

2017/18



SACE

South African Council for Educators

Towards Excellence in Education

ANNUAL REPORT

National Office

Crossway Office Park Block 1
240 Lenchen Avenue
Centurion
0046

Provincial Offices

Kwa Zulu Natal

21 Joe Slovo Street
Zumaysha Building
Durban
4001

Free State

33 Reid Street
Suite 2 & 4,
Westdene
Bloemfontein
9301

South African Council for Educators (SACE)

Private Bag x 127
Centurion
0046

Tel: 012 663 9517
Fax: 012 663 9238
Email: info@sace.org.za
Website: www.sace.org.za

| | | |
|----------------|--|-----------|
| PART A: | GENERAL INFORMATION | 3 |
| 1. | GENERAL INFORMATION | 3 |
| 2. | LIST OF ABBREVIATIONS/ACRONYMS | 4 |
| 3. | FOREWORD BY THE CHAIRPERSON | 5 |
| 4. | CHIEF EXECUTIVE OFFICER'S OVERVIEW | 7 |
| 5. | STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY | 9 |
| 6. | STRATEGIC OVERVIEW | 10 |
| | 6.1. Vision | 10 |
| | 6.2. Mission | 10 |
| | 6.3. Values | 10 |
| 7. | LEGISLATIVE AND OTHER MANDATES | 10 |
| 8. | ORGANISATIONAL STRUCTURE | 11 |
| PART B: | PERFORMANCE INFORMATION | 12 |
| 1. | AUDITOR'S REPORT: PREDETERMINED OBJECTIVES | 12 |
| 2. | SITUATIONAL ANALYSIS | 12 |
| | 2.1. Service Delivery Environment | 12 |
| | 2.2. Organisational Environment | 12 |
| | 2.3. Key policy developments and legislative changes | 13 |
| | 2.4. Strategic Outcome-Oriented Goals | 13 |
| 3. | PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE | 14 |
| | 3.1 Programme 1: Registration | 14 |
| | 3.2 Programme 2: Code of Professional Ethics | 18 |
| | 3.3 Programme 3: CPTD | 28 |
| | 3.4 Programme 4: Research | 34 |
| | 3.5 Programme 5: Professional Standards | 37 |
| 4. | REVENUE COLLECTION | 39 |
| | 4.1 CAPITAL INVESTMENT | 40 |
| PART C: | GOVERNANCE | 43 |
| 1. | INTRODUCTION | 43 |
| 2. | PORTFOLIO COMMITTEES | 43 |
| 3. | EXECUTIVE AUTHORITY | 43 |
| 4. | THE ACCOUNTING AUTHORITY | 43 |
| 5. | RISK MANAGEMENT | 49 |
| 6. | INTERNAL CONTROL UNIT | 50 |
| 7. | INTERNAL AUDIT AND AUDIT COMMITTEES | 50 |
| 8. | COMPLIANCE WITH LAWS AND REGULATIONS | 51 |
| 9. | FRAUD AND CORRUPTION | 52 |
| 10. | MINIMISING CONFLICT OF INTEREST | 52 |
| 11. | CODE OF CONDUCT | 52 |
| 12. | HEALTH SAFETY AND ENVIRONMENTAL ISSUES | 52 |
| 13. | COMPANY/BOARD SECRETARY (IF APPLICABLE) | |
| 14. | SOCIAL RESPONSIBILITY | |
| 15. | AUDIT COMMITTEE REPORT | |

| | | |
|----------------|-------------------------------------|-----------|
| PART D: | HUMAN RESOURCE MANAGEMENT | 53 |
| 1. | INTRODUCTION | 53 |
| 2. | HUMAN RESOURCE OVERSIGHT STATISTICS | 53 |
| PART E: | FINANCIAL INFORMATION | 58 |
| 1. | ANNUAL FINANCIAL STATEMENTS | |

PART A: GENERAL INFORMATION

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|--------------------------|---|
| REGISTERED NAME: | South African Council for Educators |
| REGISTRATION NUMBER: | SACE Act 31 of 2000 as amended |
| PHYSICAL ADDRESS: | Crossway Office Park, Block 1 240 Lenchen Avenue Centurion 0046 |
| POSTAL ADDRESS: | Private Bag x 127 Centurion 0046 |
| TELEPHONE NUMBER/S: | +27(12) 663 9517 |
| FAX NUMBER: | +27(12) 663 9238 |
| EMAIL ADDRESS: | info@sace.org.za / pr@sace.org.za |
| WEBSITE ADDRESS: | www.sace.org.za |
| EXTERNAL AUDITORS: | Nexia SAB & T 119 Witch-Hazel Avenue, Centurion Techno Park, Pretoria, 0157 |
| BANKERS: | Nedbank Limited |
| CHIEF EXECUTIVE OFFICER: | Ms. Ella Mokgalane |

2. LIST OF ACRONYMS

| | |
|-----------|--|
| ACSI | Association for Christian Schools International |
| AET | Adult Education and Training |
| AFTRA | African Forum of Teaching Regulatory Authorities |
| AU | African Union |
| B Ed | Bachelor of Education |
| CAPS | Curriculum and Assessment Policy Statement |
| CEPD | Centre for Education Policy Development |
| CHE | Council for Higher Education |
| CPTD | Continuing Professional Teacher Development |
| CSVR | Centre of Study of Violence and Reconciliation |
| CUT,FS | Central University of Technology, Free State |
| DBE | Department of Basic Education |
| ECD | Early Childhood Development |
| EI | Education International |
| ELRC | Education Labour Relations Council |
| ETDP-SETA | Education and Training Development Practices Sector Education & Training Authority |
| FET | Further Education and Training |
| GCIS | Government Communication and Information Systems |
| HEDCOM | Heads of Education Departments Committee |
| HIV | Human Immunodeficiency Virus |
| HOD | Head of Department |
| HPCSA | Health Professions Council of South Africa |
| HSRC | Human Sciences Research Council |
| IFTRA | International Forum of Teaching Regulatory Authorities |
| JPTD | Junior Primary Teachers Diploma |
| NAISA | National Alliance of Independent Schools Association |
| NAPTOSA | National Professional Teachers Organization of South Africa |
| NASGB | National Association of School Governing Bodies |
| NATU | National Teachers Union |
| NWU | North-West University |
| NPFTED | National Policy Framework on Teachers Education and Development |
| PEDs | Provincial Education Departments |
| PEU | Professional Educators Union |
| PFMA | Public Finance Management Act |
| PGCE | Postgraduate Certificate in Education |
| PTC | Primary Teachers Certificate |
| PTD | Primary Teachers Diploma |
| SACE | South African Council for Educators |
| SADC | Southern Africa Development Community |
| SADTU | South African Democratic Teachers Union |
| SAOU | Suid-Afrikaanse Onderwys Unie |
| SAPA | South African Principal Association |
| SAQA | South African Qualification Authority |
| STD | Secondary Teachers Diploma |
| TUT | Tshwane University of Technology |
| UKZN | University of KwaZulu-Natal |
| VVOB | The Flemish Association for Development Cooperation and Teacher Assistance |
| WTD | World Teachers' Day |

3. FOREWORD BY THE CHAIRPERSON – MR LUCKY GOODMAN MABUTHO CELE



It is my pleasure to present the 2017/18 Annual Report for the South African Council for Educators (SACE). I am equally pleased to indicate that this is the first report since the appointment of the new SACE Council and Chairperson by the Minister of Basic Education, in August 2017. As the custodian of the teaching profession, SACE has a responsibility to ensure that it continues to protect the public, communities, parents, children and teachers alike. In line with this, the newly appointed Council should take the self-regulation agenda and vision forward and ensure that SACE is regulated by the profession for the profession.

The period under review has, rightly or wrongly, seen SACE's image being under attack from various angles. The attacks were around issues such as the vetting and verification of teachers and their qualifications, visibility in terms of the enforcement of the code of professional ethics, capacity to handle reported misconduct cases, lack of teacher protection and so on. In some instances, the attack was based on the lack of understanding of the mandates and operations of the council. However, if these issues are not addressed and to a certain extent corrected, they have the potential of creating unnecessary tension within the teaching profession which may have an impact on the image of the profession in the country. These issues, inevitably, call upon the profession to take stock on the notion of the teaching profession as a self-regulatory profession, including self-governance within SACE.

The Council has also noted, with great concern, violence against our teachers by learners. While this is condemned unreservedly, The Council has a responsibility to work collaboratively with employers and various stakeholders and communities at large, in addressing this unbecoming behavior by the learners. As part of the process of reviewing its role in the promotion of continuing professional development, Council will look into a programme to promote educators' rights and protection as well.

Overall, SACE has performed fairly well in terms of its five programmes and the related finances. While the Council has been experiencing backlogs in terms of cases that were carried over to the next financial year, it is important to note that 64.24% (327 out of 509) of the reported cases were finalized. In order to improve this situation going forward, Council has engaged in a detailed business review and job evaluation process to strengthen its organizational capacity. Similarly, Council is addressing the perceived role that it must directly play in the vetting and verification of teachers applying to be registered with it. Due to the fact that, this is a third-party responsibility, Council has reconceptualized its role, which is limited to ensuring that vetting and verification are embedded in the registration criteria. It is for this reason that, amongst other, strategic partnerships are being established with organisations such as, SAQA, Department of Social Development, Higher Education Institutions, South African Police Services, Department of Home Affairs, and Department of Justice and Constitutional Development to align their roles as third party partners in the vetting of educators and verification of their qualifications with our mandates.

As part of its vision for the next coming four years, Council has prioritized the process of teacher professionalization with an ultimate goal of enhancing the status and standing, as well as, the internal quality of the profession. This multi-stakeholder driven collaborative process is pivotal in ensuring that the SACE takes charge of the teaching profession across the teacher education and development continuum. It is for this reason, amongst others, that Council will be working with various partners and stakeholders, in shaping and implementing the teacher professionalization path that focuses on the following:

- (a) Defining the criteria for entry into initial teacher education;
- (b) Provisional registration of student teachers from 1st year of study;
- (c) Induction of newly qualified teachers;
- (d) Professional certification of the of the newly qualified teachers;
- (e) SACE recognition as a fully-fledged professional council by the South African Qualifications Authority (SAQA);
- (e) Developing and registering the teacher professional designation against the NQF; and
- (f) Introduction of the periodic re-certification.

All these areas will be informed by the developed SACE Professional Teaching Standards. Finally, Council has prioritized visibility across the nine provinces by enhancing its communication and advocacy strategy, and ensuring that as far as possible, all the provinces have SACE offices. In this 21st century, 4th Industrial Revolution, and digital era, it is important that Council strengthens its Information Communication, and Technology (ICT) strategy and plans as well. It is for this reason, amongst others, that Council has introduced an online payment system and is finalizing the online registration which will be launched in the 2018/19 financial year.

My appreciation goes to my fellow Councillors for their immense support in ensuring that there is good governance of SACE as a professional council, the CEO for leading the administration effectively amidst the challenges mentioned earlier on and the entire management and staff. As Council, we are eternally grateful to the teachers who continue to contribute enormously to the profession, and thus, serving them with pride becomes our priority.

Collectively, we are looking forward to another financial year of serving and protecting the teaching profession with pride.

I thank you.



