- Recruitment, selection and placement;
- Compensation and benefit matters;
- Facilitation of relevant workplace solutions in support of business;
- HR administrative support in respect of all employee related matters;
- Staff attendance and leave administration;
- Learning and development services; etc

The Staffing Committee (STAFCO) is entrusted with oversight on all human resource related matters on behalf of the Council. Conditions of service matters and matters of mutual benefit are a subject of bargaining processes between the Employer (Council represented by STAFCO) and Employee (organized labour formation) parties.

- 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

The implementation of CPTD System brought the realisation within Council that more personnel will be required in order for the Council to make a significant impact in rolling out CPTD programmes. 9 (nine) CPTD Provincial Coordinators and the CPTD Manager – Provinces and Members were recruited. In some instances the Council had to re-advertise to ensure that skilled and capable workforce were recruited. The Council also went as far as placing advertisement in the local newspapers because the placement of adverts in the national newspapers were not yielding the desired outcome of attracting and recruiting skilled workforce.

The Council's drive to ensure more accessibility and visibility will bring with it the need to recruit more personnel and the increasing demands on the SACE ICT infrastructure is envisaged due to the enhanced access.

Plans for Council to pilot provincial offices have been revived.

• Employee performance management framework

The employee performance management framework has been successfully negotiated between the employer and employee parties. The administration has been given a go ahead to implement the framework.

• Policy development:

The following policies were reviewed in the year under review:

The Vehicle Policy;
Conditions of Service
e.g Sick leave cycle, Family Responsibility;
Recruitment and Selection Policy
Performance Management and Development System (PMDS)
Financial Policy and Procedures;
Supply Chain Policy

Highlight achievements;

Induction Manual has been updated for new employees; Induction Manual plays a crucial role in familiarizing new recruits as well as already appointed employees with policies of the organization;

Human Resources Policies Handbook was updated in line with approved Council policies;

All vacant positions were filled within three (3) months of being vacated, which is an improvement from the previous four (4) months it took to fill vacancies. Two (2) managerial and 9 (nine) lower level positions were approved and filled during the financial year to improve delivery capacity at head office. Further, 9 (nine) middle management level positions were introduced and filled at provincial levels to improve facilitation of continuing professional teacher development.

Regular meetings were held between Management and NEHAWU leadership to deal with issues of potential conflict and different employee complaints/issues have been addressed accordingly.

All stop orders for medical aid allowances are paid centrally ensuring that all employees belong to medical aid schemes thus effectively enforcing Council policy

- **Challenges faced by the public entity**

System to manage Human Resources within SACE
Lack of policies to attract and retain critical skills

- **Future HR plans /goals**

Building capacity within Human Resource Unit

The growth of staff complement within Council has brought with it the need revisit how the Human Resource unit has been set up. Currently the human resource functions are located between the Corporate Services and Finance Departments. The need analysis is currently being performed which will inform how the capacity for the unit will be beefed up.

- **Recruitment and retention of top talent**

The Council can ill afford the high cost associated with staff turnover, as such, the Council is considering measures to recruit and retain top talent. Not only there are the direct financial costs of replacing staff but also other repercussions such as the potential loss of key skills, knowledge and experience, disruption to operations and negative effect on workforce morale.

High turnover represents a considerable burden both on human resource and line managers as they are constantly recruiting and training new staff.

Ineffective utilisation of positive reinforcements such as increases, promotions, bonuses and prizes as incentives for retaining employees and improving their performance

- **Needs analysis for the ICT**

The rolling out of CPTD system and the growth of Council in general has brought with it the realization that the ICT Section needs to be reconfigured to meet the envisaged challenges in order for the Council to make a significant impact in the delivery of its mandates. The growth

will inevitably translate to more people accessing the Council services and central to the delivery of CPTD and other Council services will be a robust and responsive ICT infrastructure which requires the care of skilled and competent human resource.

The ICT section is currently manned by two (2) personnel and the consequence is that the overall ICT service is buckling under the pressure and steps are taken to overhaul the system and develop an integrated approach to protect and enhance the effectiveness and integrity of the system.