Chairperson of the Council
Mabutho Lucky Goodman Cele
31 March 2018

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



As a self-regulatory body, the South African Council for Educators (SACE) derives its main source of funding from the educators through the self-funding mechanisms. Coupled with this, in 2017/18 Council, through consultation with its stakeholders, increased members' monthly levies from R10.00 to R15.00 from the beginning of November 2018 onwards. Additionally, while the Department of Basic Education has been funding the Continuing Professional Teacher Development (CPTD) System in the last 11 years, for the first time in 2017/2018 SACE received this funding directly from the National Treasury. This will go a long way in ensuring that the CPTD System is managed accordingly. From this, and of course Council's audited financial statement, it is evident that the organization has a healthy financial position. Furthermore, SACE is a service organization responsible for the registration of teachers, managing their system for continuing professional development, and setting and maintaining professional and ethical standards. In line with this, the Council's salary bill is 52% against the total expenditure of the

organization. It is also 45% if measured against the total revenue of the organization. Unlike many service organizations, including the government, it may be argued that Council has done justice in terms of the allocation of resources for service delivery.

The 2017/18 budget is also reflective of the fact that Council and the government alike, take issues of quality and fit-for-purpose Continuing Professional Development provisioning seriously. It is for this reason that the CPTD (Programme 3) received the highest budget allocation (as compared to other programmes) to ensure that the country has quality SACE endorsed professional development provisioning for teachers. Indeed 1526 quality continuing professional development activities and programmes were endorsed, and over 60% of them were submitted by the Provincial Education Departments where SACE provided immense support in terms of programme and material development. Although this is celebrated, there is need for SACE together with the professional development providers to develop a theory of change that will begin to assist in assessing if teachers' participation in continuing professional development is reflecting change in the achievement of quality teaching and learning results as opposed to outputs only.

Programme 2 has seen a slight increase in the number of teacher misconduct cases received during the period under review. In order to ensure that capacity is enhanced, particularly in the implementation and monitoring of Programme 2 (Ethics) functions and activities, an additional R2m was allocated to this Programme in 2017. However, not all resources were utilized due to internal capacity challenges which have subsequently been resolved through the job evaluation process and revised organogram. Council has made progress in claiming its authority to be the custodian and voice of the teaching profession. This is evident in its teacher professionalization processes that played an immense role in enhancing the status and standing of the teaching profession. The multi-stakeholder that develops professional teaching standards, through Programme 4, will go a long way in ensuring that the profession has the practice that is theoretically informed, contextually appropriate and widely accepted by all stakeholders.

Due to a number of reasons, Council had a surplus of R18.9 million which resulted from funds that were supposed to have been utilized, firstly, for the accusation of the five (5) SACE provincial offices during the period under review. The tender process yielded no positive results due to the unavailability of buildings. However, this process would be continued in the new financial year in line with the advice and support received from the National Treasury and Department of Basic Education. Secondly, owing to the job evaluation process and some restructuring within the organization, Council could not fill the senior managers' vacant posts. This, to a certain extent, had a bearing on the internal capacity of the organisation, particularly at strategic and policy level. Lastly, as indicated earlier on, there were funds that could not be spent through Programme 2.

Council has a supply chain management system that has been implemented effectively over the years. Also, Council had five tender advertisements for the accusation of the SACE provincial offices buildings and one of the external auditors. As indicated earlier on, the five tender advertisements could not be finalized, while the external one was concluded at the beginning of the new financial year.

Overall Council performed well in most of the areas and experienced challenges in some. I am eternally grateful to our valuable staff for their selfless efforts in ensuring that half a million teachers are serviced effectively on a daily basis. They are indeed SACE's greatest asset. My appreciation goes to the Chief Financial Officer for his stewardship of the Council's financial resources. The Department of Basic Education and the nine (9) Provincial Education Departments who worked tirelessly with SACE's various Divisions, especially the Professional Development one, to ensure quality teaching and learning throughout the period under review. The strengthening of the CPTD Management system should also be attributed to the VVOB, a Flemish Technical Development Agency, that continued to provide technical support on the implementation and monitoring and evaluation of the CPTD Management system.

Likewise, our appreciation goes to the SACE stakeholders who continued to ensure that the SACE activities are taken to the teachers on a bigger scale in various educational sites. Additionally, I want to specifically remind everyone that, at the heart of every education system and nation, lies the teacher. They are certainly the nation's greatest asset and therefore we need to salute them for continuing to shape and build the destiny of our children.



Ella Mokgalane

Chief Executive Officer of SACE

Date: 31 March 2018

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in this Annual report are consistent with the Annual Financial Statements (AFS) audited by the Nexia SAB & T.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines and principles pertaining to the Annual Report issued by National Treasury (NT).

The Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines, and directives issued by the Accounting Standards Board (ASB) applicable to SACE.

The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgments 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 31st March 2018.

Yours faithfully,



Chief Executive Officer
Ella Mokgalane
31 March 2018



Chairperson of the Council
Mabutho Lucky Goodman Cele
31 March 2018

6. STRATEGIC OVERVIEW

6.1 Vision

To promote the professionalism of all educators in South Africa by ensuring that its services are easily accessible and 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.

6.2 Mission

SACE shall strive to ensure that the education system is enriched, by providing properly registered and professionally developed educators that display professionalism.

6.3 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 |

7. LEGISLATIVE AND OTHER MANDATES

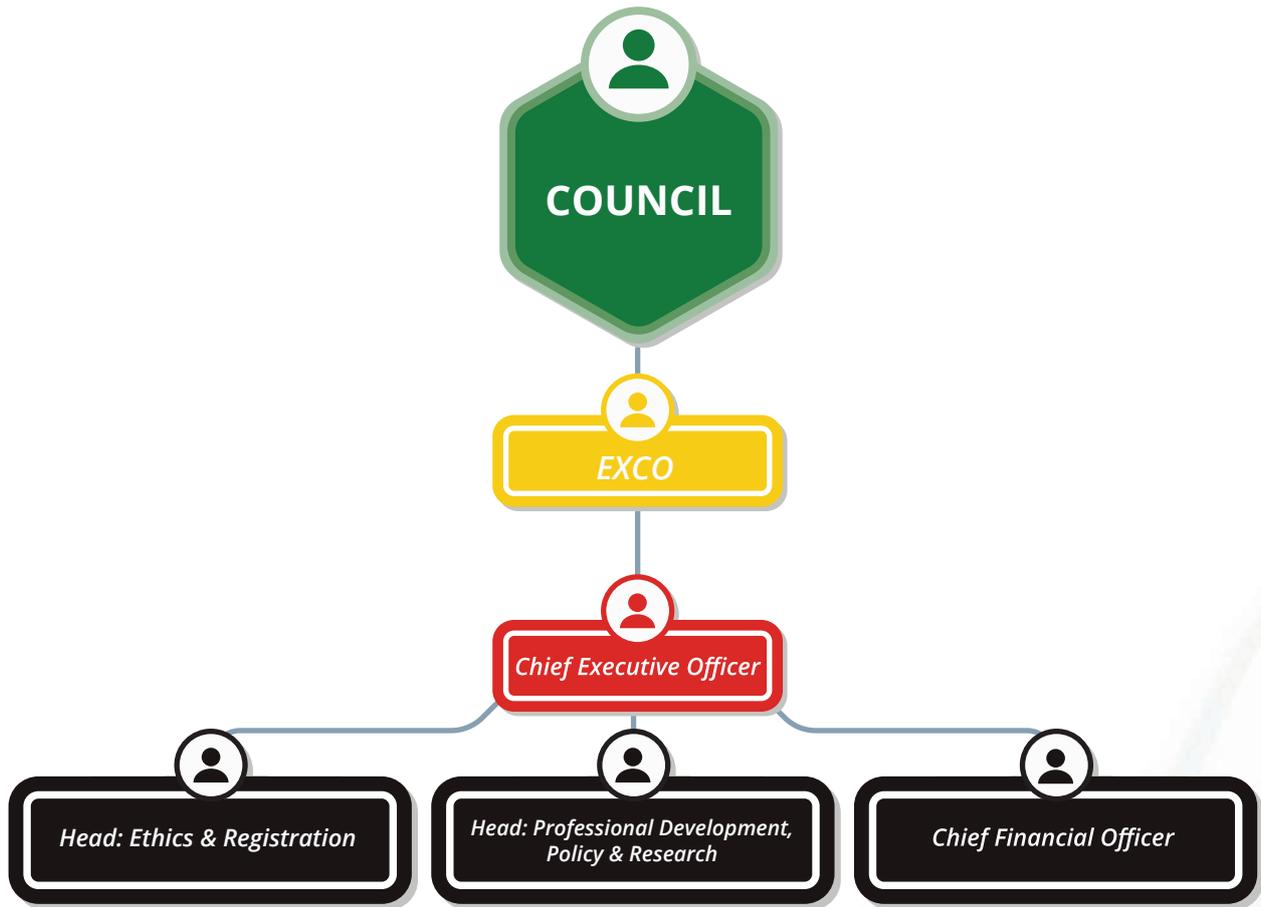
7.1 Constitutional Mandates

- Constitution of the Republic of South Africa (Act No.108 of 1996)

7.2 Legislative Mandates

- The National Development Plan: Vision 2030 directs that SACE must quality assure the provisioning of the continuing professional development to educators, develop the professional standards, and implement the certification and re-certification of teachers.
- 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. In line with the Act, the SACE objectives are to: (a) Register educators; (b) Promote the development of educators, and Set and maintain the professional standards.
- 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 it to request additional funding from the public fiscus when necessary.
- The National Policy Framework on Teacher Education and Development (2007) mandates SACE to implement the Management of the CPTD system as a collaborative system. This is also supported by the Integrated Strategic Planning Framework on Teacher Education.
- The South African Council for Educators is accountable to the Department of Basic Education (DBE) and fits into the sub-output number one of DBE's Delivery Agreement and Action Plan towards 2019, which speaks to "improving the quality of teaching and learning" through the improvement of teacher capacity and practices.

8. ORGANIZATIONAL STRUCTURE



AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

Nexia SAB&T performed the necessary audit procedures of the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under Report on the audit of the annual performance report heading of the auditor's report. Refer to page 57 of the Report for the Auditors Report, published as Part E: Financial information.

2. SITUATIONAL ANALYSIS

2.1 Service Delivery Environment

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

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

SACE engaged with Higher Education Institutions on the processes of Registration, Ethics and the CPTD sign up. More efforts are being made for SACE to participate at all Graduation Ceremonies.

Amidst all the support indicated above SACE has experienced challenges from lawmakers, teachers and members of society in the past financial year relating to its role of vetting people that are allowed to enter the teaching profession and more specifically how it deals with misconduct cases reported to it, quickly and effectively.

More and more demands are being put on SACE to deal with visibility and ensuring that the profession is aware of its services. This has put a lot of pressure on the capacity of SACE and thus the process of job evaluation was initiated to deal with both the skills and capacity challenges.

2.2. Organizational 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. Council has the responsibility of ensuring that all teachers are registered before taking up employment, however there has been a challenge of dealing with the turn-around time in relation to applications for registration and also the capacity challenges in terms of human resources to deal with the volume of applications received.

The Council is now forging good relations nationally and internationally. It has set a pattern of dialogue with national stakeholder groupings, viz. Teacher Unions, Department of Basic Education, statutory organs, media groupings, and providers. On the international front, Council Chaired the African Federation of Teaching Regulatory Authorities (AFTRA) since November 2011.

The Council continues to forge relationships with other Southern African stakeholders to influence the establishment of similar professional councils with the primary objective of ensuring that teachers coming from other countries are verified with the council from their respective countries on their fit and proper status to be accepted as teachers.

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. However, it is worth mentioning that there are some amendments to the SACE Act which were submitted to the Department of Basic Education Laws Amendment processes. These will be reported on, in the next financial year, subject to them forming the final Amendment process.

2.4. Strategic Outcome-Oriented Goals 2015/16 – 2019/20

Strategic Objective 1: Maintain a credible register and sub-registers.

Objective Statement: To register unregistered practicing and newly qualified educators in the country, and special categories of education.

- A system to cater for registration within 7 working days, including electronic registration and electronic correspondence;
- Categorization of the register;
- Update of the register, and differentiation of certificates to be undertaken;
- Database clean-up; and
- Vetting of new applications and verification processes to be in place.

Strategic Objective 2: Maintain ethical standards in the teaching profession.

Objective Statement: To reduce the number of violations of the code of ethics.

- To gear up to process all complaints in a three-month cycle;
- To develop and implement proactive measures to reduce breaches by at least 10% per annum; and
- To update the Code of Ethics to respond to changing circumstances

Strategic Objective 3: To promote career-long quality continuing professional development for all school-based educators.

Objective Statement: Educators participate in quality endorsed professional development activities over a three-year CPTD system cycle.

- The Continuing Professional Teacher Development (CPTD) System to be fine-tuned during this period so as to be ready for a vigorous roll out of cohort Principals and Deputy Principals (who commenced with their first three-year cycle in 2014), HOD'S in 2015 and Post Level 1 teachers in 2016, including recording of points;
- Implement an advocacy and marketing campaign and call for relevant provisioning; Monitoring and Evaluation of the CPTD System implementation process and - Approval of providers and endorsement of programmes in a 3-month cycle.

Strategic Objective 4: To enhance teacher preparation and professional practice.

Objective Statement: Set and implement the IPET and CPTD standards through a consultative process with the stakeholders in the teaching profession.

- Develop the professional designations as part of contributing to the enhanced status of the teaching profession
- Development and implementation of standards for professionalism.

Strategic Objective 5: To influence national policy and initiatives through evidence-based research and advice.

Objective Statement: Use the data, information, and research to inform policy decisions and advice to the Minister, Council and the teaching profession as a whole.

- Strengthen the existing research unit to make recommendations regarding teacher professionalism.

3. PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

3.1 Performance per programme

Programme 1: Registration

Purpose:

- Register qualified educators and create sub-registers for special categories;
- Maintain and update the educator database;
- Enhance the quality of the registration of teachers by introducing standards; and
- Validate all registrations current and new.

| Key Performance indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from planned target to Actual achievement 2017/2018 | Comments on Deviations |
|--|------------------------------|--------------------------|------------------------------|---|--|
| Number of new registered educators | 37 977 | 25 000 | 34 087 | Positive Deviation 9 087 | The 24 Higher Education Institutions are attracting more people than expected, to enroll for teaching. Therefore, 19 080 (55.97%) out of 34 087 student teachers registered during the period under review. These are the third and final year students. Coupled with this, was the registration of the Newly Qualified Teachers who never registered as student teachers. |
| Number of registration documents updated | 48 088 | 40 000 | 45 454 | Positive Deviation 5 454 | The 51.00% (23 185 out of 45 454) of provisionally registered student educators, qualified and updated to full the registration status. Additionally, the practicing teachers who had provisional and conditional registration updated their registration documents as the period of validity of their registration has lapsed. |
| Vetting and Verification | 84 065 | 65 000 | 62 339 | -2661 | The process of reconceptualizing the vetting and verification processes and clarifying the role of SACE had a bearing on this in terms of the numbers not reported in the first quarter. |

Strategy to Overcome Areas of Under-Performance

- The conceptualization of the Professional Suitability to be Registered and Certified with SACE has been completed. This concept assisted in clarifying SACE's role and responsibility in determining Fitness-to-Teach and good character prior to confirming an educator or prospective educator's registration status.
- In line with this reconceptualization, it is important to note that the actual vetting and verification in themselves are not part of SACE's core mandate. They are carried out by the third parties and SACE will depend on the vetting and verification outcomes from these third parties to register educators. Thus, SACE's collaboration and institutional arrangements with the following third-party organisations is pivotal, (a) South African Qualifications Authority (SAQA) as the custodian of the qualifications and the National Learner Record Database, (b) the Department of Social Development (DS) as the custodian of National Child Protection Register, (c) South African Police Service (SAPS)'s Criminal Record Centre, and Department of Justice and Constitutional Development's National Register of Sexual Offenders.
- Given the reconceptualization that was done, as from January 2019 onwards, the following will be embedded in the SACE registration requirements and criteria: individual submission of the South African Police Service (SAPS) clearance certificate and the bulk screening against the National Child Protection Register. The screening against the National Register for Sexual Offenders will follow later once the Register is usable and the logistical arrangements have been sorted out.
- Since the fitness-to-teach, good character, and genuine qualifications are embedded in the SACE registration criteria, the concepts of vetting and verification will be removed from the 2018/19 Annual Performance Plan onwards.

Changes to Planned Targets

There were no targets changed during the reporting financial year.

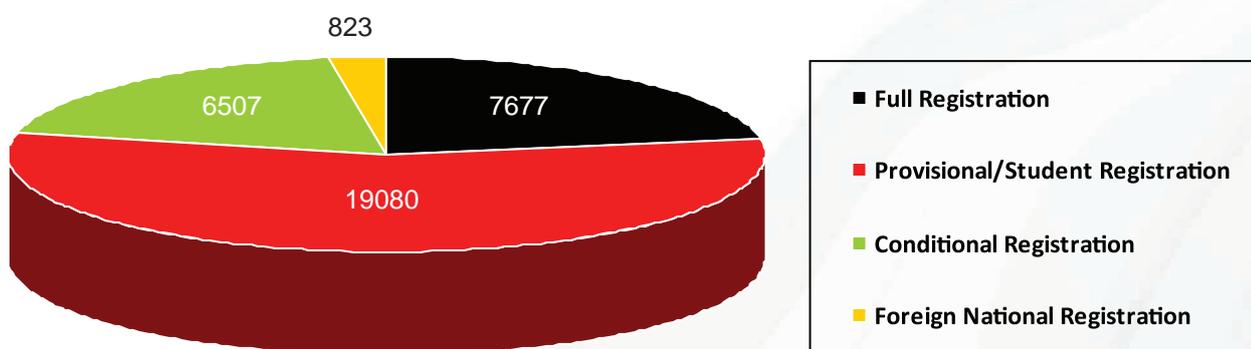
Registration of New Educators

New educators refer to all the educators who have come to seek registration and are registered with Council for the first time. Whilst the targeted number was to register 25 000 educators, 34 087 were registered. Table 1 below indicates the numbers of new educators registered with Council on a quarterly basis during the 2017/2018 financial year.

| Quarterly Registration Stats | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Total | Trend |
|----------------------------------|--------------|--------------|---------------|--------------|---------------|-------|
| Full Registration | 1 657 | 1 306 | 1 562 | 3 152 | 7 677 | |
| Provisional/Student Registration | 3 126 | 4 918 | 7 048 | 3 988 | 19 080 | |
| Conditional Registration | 1 470 | 1 638 | 1 275 | 2 124 | 6 507 | |
| Foreign National Registration | 230 | 245 | 150 | 198 | 823 | |
| Total | 6 483 | 8 107 | 10 035 | 9 462 | 34 087 | |

Table 1: Number of New Educators registered with SACE (1st April 2017- 31st March 2018)

Registration Categories New



The above chart shows statistics for different categories of registration for 2017/18.

Furthermore, the 34 087 New Registrations are made up of the following:

| CATEGORY | NUMBER | EXPLANATION |
|---|--------|---|
| Qualified Educators | 7 677 | These are educators coming to register with the Council for the first time as practicing unregistered teachers or newly qualified teachers who never registered as student teachers in their third and final years of study. They have met all the registration requirements and were accorded full registration status. These educators were issued with a SACE registration certificate. |
| Provisional - Student Educators | 19 080 | Student educators refer to those registering with the Council for the first time and have not met all the registration requirements as they are still studying towards a teaching qualification. The student educators are issued with a provisional registration (registration letter), which is renewable annually, pending either proof of registration for the following academic year of study or proof of completion of the educational qualification. |
| Provisional – Conditional (Academic Qualified and Professionally Unqualified) | 6 507 | These are persons who are academically qualified but professionally unqualified and are employed in a school as educators to teach specific subjects based on their academic qualifications. They are accorded provisional registration with a condition that they only teach at a specific school and are bound to grades and learning areas as per their areas of specialization. The people registered under this category are expected to come to SACE to renew/change the conditions of their registration whenever they change schools. |
| Foreign Educators | 823 | Foreign Nationals and educators who only have an academic qualification but are employed by the schools for specific reasons. |

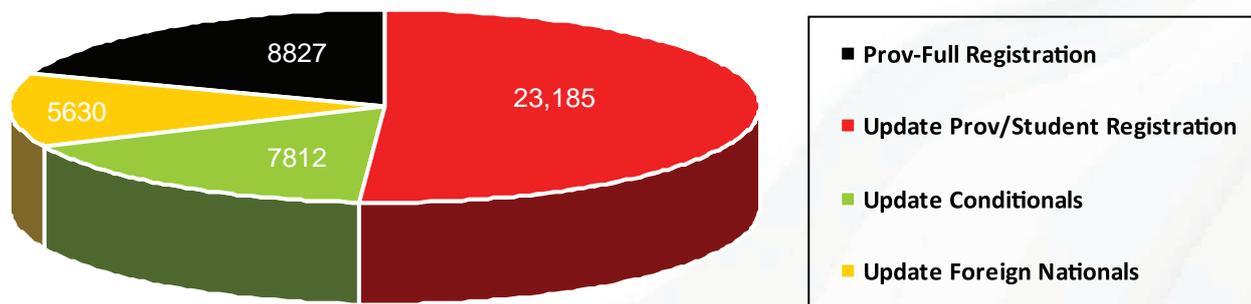
Update Registration Documents and Status of Educators

The target for this indicator was 40 000 educators updating their registration status during the period under review. However, updates were conducted on 45 454 educators as reflected in table 2 below. The same table 2 shows that during the 2017/18 first (1st) and fourth (4th) quarters a large number of educators were attended to – that is, a total of 12 810 (22.25%) out of 23 185 in quarter 1 and 4. All in all, there were 23 185 (51.00%) student educators who were initially registered provisionally during their fourth-year of study and have completed their qualifications. These educators qualified for full registration status subsequent to updating their provisional registration status.

| Quarterly Registration Stats | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Total | Trend |
|-------------------------------|---------------|---------------|--------------|---------------|---------------|-------|
| Prov-Full Registration | 6 169 | 5 478 | 4 897 | 6 641 | 23 185 | |
| Update Prov/Student Educators | 1 536 | 1 697 | 1 642 | 2 937 | 7 812 | |
| Update Conditionals | 1 192 | 1 110 | 1 129 | 2 199 | 5 630 | |
| Update Foreign Nationals | 1 822 | 1 834 | 2 081 | 3 090 | 8 827 | |
| Total | 10 719 | 10 119 | 9 749 | 14 867 | 45 454 | |

Table 2: Number of registration updated- April 2017- March 2018)

Registration Categories Update



The above chart shows statistics for different categories of registration attended to

The 45 454 Updates are made up of the following:

- 23 185 are updated from Provisional to Full Registration: Student Educators who were initially accorded provisional registration and have now qualified as teachers. Upon submission of the outstanding documents as per their provisional letters, their status of registration was updated from provisional to full registration and they were issued with a SACE registration certificate.
- 7 812 are Provisional Extensions: Student Educators who were initially accorded provisional registration while they were still studying but still haven't completed their studies. Upon submission of current proof of studies and proof of being enrolled at a Higher Education Institution (HEI), their registration is extended for another year.
- 5 630 are Provisional (Conditional) Extensions: Conditional Extensions refer to the persons who are academically qualified but professionally unqualified and are employed at a school.
- 8 827 are Foreign Nationals who are already registered with the Council and are employed as teachers in South Africa. They come to seek extensions on their registration status either because their registration period of validity has expired, they have changed schools or have now acquired new passports.