It is considered that the existing structure neither provides adequate strategic direction for the service or a capacity to optimise performance standards. Due to the scarcity of human capital it is becoming increasingly difficult for the unit to adhere to plans but rather leap from one emergency to another. A clear vision for a service which will meet the ongoing requirements of the Council in a systematic way and its constituent services is desperately required.



1. 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)
	24 429			76	
Executive	6 349		26%	7	907
Registration	3 036		12.4%	12	253
Finance	2 615		10.7%	10	262
PD and Research	2 748		11.3%	15	183
Communications	3 074		12.6%	11	280
Legal and Ethics	1 984		8.1%	05	397
Corporate Services	3 844		15.7%	15	256
Internal Audit	778		3.2%	1	259

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	5 529	22.60%	04	1 382
Senior Management	4 643	19.00%	06	774
Professional qualified	3 634	14.90%	10	363
Skilled	2 978	12.20%	13	229
Semi-skilled	6 957	28.50%	38	183
Unskilled	688	2.80%	5	138
TOTAL	24 429	100.00%	76	321

Performance Rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	40	5 529	0.70%
Senior Management	45	4 643	1.00%
Professional qualified	28	3 634	0.80%
Skilled	32	2 978	1.10%
Semi-skilled	91	6 957	1.30%
Unskilled	4	688	0.50%
TOTAL	240	24 429	1.00%

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
Finance	2 615	27	1.4%	03	9
PD and Research	2 748	24	0.86%	03	8
Communications	3 074	16	0.5%	02	8
Executive	1 984	10	0.2%	01	10
Legal and Ethics	3 844	5	0.25%	02	3
Corporate Services	2 615	5	0.13%	03	2

Employment and vacancies

Programme/activity/objective	2012/2013 No. of Employees	2012/2013 Approved Posts	2013/2014 No. of Employees	2013/2014 Vacancies	% of vacancies
Executive	04	04	04	04	0%
Professional Development and Research	15	26	15	11.	42.3%
Legal and Ethics	05	05	05	0	0%
Registration	11	12	12	0	0%
Corporate Services	13	18	18	0	0%
Communication	10	11	11	0	0%
Finance	10	11	10	01	9.1%
Internal Audit	3	3	1	02	66.67%

Employment and vacancies

Programme/activity/objective	2012/2013 No. of Employees	2012/2013 Approved Posts	2013/2014 No. of Employees	2013/2014 Vacancies	% of vacancies
Top Management	04	04	04	-	
Senior Management	06	06	06	01	14.29%
Professional qualified	10	11	10	10	50%
Skilled	15	16	13	4	23.5%
Semi-skilled	28	32	38	02	5%
Unskilled	05	05	05	-	
TOTAL	68	72	76	17	18.28%

The Council has always maintained to fill all vacant positions within 3 months including the notice period by the successful candidate. The Council advertised all its vacant positions to the public via print media nationally.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	2	0
Semi-skilled	0	0	2	11
Unskilled	0	0	0	2
Total	0	0	4	13

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death		
Resignation	4	
Dismissal		
Retirement		
Ill health		
Expiry of contract		
Other		
Total	4	

Explanations:

- Seeking for greener pastures

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	
Written Warning	
Final Written warning	01
Dismissal	
Suspension Without Pay	02



Equity Target and Employment Equity Status

Levels	MALE											
	African			Coloured			Indian			White		
	Current	Target		Current	Target		Current	Target		Current	Target	
Top Management	1	0	0	0	0	0	1	0	0	0	0	0
Senior Management	5	0	0	0	0	0	0	0	0	0	0	0
Professional qualified	4	0	0	0	0	0	0	0	0	0	0	0
Skilled	4	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled	11	0	0	0	0	0	0	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0	0	0	0	0
TOTAL	27	0	0	0	0	0	1	0	0	0	0	0

Levels	FEMALE											
	AFRICAN			COLOURED			INDIAN			WHITE		
	Current	Target		Current	Target		Current	Target		Current	Target	
Top Management	2	0	0	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	0	0	0	0
Professional qualified	4	0	0	0	0	0	0	0	0	2	0	0
Skilled	6	0	0	1	0	0	1	0	0	1	0	0
Semi-skilled	25	0	0	1	0	0	0	0	0	1	0	0
Unskilled	3	0	0		0	0	0	0	0		0	0
TOTAL	41	0	0	02	0	0	01	0	0	04	0	0

**ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2014**
Financial Statements





Towards Excellence in Education

SOUTH AFRICAN COUNCIL FOR EDUCATORS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

GENERAL INFORMATION

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Registration of educators, promotion of professional development of educators and the establishment, maintenance and protection of ethical and professional standards for educators.
Councilors	Refer to Annexure "A"
Registered office	Block 1 Crossway Office Park 240 Lenchen Avenue Centurion 0046
Business address	Block 1 Crossway Office Park 240 Lenchen Avenue Centurion 0046
Postal address	Private Bag X127 Centurion 0046
Bankers	Nedbank Limited
Auditors	N.M.N. Chartered Accountants (SA) Registered Auditors

GENERAL INFORMATION (ANNEXURE "A")

General Information (Annexure "A")

Councillors

Ms. V. Hofmeester (Chairperson)

Mr. S. T. Mchunu (Deputy Chairperson)

Mr. M. Maphila

Mr. J. Jefftha resigned 31 March 2014 not yet replaced

Mr. N. Lukwe resigned 28 February 2014 not yet replaced

Mr. W. Hlaise

Mr. M Moloi

Mr. S. Mayongo

Mr. T. Ledimo

Mr. J. Rustin

Mr. E. Themba

Mr. M. Cele

Mr. R. Moroatshehla

Dr. J.A. Breed

Dr. H.L. Swanepoel

Mr. G. Harrison

Mrs. G.W. Bowles

Mr. M. Kutumela replaced by Mr. N.A Mosia on 01 November 2013

Mr. M.E. Maseko

Dr. H.J. Deacon

Mrs. M. Schoeman

Dr. N. Nduna-Watson

Mr. E.T. Rabotapi

Prof. P. Mabunda

Mr. J.W. Bester

Dr. B. Fleisch

Mr. R. Brijraj



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Financial Table of Contents

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Statement of Changes in Equity	75
Statement of Cash Flows	76
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The following supplementary information does not form part of the annual financial statements and is unaudited:

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REPORT OF THE INDEPENDENT AUDITORS

Report of the Independent Auditors

TO THE ACCOUNTING AUTHORITY OF SOUTH AFRICAN COUNCIL FOR EDUCATORS REPORT ON THE ANNUAL FINANCIAL STATEMENTS

We have audited the annual financial statements of the South African Council for Educators, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the Council's report on pages 71 to 87.

Accounting Authority's Responsibility for the Annual Financial Statements

The accounting authority is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Recognised Accounting Practice (SA Standards of GRAP), and in the manner required by the Public Finance Management Act of South Africa (Act 1 of 1999). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the South African Council for Educators as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Recognised Accounting Practice (SA Standards of GRAP), and in the manner required by the Public Finance Management Act of South Africa (Act 1 of 1999).

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 88 and 89 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

In accordance with the Public Audit Act (Act No. 25 of 2004) and in terms of General Notice 839 of 2011, issued in Government Gazette 34783 of 28 November 2011, we include below our findings on the annual performance report and material non-compliance with the Public Finance Management Act of South Africa (Act 1 of 1999) and the South African Council for Educators Act (Act 31 of 2000).

Predetermined objectives

- **Usefulness of information**

The reporting of targets and objectives in the quarterly reports and annual report were not always in line with the targets and objectives set out and approved in the annual plan.

- **Compliance with laws and regulations**

There are no matters to report.

INTERNAL CONTROL

In accordance with the Public Audit Act (Act No. 25 of 2004) and in terms of General Notice 839 of 2011, issued in Government Gazette 34783 of 28 November 2011, we considered internal control relevant

to our audit, but not for the purpose of expressing an opinion on the effectiveness of internal control.

There are no matters to report.



Per: Ganas Naidoo
N.M.N. Chartered Accountants (SA)
Registered Auditors
30 June 2014
62 - 5th Avenue
Linden
Johannesburg
2195

COUNCILLORS' RESPONSIBILITIES AND APPROVAL

Councillors' Responsibilities and Approval

The Council is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with South African Statements of Generally Recognised Accounting Practice (SA Standards of GRAP). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Recognised Accounting Practice (SA Standards of GRAP) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The Councillors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Councillors to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss 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 entity and all employees are required to maintain the highest ethical standards in ensuring that the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing,

managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Councillors 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 loss.