It is evident from these numbers that SACE is now working very closely with the Higher Education Institutions in terms of registering the student teachers provisionally and influencing the Initial Teacher Education space. This will also assist in the long term in tracking student teachers and being able to assess how many end up taking posts in the education system.

Vetting and verification

The vetting and verification of educators during the period under review was not done against the Department of Justice and Constitutional Development's National Register of Sexual Offenders and Department of Social Development's National Child Protection Register, because of, amongst others, the finalization of clarification of the role of SACE in the actual verification and vetting processes, the finalization of the identified logistical arrangements, and usability of the National Register for Sexual Offenders.

In the light of this, the following activities to determine suitability to register with SACE were conducted:

- Mandatory individual written declaration, by individual educators that they are were not convicted of criminal cases that will make them unsuitable to work with children, and that they were not going through any form of disciplinary process that will impede them from registering with SACE;
- Checking their names against the SACE internal processes in terms of the reported misconduct cases;
- All the foreign educators that registered with SACE or updated their registration status submitted the police clearance and SAQA qualification evaluation and verification documents prior to their registration being finalized. The clearance certificate is verified on the SAPS website upon submission to check its authenticity. Council only accepts police clearance that is less than six months old to ensure latest criminal information regarding the applicant;
- The Department of Home Affairs assisted SACE with the verification of foreign educators' travel documents;
- Phased-in approach of entering into an MOU with the Higher Education Institutions in terms of SACE receiving bulk qualification results and issuing the registration certificates at the graduation ceremony as part of welcoming the student teachers into the profession. A pilot study on this work has been successful with the Central University of Technology in Bloemfontein where 480 newly qualified teachers attended the graduation ceremony and were given the SACE registration certificate. 358 out of the 480 graduates obtained the BED qualification, where 122 graduated with PGCE qualification;
- Registration requirements include qualifications and original academic transcripts; and
- The SACE staff that are responsible for processing the registration qualifications, have been trained on how to identify features of both genuine and fraudulent qualifications, hence a total of 18 educators were arrested for fraudulent qualifications by the Hawks in the SACE building. These people are flagged on the SACE registration system to avoid them attempting to register with the Council in the future. In cases where the staff is in doubt, universities are contacted for verification purposes.

Financial Performance

| Programme/Activity/Objective | 2016/17 | | | 2017/18 | | |
|------------------------------|--------------|--------------------|--------------------------|--------------|--------------------|--------------------------|
| | 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 | 1 000 | 939 | 61 | 1 500` | 1 151 | 349 |
| TOTAL | 1 000 | 939 | 61 | 1 500 | 1 151 | 349 |

Programme 2: Code of Professional Ethics

2.1 Purpose:

- Promote ethical conduct among educators through the development and enforcement of the code of ethics.
- Facilitate interventions and support for schools, educators, and school communities on ethical matters.

2.2 Strategic objectives

To maintain the ethical standards of the teaching profession.

2.3 Programme Performance Indicators

- Number of beneficiaries to be apprised of the code of Professional Ethics, i.e Educators, parents and officials.
- The Number of concluded cases as measured against the number of cases received for the year.

Performance Information

| Key Performance indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from planned target to Actual achievement 2017/2018 | Comments on Deviations |
|---|---------------------------------|---|---------------------------------|--|---|
| Number of beneficiaries to be apprised of the code of Professional Ethics, i.e. Educators, parents, and officials | 11 922 | 10 000 | 7715 | 2285 | Very few sessions were held during the third quarter due to the examinations period. |
| The Number of concluded cases as measured against the number of cases received for the year | Actual number of cases received | Expected number of cases to be received | Actual number of cases received | 9 | SACE has no control over the number of cases it may or may not receive in any particular year. |
| | 536 | 500 | 509 | | |
| | | | Actual number finalized 327 | A total of 182 cases could not be finalized and are being carried over into the next financial year. | Fewer cases than planned were finalized. Although the division had panelists to assist, they were unavailable to work owing to a treasury directive that they should first obtain permission to do remunerative work. Such permissions have not been granted to date. |

Strategy to Overcome Areas of Under-Performance

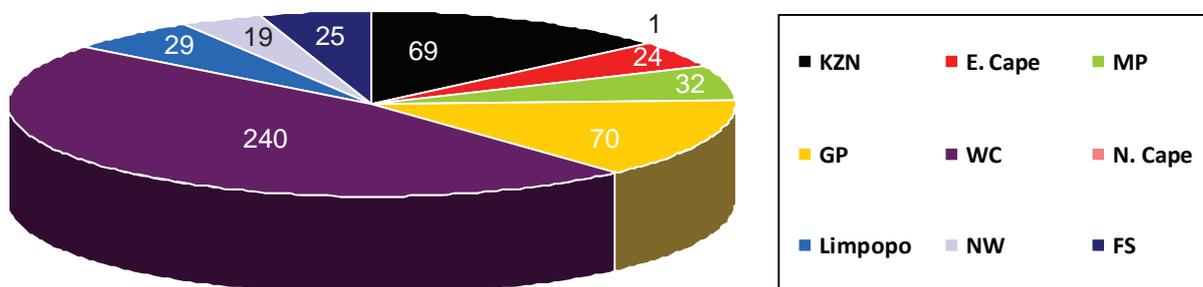
- The indicator on concertizing the profession on the Code will be focusing on reaching out to more educators and parents through the Communication Division. This will enable the Ethics Division to focus on the processing and finalizing of complaints reported to them.
- In order to beef up the division and ensure that cases are processed timeously, more panelists will be trained and deployed to deal with the cases reported to the division. The process of providing the Division with additional personnel is currently underway through a job evaluation process being undertaken.

Changes to Planned Targets

The were no changes to the planned targets

Total number of complaint files opened from 1 April 2017 to 31 March 2018 = 509

The following chart below depicts the actual number of files opened or complaints received per province in the financial year 2017/18



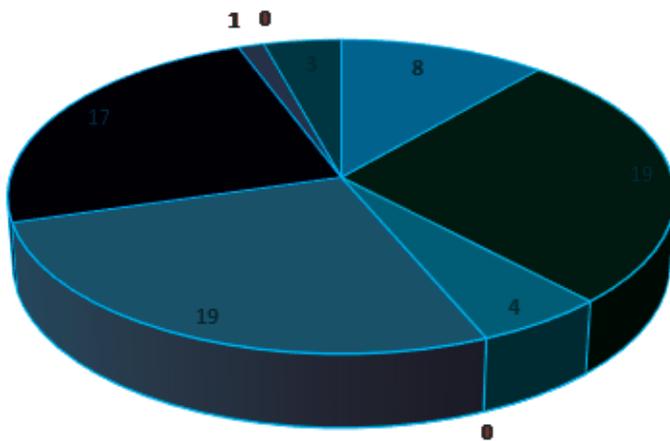
NUMBER OF REPORTED INCIDENCES REPORTED AGAINST AN EDUCATOR OR EDUCATORS 561

By incidences we mean that one complaint may have more than one incident in it, hence the higher number of incidences hereunder; (for an example, one educator may be accused of 2 or more kinds of breaches, maybe corporal punishment, insubordination, absenteeism, etc.) Only one file will be opened but will detail the incidences reported against such an educator. The following chart below depicts the number of incidences of unprofessional conducts reported against educators.

BREAKDOWN OF INCIDENCES RECEIVED PER PROVINCE

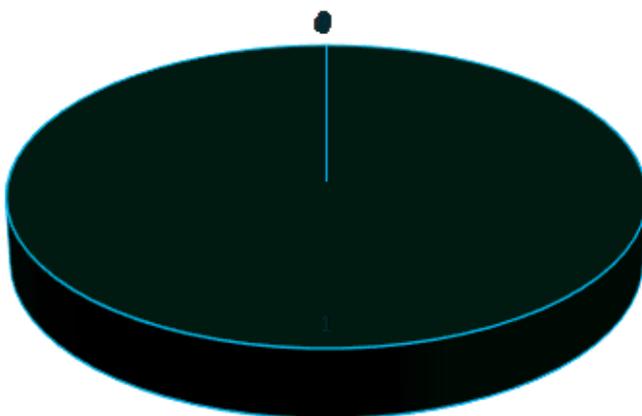
| | |
|--|-----|
| Verbal Abuse, Victimization, Harassment, Defamation and intimidation | 87 |
| Sexual Misconduct ((sexual relations/rape/love relations with learners) | 78 |
| Fraud, Theft, Financial mismanagement | 37 |
| Racism | 9 |
| Corporal Punishment and Assault | 253 |
| Unprofessional. Conduct, Use of improper language, Alcohol Abuse, Absenteeism, Insubordination | 75 |
| Negligence | 10 |
| Murder, attempted murder, intimidation | 0 |
| No. Jurisdiction | 11 |

1. Number of cases reported from Kwazulu-Natal = 69
 (Number of incidences = 71)



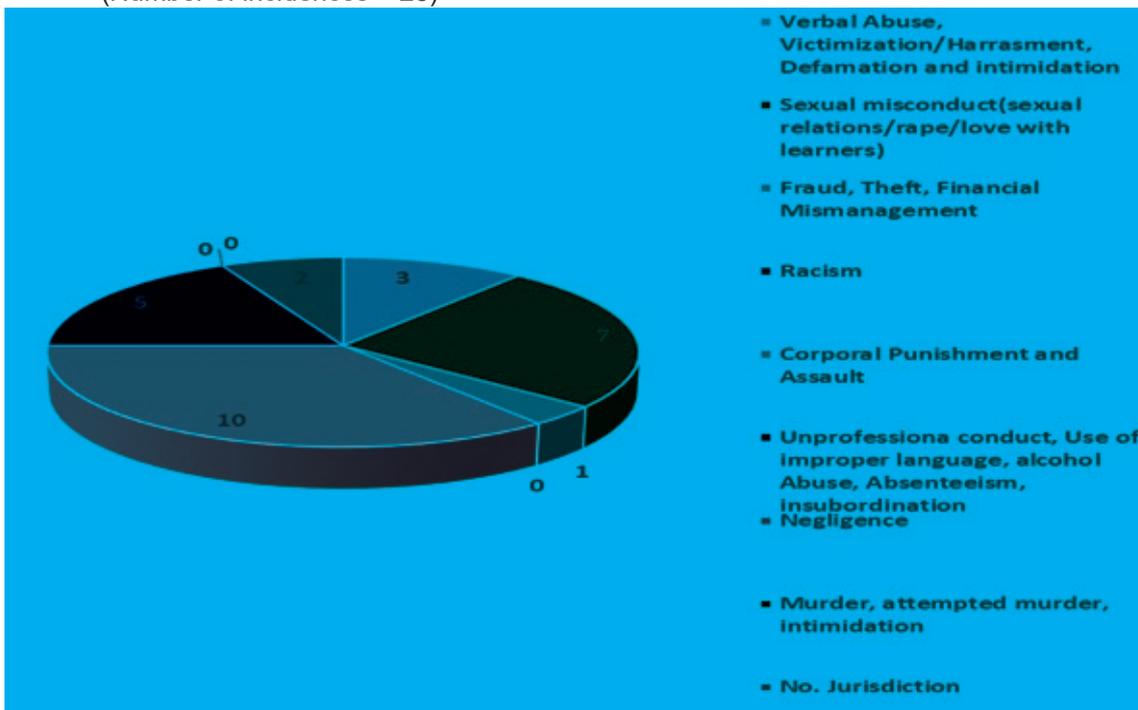
- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations/rape/love with learners)
- Fraud, Theft, Financial MISMANAGEMENT
- Racism
- Corporal Punishment and Assault
- Unprofessiona conduct, Use of improper language, alcohol Abuse, Absentecism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

2. Number of cases reported from Northern Cape = 1
 (Number of incidences = 1)

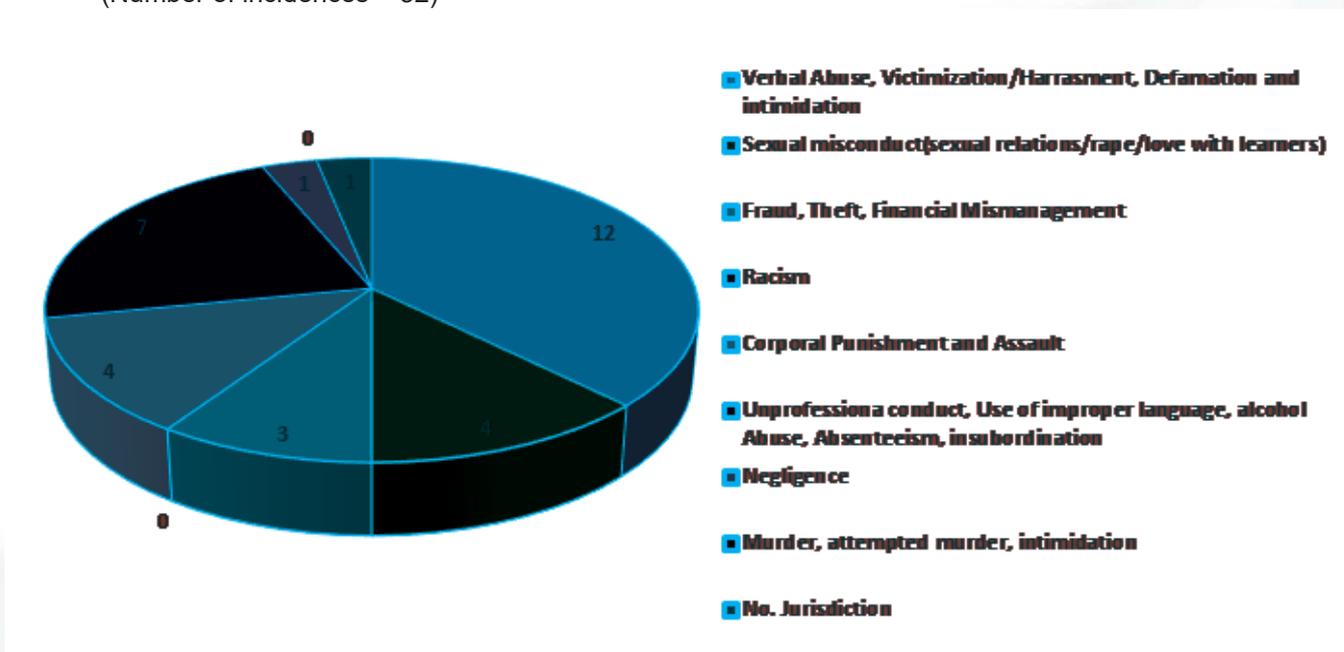


- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations/rape/love with learners)
- Fraud, Theft, Financial Mismanagement
- Racism
- Corporal Punishment and Assault
- Unprofessiona conduct, Use of improper language, alcohol Abuse, Absentecism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

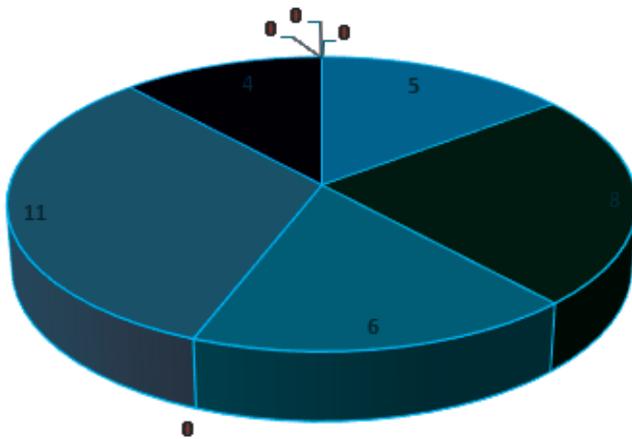
3. Number of cases reported from Eastern Cape = 24
(Number of incidences = 28)



4. Number of cases reported from Limpopo = 29
(Number of incidences = 32)

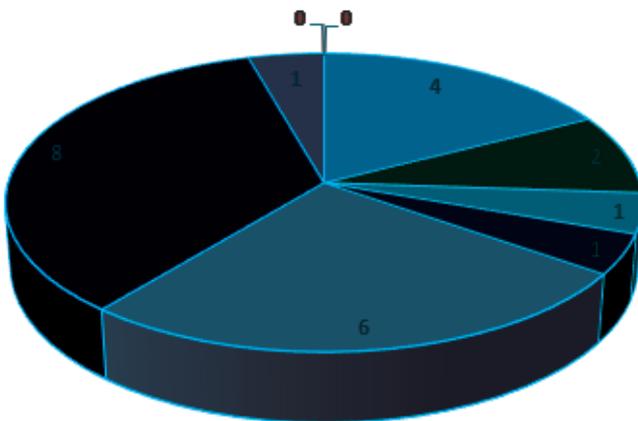


5. Number of cases reported from Mpumalanga = 32
 (Number of Incidences = 34)



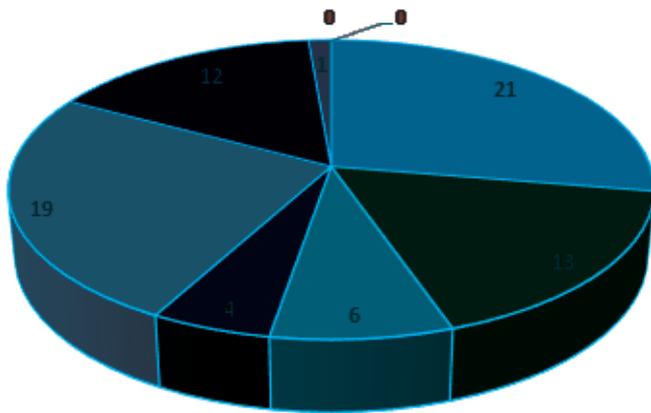
- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations/rape/love with learners)
- Fraud, Theft, Financial Mismanagement
- Racism
- Corporal Punishment and Assault
- Unprofessional conduct, Use of improper language, alcohol Abuse, Absenteeism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

6. Number of cases reported from North West = 19
 (Number of Incidences = 23)



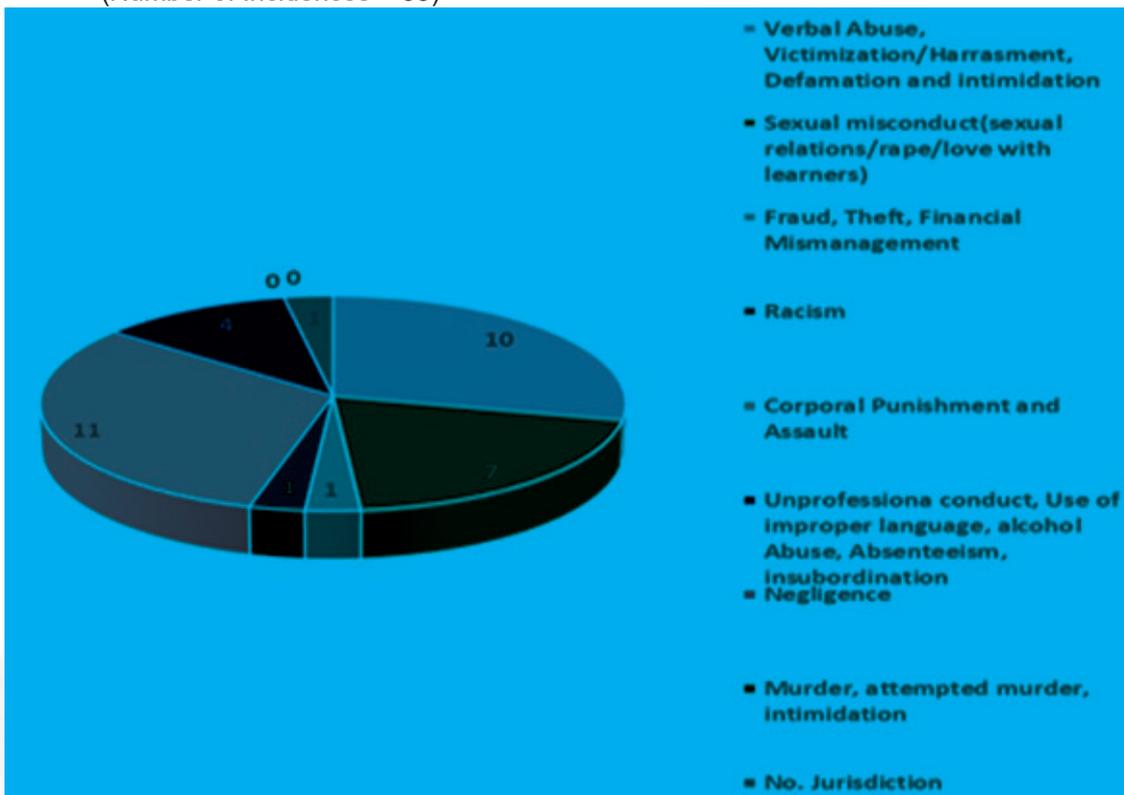
- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations/rape/love with learners)
- Fraud, Theft, Financial Mismanagement
- Racism
- Corporal Punishment and Assault
- Unprofessional conduct, Use of improper language, alcohol Abuse, Absenteeism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