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on pages 69 and 70.

The annual financial statements set out on pages 71 to 89, which have been prepared on the going concern basis, were approved by the Council on 30 June 2014 and were signed on its behalf by:



Ms V. Hofmeester (Chairperson)



R. Brijraj - Chief Executive Officer

THE COUNCIL REPORT

The Council Report

The Council report for the year ended 31 March 2014 is as follows:

1. Review of activities Main business and operations

The South African Council for Educators has been incorporated in terms of the South African Council for Educators Act (Act 31 of 2000). The principal responsibilities of the South African Council for Educators as set out in this Act are as follows:

- to provide for the registration of educators;
- to promote the professional development of educators; and
- to set, maintain and protect the ethical and professional standards for educators.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

Net surplus of the entity was R14,342,774 (2013: R12,487,009).

2. Going concern

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.

3. Events after the reporting period

The Council is not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the entity or the results of its operations.

4. Non-current assets

During the year the council acquired fixed assets for R 672,735 (2013: R 2,044,566)

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Notes	2014	2013
Assets			
Non-Current Assets	2	2,417,806	2,498,978
Property, plant and equipment	3	1,095,281	1,648,878
Intangible assets		3,513,087	4,147,856
Current Assets			
Trade and other receivables	4	6,972,076	6,563,438
Cash and cash equivalents	5	71,093,226	49,561,905
		78,065,302	56,125,343
Non-current assets held for sale	6	-	10,500,000
Total Assets		81,578,389	70,773,199
Equity and Liabilities			
Equity			
Accumulated surplus		9,899,431	18,173,870
Building reserve fund		63,702,019	41,084,806
		73,601,450	59,258,676
Liabilities			
Current Liabilities			
Trade and other payables	7	6,601,079	9,824,220
Provisions	8	1,375,860	1,690,303
		7,976,939	11,514,523
		81,578,389	70,773,199



STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2014	2013
Revenue	9	55,357,384	52,326,963
Government grant		10,385,063	2,278,915
Other income		415,386	327,206
Operating expenses		(53,165,653)	(41,901,403)
Operating surplus	10	12,992,180	13,031,681
Investment revenue	11	2,850,594	2,055,328
Fair value adjustments	12	-	(2,600,000)
Loss on non-current assets held for sale		(1,500,000)	-
Total comprehensive surplus for the year		14,342,774	12,487,009

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Building reserve fund	Accumulated surplus	Total equity
	R	R	R
Balance at 01 April 2012	22,362,956	24,408,711	46,771,667
Total comprehensive surplus for the year	-	12,487,009	12,487,009
Transfer to building reserve fund	18,721,850	(18,721,850)	-
Balance at 01 April 2013	41,084,806	18,173,870	59,258,676
Total comprehensive surplus for the year	-	14,342,774	14,342,774
Transfer to building reserve fund	22,617,213	(22,617,213)	-
Balance at 31 March 2014	63,702,019	9,899,431	73,601,450



STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2014	2013
Cash flows from operating activities			
Cash receipts from customers		54,989,876	52,501,561
Cash paid to suppliers and employees		(44,255,561)	(32,543,013)
Cash generated from operations	15	10,734,315	19,958,548
Interest income		2,850,594	2,055,328
Net cash from operating activities		13,584,909	22,013,876
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(672,735)	(2,044,566)
Proceeds on sale of investment property		9,000,000	-
Proceeds sale of property, plant and equipment	3	-	20,085
Additions to intangible assets		(380,853)	(286,751)
Net cash from investing activities		7,946,412	(2,311,232)
Total cash movement for the year		21,531,321	19,702,644
Cash at the beginning of the year		49,561,905	29,859,262
Total cash at end of the year	5	71,093,226	49,561,905

ACCOUNTING POLICIES

Accounting Policies

1. Basis of preparation

The financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (SA Standards of GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (Act No. 1 of 1999).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework have been developed in accordance with paragraphs 7, 11, 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specifically stated otherwise.

Assets, liabilities, revenues and expenses have not been offset, except where offsetting is required or permitted by a Standard of GRAP.

The accounting policies are applied consistently with those used to present the previous year's financial statements.