7. Number of cases reported from Gauteng = 70
(Number of Incidences = 76)



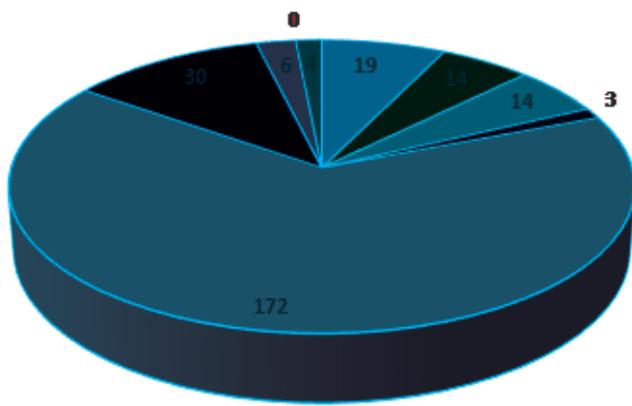
- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations/rape/love with learners)
- Fraud, Theft, Financial Mismanagement
- Racism
- Corporal Punishment and Assault
- Unprofessiona conduct, Use of improper language, alcohol Abuse, Absenteeism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

8. Number of cases reported from Free State = 25
(Number of Incidences = 35)



- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations/rape/love with learners)
- Fraud, Theft, Financial Mismanagement
- Racism
- Corporal Punishment and Assault
- Unprofessiona conduct, Use of improper language, alcohol Abuse, Absenteeism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

9. Number of cases reported from Western Cape = 240
(Number of Incidences = 262)



- Verbal Abuse, Victimization/Harrasment, Defamation and intimidation
- Sexual misconduct (sexual relations, rape/love with learners)
- Fraud, Theft, Financial Mismanagement
- Racism
- Corporal Punishment and Assault
- Unprofessiona conduct, Use of improper language, alcohol Abuse, Absenteeism, insubordination
- Negligence
- Murder, attempted murder, intimidation
- No. Jurisdiction

CASES FINALIZED IN OTHER FORMS, OTHER THAN DISCIPLINARY HEARINGS

| NO. OF CASES AND PROCESSES FOLLOWED | EXPLANATION |
|---|---|
| 233 Advisory Letters were issued to educators | Advisory letters are letters that are forwarded to an accused educator at the discretion of Council instead of proceeding with a disciplinary hearing against such an educator. Most of these letters are issued in cases of corporal punishment. Once an advisory letter is issued by the SACE and ratified by the Ethics committee, the file is then closed with the proviso that the same educator does not repeat the misconduct. Should the educator repeat the misconduct; disciplinary proceedings get instituted and the file with the advisory letter gets reinstated and prosecuted. Advisory letters are issued only in instances where an educator has already been disciplined by a provincial department of education and a sanction imposed against such an educator by the employer. This also only happens in instances where the corporal punishment was not severe in nature, maybe just one lash or two lashes or for clapping a learner. There should not be any injuries on the learner. Where no disciplinary steps have been taken against an educator, no matter how negligible the degrees of the assault on a learner may have been; no advisory letter gets issued. Disciplinary steps get instituted by the SACE against such an educator. |
| 04 cases were mediated upon | Mediations are conducted where the council has observed that relationships between educators have broken down and rifts have to be healed. |
| 06 cases were withdrawn before a hearing could be conducted | These are cases which have merit in them but were withdrawn owing to lack of cooperation by parents or legal guardians or parents refusing the SACE access to their children. |
| 38 cases closed in line with the Ethics committee's direction and permission or at the request of the complainant | These are cases that were submitted to the Ethics committee requesting permission to close them because they lacked in merits or were out of the SACE's jurisdiction or the complainant requests for its closure because the issue or issues have been resolved. The complainant will then send us a letter requesting for the closure of the complaint file. This does not apply in respect of sexual abuse cases unless in the event where the case was reported on an anonymous basis, is without substance and or direction. |
| REFERRALS TO OTHER INSTITUTIONS | |
| 01 case referred to the ELRC | These are labour related cases referred to us instead of the referral to the ELRC. The cases relate to promotions of educators or unfair dismissals, workloads, etc. |
| 18 cases referred to the DBE | These cases related to the condition of service, for example, high enrolment rolls in classes, other educators being given preferences above others by the principals, etc. |
| 01 case referred to the SAPS | These were mainly fraudulent ones. |
| TOTAL | 301 (59.13%) |

TOTAL NUMBER OF DISCIPLINARY HEARINGS CONDUCTED AND FINALIZED: 26

Educators found guilty: 24

Educators found not guilty: 02

While the number of finalized cases looks small, it needs to be understood within the context of the 248 cases carried over from the 2016/18 to 2017/18 financial years as follows:

NARRATION IN RESPECT OF THE 2016/17 CASES THAT WERE CARRIED OVER INTO 2017/18

At the beginning of the financial year 2017/18, the Division had carried over from the previous financial year a total of 248 cases. These cases formed a backlog for the division and still had to be processed.

These cases were processed as follows:

| | |
|--|-----|
| Total number of cases carried over from 2016/17 to 2017/18 | 248 |
| Total number of carried over cases Finalized as at 31st March 2018 | 126 |
| Total number of outstanding cases (from 2016/17) still being processed to finality as at 31 March 2018 | 122 |

These 126 finalized cases were processed simultaneously with the 327 cases finalized during the 2017/18 financial year. All in all, in real terms, for 2017/18 (inclusive of the 2016/17 carried over cases), a total of 453 out of 757 cases were finalized.

BREAKDOWN OF SANCTIONS METED OUT TO EDUCATORS FOUND GUILTY

Educators struck off indefinitely: 05

Educators struck off but may re-apply after a certain period: 01

Educators struck off but striking off suspended for a certain period, including fines: 18

TOTAL NUMBER OF CASES FINALIZED BETWEEN 01 APRIL 2017 AND 31 MARCH 2018 INCLUDING DISCIPLINARY HEARINGS: 327

COMMUNICATING AND ADVOCATING THE CODE OF PROFESSIONAL ETHICS

As part of its mandate being to concertize educators on the Code of Professional Ethics, and in line with the Annual Performance Plan (APP) it was expected that the division would be able to workshop or concertize 10 000 educators in the 2017/18 financial year. The SACE embarked on a drive to physically meet with educators and to concertize them on the Code. A total of 7715 Educators were interacted with and spoken to in as far as the code is concerned. During those interactions, a total of 7715 codes of professional ethics were distributed.

Radio interviews were conducted on the following radio stations and were mainly focused on educator conduct: SAFM, Lesedi FM, Thobela FM, Umhlobo Wenene FM, Ligwalagwala FM, Capricorn FM, Turf FM, Ikwewezi FM. While this is an ideal and great platform to speak to the profession and all stakeholders and while we get a lot of inputs from parents and other stakeholders, it is difficult to measure the amount of impact made through such an interaction. Other modes of distribution of the code of professional ethics included handing the codes of professional ethics to educators visiting the offices to register or to update their registration status.

As part of our preventative strategy, we decided to concertize student educators on the code of professional ethics. We visited the following institutions: University of Pretoria, University of the Free State, and the Tshwane University of Technology and there we interacted with final year students. These interactions will continue in the next financial year until we have interacted with all final year students. Interactions with final year students will take place every year and if possible, with all final year students.

STRATEGY TO REACH OUT TO PARENTS AND LEARNERS AS STAKEHOLDERS WHO ALSO HAVE TO BE CONCERTIZED ON THE CODE OF PROFESSIONAL ETHICS

It has always been the SACE's wish that as many parents and learners as possible, could be made aware of the Code of Professional Ethics for Educators. This exercise proved a bit difficult as parents do not attend when invited to attend such gatherings.

It is on that note that a decision was made that we request for time slots at churches on Saturdays and Sundays to speak to all stakeholders on the Code of Professional Ethics, concertize them on abuse of learners and discuss discipline issues.

We shall report on the strides made as this commenced on 1 April 2018. It gives us great pleasure again to report that many parents, learners and other stakeholders; including Social Development and the SAPS have already been spoken to by the SACE and are receptive to the message and are giving their support to the program. They gave their commitments to support the SACE and the system to eradicate abuse on learners and to support educators and the profession.

REPORTING OF NAMES OF EDUCATORS STRUCK OFF FROM THE ROLL TO PROVINCIAL DEPARTMENTS OF EDUCATION AND IMPROVEMENT OF REPORTING OF CASES TO THE SACE BY PROVINCIAL DEPARTMENTS OF EDUCATION

Having struck off some educators from the SACE register of educators indefinitely or for a period for a host of serious misconduct, the names of such educators were submitted to their respective provincial departments for processing in terms of section 26 (2) of the SACE Act; 2000.

We are pleased to announce that having checked with provincial departments, they have implemented SACE's sanctions. We will continue to engage with the provincial departments to ensure that they continue to implement the SACE sanctions. The SACE has in the past always complained that some Provincial Departments of Education were not reporting their cases as required in terms of section 26 of the SACE Act. Pursuant to a meeting with the Department of Education, we received a commitment to comply with the prescripts of the Act. It gives us pleasure to announce that some of the provinces that did not adequately report their cases have now begun sending some of their cases to the SACE. We are hopeful that some will follow suit as all Provinces made the commitment.

PROTOCOL DOCUMENT ON THE REPORTING OF CASES BETWEEN THE SACE AND DEPARTMENT OF BASIC EDUCATION

The SACE is a professional body and responsible for all professional matters within the teaching profession. While that is the case; the SACE feels that some of the cases referred to it are extremely petty in nature and most of them should have and could have been resolved at the school level and some even at circuit management level and do not even have to end up at the district level.

Some of the cases needed the school manager and if more, the school management team to resolve. Some of these petty cases end up being referred to the SACE with allegations that the school management or the circuit has refused to entertain them, (for an example; a teacher would complain that another teacher does not want to work with her or even take instructions from her even though he or she is the Head of Department of a certain phase or that he or she has been overlooked for a post or has not been shortlisted as a candidate for a certain position, and many more petty complaints).

The SACE is then expected to entertain such matters whereas those could have been done and resolved at school level; not even at a circuit level. Some of the cases don't even fall within the jurisdiction. These kinds of cases end up increasing the workload for the SACE with its limited resources whereas the management of the school could have dealt with such issues. In light of the abovementioned and many other reasons, both the SACE and Department of Basic Education has drafted a protocol document in terms of which some cases will be dealt with solely by the Department of Education and some by the SACE.

Without abdicating its responsibility to the profession, the SACE wants to focus more on sexual abuse cases, corporal punishment cases and some cases of a professional nature which the Department may have ignored and to which there is sufficient proof to the effect that the complainant has indeed tried to escalate but to no avail. The document will be signed in the next financial year but it has been finalized between the two institutions.

AMENDMENT OF THE SACE ACT 31 OF 2000

The SACE Act was amended on several occasions by the Basic Education Laws Amendment (BELA) Act. The Act was found to still have some shortcomings and as a result, SACE is in the process of amending the SACE Act and had submitted its comments and proposed amendments to the Department of Basic Education (DBE). These proposals are still being evaluated by the DBE together with many others that were submitted to it. (As there are many proposed amendments, we will not be able to mention those proposals in this document).

FORGING OF EXTERNAL RELATIONSHIPS

Apart from the DBE being one of our biggest stakeholders, the Department of Social Development (DSD) is one of the stakeholders with whom the SACE has to have a harmonious relationship. The SACE reports educators found guilty of misconduct in line with Council directive to the DSD. These names are to be included onto the register of persons unfit to work with children by the DSD. We are in the process of engaging further with the DSD to ensure that those learners who were abused because of poverty, that such families be attended to by the Department and saved from their dire situations. This is to prevent such learners from falling into the trap of accepting handouts from educators whose main aim is to abuse them after assisting them.

A total of 24 names have been submitted to the DSD thus far for inclusion onto the register of persons unfit to work with children.

DECLARATION OF AN ERRONEOUS ENTRY MADE ON THE 2016/17 ANNUAL REPORT

Please take note that there was an erratum in the 2016/17 annual report on the number of cases received for that particular year. Below is the corrected table of cases received in 2016/17:

Total number of incidences reported per province (please note that one complaint may have more than one incident in it, hence the higher number of incidences hereunder):

| Province | KZN | N/Cape | E/Cape | Limpopo | MP | NW | GP | FS | WC | Total |
|----------|-----|--------|--------|---------|----|----|----|----|-----|-------|
| | 105 | 5 | 30 | 28 | 56 | 30 | 71 | 33 | 320 | 678 |

Financial Performance

| Programme/Activity/Objective | 2016/17 | | | 2017/18 | | |
|------------------------------|--------------|--------------------|--------------------------|--------------|--------------------|--------------------------|
| | Budget | Actual Expenditure | (Over)/Under Expenditure | Budget | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Code of Ethics | 2 000 | 1 647 | 353 | 4 000 | 1 972 | 2 028 |
| TOTAL | 2 000 | 1647 | 353 | 4 000 | 1 972 | 2 028 |

Programme 3: Continuing Professional Development Management System

The presented annual report accounts for activities implemented in the period between 1st April 2017 to end of March 2018 of the financial year 2017/2018, and it complies with the Public Financial Management Act (PFMA) no. 1 of 1999 and the National Treasury Regulations as mandated by the Constitution of South Africa (chapter 13).

The report aims to present the performance of the council in implementing the Continuing Professional Teacher Development Management System (CPTD MS) as found in South African Council for Educators (SACE) Annual Performance Plan (APP) 2017/18. As such the focus is on the analysis of progress made in signing up educators, the percentage of educators who engage in the three types of Professional Development (PD) activities, i.e. Type 1 (Teacher initiated), Type 2 (School initiated) and Type 3 (Externally initiated) PD activities as well as the percentage of educators who meet the minimum requirement of 150 Professional Development (PD) points over three-year cycle. (Disaggregated by cohort- 1st Principals and D. Principals, 2nd HODs and 3rd PL1 educators, PL1 educators are further divided into secondary and combined school educators and primary and special school educators, because of the largest group in terms of numbers).

The second cohort is targeted for this financial year (school-based heads of departments). The activities are a response to a mandate given to SACE by the National Policy Framework on Teacher Education and Development (NPFTED) in South Africa, April 2007, Section 53 which states that,

“.....the South African Council for Educators (SACE), as the professional body for professional educators, will have the overall responsibility for the implementation, management and quality assurance of the CPTD management System. SACE will be provided with the necessary resources and support to undertake that role”.

The structure of the report provides details in terms of achievement made against the key performance indicators, challenges experienced that affected the pace of delivery and present measures and recommendations on how to manage the challenges going forward.

1. THE REPORT (01 APRIL 2017 TO 31 MARCH 2018) IN THE IMPLEMENTATION OF CONTINUING PROFESSIONAL TEACHER DEVELOPMENT MANAGEMENT SYSTEM (CPTD MS)

| Performance Indicators | Actual Achievement 2016/2017 | The target for 2017/2018 as per APP | Annual Report Actual Output Validated | Deviation of planned annual targets | Comments on Deviation |
|--|---|--|---|-------------------------------------|--|
| A number of practicing educators signed-up for the CPTD management system. | 87 702 | 80 000 PL 1 Educators | 74 022 (92.53%) PL1 Educators | 5 978 (7.47%) | The 5 978 (7.47%) deviation was as a result of the 13 740 manual sign-up forms that were not captured into the CPTD Information System by the end of the financial year, since they were delivered late in March 2017. |
| Percentage of signed up teachers who engage in three types of Professional Development (PD) Activities (Type 1: Self-Initiated PD Activity; Type 2: School Initiated PD Activity; and Type 3: Externally Initiated) | Type: 70,05% | Type 1: 65% | Type 1: 32 % (Partially Achieved) | Type 1: 33% | This indicator and target is dependent on teachers' self-reporting of teacher-initiated professional development or self-development. The low reporting is continuing due to: - Lack of consequences - Number of teachers nearing retirement and failing to see the significance of participation and reporting - Lack of connectivity and data to use the online CPTD system |
| | Type 2:36,03% | Type 2: 55% | Type 2: 30.3 % (Partially Achieved) | Type 2: 24.7% | Schools are responsible for reporting type 2 (School-based) PD activities. The reasons are the same as above. |
| | Type 3:13,36% | Type 3: 40% | Type 3: 12.3 % | Type 3: 27.7% | The majority of the Provincial Education Departments did not have formally developed SACE endorsed programmes. This impacted on reporting teachers' professional development uptake and subsequently reporting to SACE. Secondly, the majority of Post Level 1 Educators do not have access to Type 3 (offered by employers and providers) because of availability, funding and time. |
| Percentage of signed up educators who meet the minimum requirement of 150 CPTD points over the three-year cycle. (Disaggregated by Cohort-Principals, Deputy Principals, HODs and PL1 educators. | - | 70% (23352 of 33360) all Signed up Principals & Deputy Principals (Cohort 1: 2014-16) meet the minimum requirement of 150 CPTD points. | 1 163 (4.9%) Signed up Principals & Deputy Principals (Cohort 1: 2014-16) met the minimum requirement of 150 CPTD points. | 22 189 (95, 01%) | The success of this indicator and the related target is dependent on the achievement of the indicator above and its targets. Inadequate or no reporting means the calculation of points over a three-year cycle will not take place accordingly. |
| Number of new Professional Development Providers Processed in the year of submission (in terms of approved status, not approved status, rejected and in the process) | 169 Processed = 172 Approved = 169 Rejected = 03 | 120 new provider applications processed in a year | 164 | 44 | |
| Number of new Professional Development Activities Processed in the year of submission (in terms of endorsed status, not-endorsed status, rejected and in the process) | 1938 + 10 Renewals = 1948 Processed = 2082 Pending in process = 103 Rejected = 06 | 600 new Professional Development Activities Processed in the year | 1526 | | |

| | | | | | |
|--|--|-----|-----|--|--|
| Number of Endorsed Development Activities subjected to quality assurance by SACE in a financial year | 04 Providers were subjected to quality assurance | 130 | 130 | | |
|--|--|-----|-----|--|--|

MITIGATIONS FOR UNDERPERFORMANCE

The two main related areas and indicators of underperformance under the CPTD system is the Reporting of Participation in various CPTD activities by individual educators, schools and providers in order to earn points and meet the requirements of earning the 150 Professional Development Points. The following are some of the measures to mitigate the under-performance:

- Review the two indicators since they depend largely on the external factors;
- Work closely with the 9 Provincial Education Departments (as the biggest continuing professional development provider) in enhancing reporting through bulk automated reporting processes instead of an individual educator. This will also assist because the majority of the Provincial Education Departments now have properly developed SACE endorsed programmes;
- Reviewing the three-year CPTD cycle to be an individual teacher cycle, instead of a cohort cycle;
- Finalize the MOU between SACE and DBE on SASMS in order to share data, including that of participation in the CPTD system;
- Teacher support strategy and plans on Reporting and the Professional Development Portfolio; and
- Make use of the 1 163 principals who met the CPTD system requirements, by earning 150 and more PDP points, to champion the reporting of one's participation in the CPTD system.

NARRATIVE ON EDUCATORS' PARTICIPATION IN THE CPTD SYSTEM

(a) Number of practicing educators signed-up for the CPTD management system.

The processes of signing-up educators will be concluded in the next coming two financial years, so that the focus could be purely on ongoing monitoring and evaluation of the professional development uptake by educators; reporting on participation in continuing professional development by individual educators, schools and providers/employers; and linking participation in the CPTD system with re-certification process.

Generally, the signing-up of educators has improved greatly against the set target, during the period under review. This could be attributed to, amongst others, a number of the CPTD system seminars were held for over 12 112 educators across the country on Saturdays and these served a dual purpose: (a) to increase the signing up of educators and (b) to mobilize school management teams on school-based support for the implementation of the system and reporting purposes. The overwhelming majority of teachers appreciated the sessions and recommended that they should be conducted continuously.

Secondly, the Limpopo province's sign-up numbers increased drastically by 31 022, due to a collaboration between SACE and the Limpopo Provincial Education Department, where an automated sign-up process took place between the SACE's CPTD Information System and Limpopo's EMIS. The same process will be conducted with the KwaZulu-Natal province by May 2018. The Limpopo automated sign-up process revealed that 1 845 educators were not registered with SACE. Measures have been put in place to ensure that these practicing unregistered educators are registered.

Lastly, the Provincial Education Departments (PEDs) and the SACE Provincial CPTD Coordinators engaged in processes of signing up educators through various stakeholder and departmental educational gatherings, and school visits and support sessions. This has resulted in many manual sign-ups that were sent to SACE for capturing. This led to the 13 740 uncaptured forms by the end of the 2017/18 financial year. If these forms were captured on time, the targets would have been exceeded by 7 762.

Additionally, a number of final year student teachers in KwaZulu-Natal, Free State, Gauteng, Northern Cape, Mpumalanga, Eastern Cape, Northwest, and Northern Cape were orientated on the CPTD system. They also signed-up for participation in the CPTD system in preparation for their first year in teaching.

(b) Percentage of signed-up teachers who engage in three types of Professional Development (PD) Activities

This indicator moves from the premise that, all signed-up educators must participate in three types of professional development activities in order to improve professional competence and ultimately contribute to quality teaching and learning. It is within this context that the monitoring of professional development provisioning uptake is done through this indicator. SACE will only be able to know if there is professional development uptake if (a) individual educators are reporting their participation to SACE with regard to teacher-initiated or self-development, (b) school management teams are reporting to SACE, school-based or school-initiated activities on behalf of educators, and (c) providers and employers are reporting to SACE externally initiated and system-based professional development activities on behalf of educators.

While it is evident from various providers, Provincial Education Departments, Teacher Union-DBE Teacher Development Collaboration established Professional Development Institutes in the Provincial Education Departments and Teacher Unions, Higher Education Institutions, Professional Associations and others, that continuing professional development is indeed taking place, there is a recurring challenge with regard to reporting all these to SACE. The situation has historically been affected by some of the following:

- What is it in for me question due to lack of monetary value and incentives that are attached to participation and reporting to SACE;
- Lack of consequences for non-participation;
- Narrower understanding of professionalism as an inherent part of being a professional;
- Attitudinal issues;
- Low-level culture of continuing professional development; and others

The CPTD indicator on the “number of new professional development activities processed in the year of submission” indicates that there has been a significant improvement in terms of the quality and submission of the Provincial Education Departments professional development activities for endorsement. It is the responsibility of these Departments to ensure that there is a concerted effort to reporting to SACE on these activities. Teacher unions are already doing their best in reporting on behalf of their members on a regular basis. Processes have been put in place to look into the automated systems to address bulk reporting broader by all providers and in particular by the 9 Provincial Education Departments as the biggest professional development providers.