1.1 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. 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 key assumptions may change which may then impact on our estimations and may then require a material adjustment to the carrying value of intangible and tangible assets. The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, intangible assets are tested on an annual basis for impairment.

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.

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Membership fees

The South African Council for Educators maintains a database of registered members and removes members from the database only upon request of the individual member. Inactive members comprise deceased, retired and terminated members while all other members are categorised as active members.

Membership fees are received from the Provincial and National Departments of Education for members employed by them. Certain private schools also deduct levies from their employees and pay the amounts deducted to the South African Council for Educators.

For educators that have not paid the membership levies in full, it is not possible to assess whether this is as a result of deliberate non-payment or due to unemployment. In terms of a Council resolution dated 9 November 2000, educators that are unemployed are not required to pay levies for the period that they remain unemployed. In the absence of forthcoming information from the members themselves, a reliable estimate of educators that should have paid levies during the year cannot be made and consequently, revenue is recognised as it is received.

Depreciation

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

1.2 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment 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 and equipment, the carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item Average useful life

Item	Average useful life
Motor vehicles	5 years
Office equipment	6 to 10 years
IT equipment	3 to 7 years
Leasehold improvements	1 to 3 years
Leased assets	5 to 6 years

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

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss 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. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.3 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 entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at 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.
- 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. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually, and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at the end of every reporting period. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Item	Useful life
Registration database - internally generated	5 years
CPTD database - internally generated	5 years
Computer software	5 years

1.4 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale,

which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment once classified as held for sale are not depreciated.

1.5 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following category:

- Loans and receivables

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition. For financial instruments which are not at fair value through profit or loss, classification is reassessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments. The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

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

Impairment of financial assets

At each reporting date the entity assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade and other receivables are measured at cost.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer), if not they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.6 Impairment of assets

The entity assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not

possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.8 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- 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 grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant 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 statement of comprehensive income (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.

1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the normal course of the entity's activities. Revenue is recognised as follows:

Membership and registration fees

Membership and registration fees are recognised when the invoice is issued.

1.10 Financial risk management

1.12.1 Financial Risks

The entity's activities expose it to a variety of financial risks: market risk (including currency risk and cashflow and fair value interest risk), credit risk and liquidity risk. The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance.

1.12.1.1 Market Risk

a) Currency Risk

The entity had no foreign currency transactions during the year.

b) Cash flow and fair-value interest rate risk

The entity's interest rate risk arises from current borrowings.

1.12.1.2 Credit Risk

The entity has no significant concentrations of credit risk. It has policies in place to ensure that the granting of credit is adequately controlled.

1.12.1.3 Liquidity Risk

The entity makes use of a mix of external borrowings and existing resources to fund its operations and expansions. Key ratios include debt: equity, interest cover and debt repayment period.

1.12.1.4 Capital Risk Management

For the purposes of capital management, capital includes accumulated surplus and other reserves. The capital mix is reviewed by the entity when substantial changes occur in the capital requirements of the entity. These requirements could be for substantial additions to fixed assets or intangible assets. Management will regularly review the liquidity risk of the entity and ensure sufficient data is available to alter the capital mix if required.

1.12.2 Fair Value Estimation

The carrying value less provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated at their settlement values.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2014

2013

2. Property, plant and equipment

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	138,000	(52,900)	85,100	138,000	(25,300)	112,700
Office equipment	2,521,765	(1,177,672)	1,344,093	2,347,164	(980,550)	1,366,614
IT equipment	3,381,197	(2,760,939)	620,258	2,958,085	(2,483,947)	474,138
Leasehold improvements	742,854	(374,499)	368,355	667,832	(122,306)	545,526
Total	6,783,816	(4,366,010)	2,417,806	6,111,081	(3,612,103)	2,498,978

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Depreciation	Total
Office equipment	1,366,614	174,601	(197,122)	1,344,093
IT equipment	474,138	423,112	(276,992)	620,258
Leasehold improvements	545,526	75,022	(252,193)	368,355
Motor vehicles	112,700	-	(27,600)	85,100
	2,498,978	672,735	(753,907)	2,417,806

Reconciliation of property, plant and equipment - 2013

	Opening Balance	Additions	Disposals	Depreciation	Total
Motor vehicles	-	138,000	-	(25,300)	112,700
Office equipment	737,357	805,096	-	(175,839)	1,366,614
IT equipment	325,466	433,638	(14,179)	(270,787)	474,138
Leasehold improvements	-	667,832	-	(122,306)	545,526
Leased assets	3	-	(3)	-	-
	1,062,826	2,044,566	(14,182)	(594,232)	2,498,978

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2014

2013

3. Intangible assets

	2014			2013		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Registration database - internally generated	1,392,394	(931,115)	461,279	1,197,342	(687,355)	509,986
Computer software - other	921,602	(568,295)	353,307	735,801	(438,994)	296,807
CPTD database - internally generated	2,806,953	(2,526,258)	280,695	2,806,954	(1,964,868)	842,085
	5,120,949	(4,025,668)	1,095,281	4,740,097	(3,091,217)	1,648,878

Reconciliation of intangible assets - 2014

	Opening Balance	Additions	Amortisation	Total
Registration database - internally generated	509,987	195,052	(243,760)	461,279
Computer software - other	296,807	185,801	(129,301)	353,307
CPTD database - internally generated	842,085	-	(561,390)	280,695
	1,648,879	380,853	(934,451)	1,095,281

Reconciliation of intangible assets - 2013

	Opening Balance	Additions	Amortisation	Total
Registration database - internally generated	551,579	167,218	(208,811)	509,986
Computer software - other	310,281	119,533	(133,007)	296,807
CPTD database - internally generated	1,403,476	-	(561,391)	842,085
	2,265,336	286,751	(903,209)	1,648,878

4. Trade and other receivables

Trade receivables	580,284	212,776
Deposits	6,084,472	5,966,845
Staff loans	254,935	300,367
Other receivables	52,385	83,450
	6,972,076	6,563,438

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	967	288
Bank balances	17,261,451	12,737,758
Short-term deposits	53,830,808	36,823,859
	71,093,226	49,561,905

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
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6. Non-current assets held for sale

The assets classified as held for sale as at 31 March 2014 were as follows:

Investment property	-	10,500,000
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7. Trade and other payables

Trade payables	1,782,158	1,428,154
Fees received in advance	48,104	57,286
Deferred government grant	4,688,209	7,773,272
Other payables	82,608	565,508
	6,601,079	9,824,220

8. Provisions

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Total
Provision for bonus	223,485	6,567	-	230,052
Provision for leave pay	1,466,818	339,617	(660,627)	1,145,808
	1,690,303	346,184	(660,627)	1,375,860

Reconciliation of provisions - 2013

	Opening Balance	Additions	Total
Provision for bonus	222,758	727	223,485
Provision for leave pay	1,289,356	177,462	1,466,818
	1,512,114	178,189	1,690,303

9. Revenue

Membership fees	50,121,782	50,206,415
Registration fees	4,189,892	1,953,383
Reprinted certificates	1,045,710	167,165
	55,357,384	52,326,963

10. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges	6,528,567	4,666,545
Surplus on sale of property, plant and equipment	-	(5,903)
Loss on sale of non-current assets held for sale	1,500,000	-
Amortisation on intangible assets	934,451	903,209
Depreciation on property, plant and equipment	753,907	594,232
Employee costs	24,429,001	21,509,854
Internal audit fee	-	299,906

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2014	2013
11. Investment revenue		
Interest revenue	2,547,842	1,719,486
Bank	302,752	335,842
Other	2,850,594	2,055,328
12. Fair value adjustments		
Decrease in value of investment property	-	2,600,000
13. Taxation		
No provision has been made for 2014 tax as the entity is exempt from tax in terms of Section 10(1)(cA)(i)(bb) of the Income Tax Act (Act No. 58 of 1962).		
14. Auditors remuneration		
Fees	524,885	262,610
15. Cash generated from operations		
Surplus for the year	14,342,774	12,487,009
Adjustments for:		
Depreciation and amortisation	1,688,358	1,497,441
Surplus on sale of property, plant and equipment	-	(5,903)
Loss on sale of non-current assets	1,500,000	-
Interest received	(2,850,594)	(2,055,328)
Fair value adjustments	-	2,600,000
Movements in provisions	(314,443)	-
Changes in working capital:		
Trade and other receivables	(408,639)	(50,628)
Trade and other payables	(3,223,141)	5,485,957
	10,734,315	19,958,548
16. Operating lease commitments		
Office accommodation is leased in terms of an operating lease.		
The future minimum lease payments payable under the non-cancellable leases are as follows:		
Minimum lease payments due		
Within one year	6,443,487	5,911,456
Thereafter	1,644,825	8,390,115
	8,088,312	14,301,571

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. Executive management remuneration

2014	Basic	Bonus	Fringe benefits	Other	Total
R. Brijraj	916,283	18,326	609,071	1,785	1,545,465
M. Mapindani	691,964	71,500	401,843	368,024	1,533,331
M. Dipholo	672,145	69,455	392,040	1,785	1,135,425
	2,280,392	159,281	1,402,954	371,594	4,214,221

2013	Basic	Bonus	Fringe benefits	Other	Total
R. Brijraj	857,405	-	423,429	23,483	1,304,317
M. Mapindani	644,492	54,935	264,749	242,521	1,206,697
M. Dipholo	625,865	53,364	242,037	80,314	1,001,580
	2,127,762	108,299	930,215	346,318	3,512,594

18. Related parties

Related party balances

All national departments of government are regarded to be related parties in accordance with Circular 4 of 2005: Guidance in terms of "State Controlled Entities" in the context of IAS 24 (AC 126) - Related Parties, issued by the South African Institute of Chartered Accountants. No transaction is implicated simply by the nature or existence of relationships between these entities, however the balances below were recorded relating to transactions with related parties as defined above:

Amounts owing from related parties

South African Post Office	394,427	158,973
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Amounts owing to related parties

State Information Technology Agency Proprietary Limited	19,600	317,439
South African Post Office	1,562	13,706
Telkom SA Limited	2,775	29,797

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Notes	2014	2013
Revenue		50,121,782	50,206,415
Membership fees		4,189,892	1,953,383
Registration fees		1,045,710	167,165
Reprinted certificates	9	55,357,384	52,326,963
Other income			
Government grant	11	10,386,358	2,278,915
Interest received		2,850,594	2,055,328
Surplus on disposal of property, plant and equipment		-	5,903
Sundry income		414,091	321,303
		13,651,043	4,661,449
Expenses (Refer to page 26)		(53,165,653)	(41,901,403)
Operating surplus	10	15,842,774	15,087,009
Fair value adjustments	12	-	(2,600,000)
Loss on non-current assets held for sale		(1,500,000)	-
Total comprehensive surplus for the year		14,342,774	12,487,009

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Notes	2014	2013
Operating expenses			
Advertising and publicity		(107,448)	(194,904)
Auditors remuneration	14	(524,885)	(262,610)
Bad debts		-	(171,368)
Bank charges		(105,221)	(69,279)
Code of conduct		(665,796)	(1,382,402)
Cleaning		(62,574)	(35,760)
Consulting fees		(530,834)	(576,850)
Depreciation, amortisation and impairments		(1,688,358)	(1,497,441)
Employee costs		(24,429,001)	(21,509,854)
Hire of equipment		(148,973)	(165,499)
Insurance		(293,217)	(283,814)
Internal audit fee		-	(299,906)
Lease rentals on operating lease		(6,528,567)	(4,666,545)
Leasehold expense		(63,621)	(202,420)
Legal expenses		(23,075)	(99,187)
Motor vehicle expenses		(23,180)	(25,934)
Postage		(40,877)	(10,310)
Printing and stationery		(410,237)	(477,093)
Professional development		(10,385,063)	(2,278,915)
Publicity and communications		(545,707)	(1,277,207)
Registration costs		(295,659)	(303,422)
Repairs and maintenance		(63,145)	(447,597)
Research		(73,115)	(308,354)
Security		(426,312)	(489,747)
Staff welfare		(155,568)	(207,716)
Subscriptions		(370,168)	(332,366)
Telephone and fax		(788,840)	(806,795)
Training		(69,838)	(53,450)
Travel - local		(2,618,483)	(2,730,842)
Utilities		(1,727,889)	(733,810)
		(53,165,653)	(41,901,403)

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