There is also a need to fast track the signing of the MOU between the DBE and SACE on the data sharing processes through the SASMS. This will assist in reporting on the school-based professional development data that is being captured by the administrative clerks in schools. Additionally, School Management Teams have a responsibility to develop and support staff in terms of their roles and responsibilities in the PAM document. Similarly, they should be supporting the processes of reporting school-based professional development, to SACE, on behalf of teachers. Similarly, offline and online systems should be put in place to support the reporting by individual teachers.

(c) Percentage of signed up educators who meet the minimum requirement of 150 CPTD points over the three-year cycle

This was the worst performing indicator in the entire organization and Programme 3 in particular. Its success is dependent largely on the achievement of the indicator above, with regard to reporting participation in teacher-initiated, school-initiated and externally-initiated professional development activities.

Analysis of the 1163 principals and deputy-principals who achieved a minimum of 150 professional development activities and more is underway to understand factors that impede and/or enhance participation in and reporting of professional development. This will assist in informing the envisaged linkages between the CPTD system and re-certification.

**Number of new Professional Development Providers Processed in the year of submission
(in terms of approved status, not approved status, rejected and in the process)**

The performance shows an achievement of 164 new providers processed and approved. However, we have 2 provider applications that were not approved and were rejected; these did not meet the SACE requirements as they were irrelevant for SACEs' target audience. The providers' main focus was not educators but individuals in the private sector. 8 applications were granted re-approval. The approval of 164 new providers means that we have added a new pool of providers who can now contribute to the submission of additional quality professional development activities. Teachers will now have an increased pool of credible and quality providers developing them

**Number of new Professional Development Activities Processed in the year of submission
(in terms of endorsed status, not-endorsed status, rejected and in the process)**

The performance shows some achievement of 1526 new professional development activities processed and endorsed. However, we have 56 professional development activity applications that were not endorsed, 98 applications were granted renewal endorsement status.

The performance out of the three-session yielded a number of professional development activities that cover a variety of topics for responding to educators' professional development needs. More than 200 delegates were in attendance in North West, Northern Cape, Limpopo and PEU and we hope this will impact more educators in the provinces and districts. The improvement in the submission of professional development activity applications was also positively impacted on by the initiative that we implemented to conduct the onsite evaluation which enhances our throughput. There were four onsite support sessions that we conducted with Mathew Goniwe School of Leadership (MGSL), SCI-BONO, Cape Teaching and Learning Institute (CTLI).

The overachievement can be attributed to an intensive five-day training programme on material and programme writing development conducted for the directorates within the Provincial Education Departments that have a training component. These PEDs identify relevant officials who support and train teachers on various subjects. These include the subject advisory services (curriculum support), labour relations, EMGD (Circuit Managers) ECD, NSNP, Inclusive Education, Teacher Development and any other section of the department that needs to develop training material for purposes of supporting teachers. These sessions that we conduct include exposing participants to theory (SACE evaluation and endorsement processes, how to develop good quality training material that complies with the SACE requirements, onsite coaching, support and evaluation of developed programmes).

The programmes that are developed during these sessions are responsive to identify provincial and national needs and priorities. The developments within the sector are also responded to. For example, the introduction of the three streams model has led to provinces developing programmes on Technical Maths, Technical Drawing, Safety in the workshop etc. The response to the Incremental Introduction of African Languages (IIAL) has seen provinces focusing on the teaching of reading and African languages getting the much-needed attention. The school discipline and alternatives to how teachers can best manage their classrooms have become a priority and as such providers have responded by submitting relevant programmes that address the matters such as corporal punishment, ethical behavior and educator professionalism. Since our processes started we have witnessed an increased interest and attention being given to Inclusive Education. There are 103 inclusive education programmes that have been endorsed overtime and they cut across different topics.

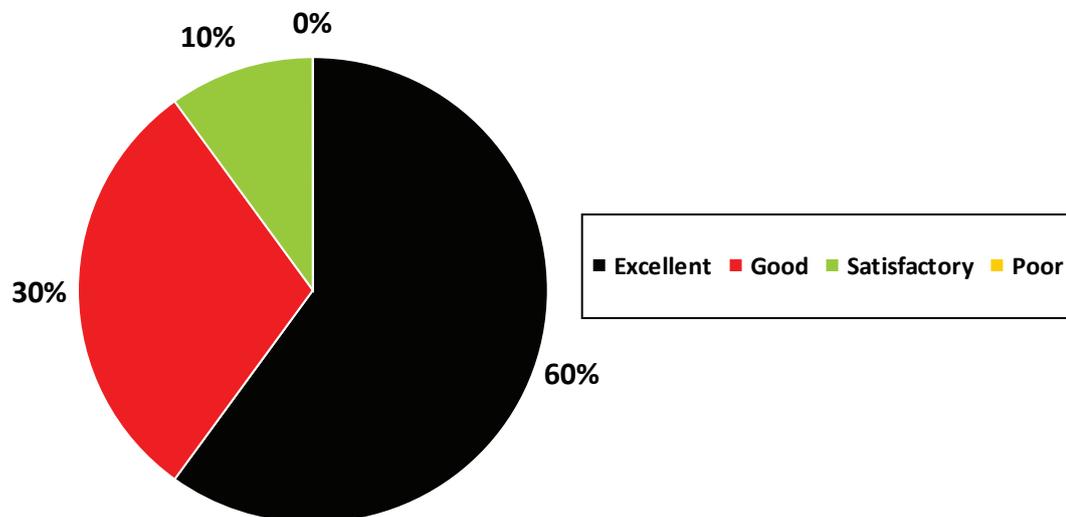
A number of endorsed development activities subjected to quality assurance by SACE in the financial year.

The site visits to extend quality assurance processes of SACE endorsed professional development activities gradually happened as a result of a dedicated effort to advocate for reporting on training activities conducted by SACE approved providers. The deliberate effort to conduct advocacy within the DBE, PEDs, and Teacher Unions platforms and among the private providers has created awareness on the need for compliance with the SACE provider code of good practice. The majority of providers visited were mainly in the Gauteng province as they constitute the biggest chunk of the SACE approved providers in terms of the provider spread.

The effort to have the providers send in their training schedules and to plan accordingly has contributed to us achieving our targets. We have also used an opportunity created during the annual Edu-Week to ensure that our message reaches out to both providers and teachers.

The educator's feedback from most of the training conducted was positive as most of them were happy with the content and quality of training.

Educators Feedback on Training



The interviewed educators indicated that the training was excellent as it opened their eyes as to how best they can improve their classroom practice. The Maths and Social Science participants said that the training was good and helpful in addressing different teaching strategies. The Natural Science and Technology participants indicated that the training was understandable, clear and that they learned a lot in terms of planning and addressing diversity in the classroom. Generally, educators expressed their satisfaction and indicated that they felt motivated, revived and empowered by the programme to improve their classroom practices

INTERVENTIONS FOR IMPROVEMENT

The re-approval process is very slow as a bulk of providers have not yet responded to the call to re-submit. We have subsequently written a communique to all providers whose shelf life has expired to re-apply.

An intervention, in the form of a five-day provincial programme writing workshops/training model for provincial education departments that SACE has adopted and is rolling out, which were aimed at taking SACE endorsement and evaluation programmes to providers are bearing. Three of these workshops have already been held in North West, Northern Cape, and Limpopo, and for the Professional Educators Union (PEU) and among the key topics that were dealt with, was to practically assist providers in the form of provincial education department officials on how to apply for endorsement and put together training material. Programme writing training of the PEU officials took place over 3 days on the 18th-20th of October 2017 as envisaged and about 30 delegates attended. There were 10 professional development activities developed, evaluated and recommended for endorsement. We also had a session with the NC Provincial Education Department officials on the programme writing training. This took place from the 18th - 22nd of September 2017. This process yielded 48 professional development activities that were developed by the departmental officials from different directorates. (Curriculum.) The NW Provincial Education Department officials on the programme writing training. This took place from the 08th - 12th of May 2017. This process yielded 70 professional development activities that were developed by the departmental officials from different directorates. (Curriculum, Labour Relations; School Safety; IQMS, Library Services.)

CONCLUSION

The Provider and Endorsement sub-division has seen an improvement in the submission of professional development activities that are intended to address a variety of professional development needs. The challenge and the gap that exists is in the submission of activities that support the teachers who are teaching xiVenda, xiTsonga, Ndebele, Sepedi, Siswati. The University of Limpopo and the Limpopo provincial education department have been engaged on this issue.

Financial Performance

| Programme/Activity/Objective | 2016/17 | | | 2017/18 | | |
|------------------------------|--------------|--------------------|--------------------------|--------------|--------------------|--------------------------|
| | Budget | Actual Expenditure | (Over)/Under Expenditure | Budget | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Professional Development | 8 347 | 7 239 | 1 108 | 9 743 | 8 332 | 1 411 |
| TOTAL | 8 347 | 7 239 | 1 108 | 9 743 | 8 332 | 1 411 |

PERFORMANCE PROGRAMME 4: PROFESSIONAL STANDARDS

Programme Purpose:

- To develop a set of professional standards for teachers' practice that is theoretically informed, contextually appropriate and widely accepted by stakeholders.
- Develop various strategies and processes of assisting and supporting educators with regard to professional matters and needs;
- Improve and maintain the status and image of the teaching profession;
- Facilitate processes of ensuring that more and better teachers join the teaching profession; and
- Ensure the quality of initial teacher education and ongoing professional development through quality assurance mechanisms and standards.

| | | |
|--|---|---|
| Performance Indicators | Set Professional practice standard for teaching | A professional designation for teachers developed and registered |
| Actual Achievement 2016/17 | Professional standards and Professional Designation Conceptual Framework to guide and inform the writing process. | Professional standards and Professional Designation Conceptual Framework to guide and inform the writing process. |
| Planned Target for 2017/18 as per APP | Professional practice standards framework produced and consulted on. Draft Professional Practice Standards Produced for broader consultation. | Draft Professional teacher designations for the consultation processes with employers and stakeholders. |
| Actual Achievement 2017/18 | Professional practice standards framework produced and consulted on. Draft Professional practice standards produced for broader consultation. | Draft Professional teacher designation finalized for the consultation processes with employers and stakeholders. |
| Deviation from Planned Target to actual Achievement for 2017/18 | None, as it was achieved for the year. | Partially Achieved (see narrative below) |
| Comments | | The consultation process and agreement on the actual professional designation is taking long to finalize. |

1. NARRATIVE

a. ANALYSIS OF THE PERFORMANCE

The focus of the Annual report is to present and analyze the performance in developing the Professional Standards and the consultation of the draft professional teaching standards across the nine provinces. It further suggests how to sustain the good practices through the extension of the consultations through the CPTD SM Seminars, whilst highlighting challenges and mitigations that are put in place in resolving them.

The focus areas of the report are as follows:

- a) Set Professional practice standards for teaching
- b) A professional designation for teachers developed and registered

Set Professional Practice Standards for Teaching

It is intended that the Professional Teaching Standards will fulfill a number of purposes as follows:

- Promote a common set of knowledge, skills, and commitments across the profession to enhance the learning opportunities of all students;
- Establish the professional identity and enhance the status and public standing of the teaching profession;
- Provide a common language and a vision of the profession that all educators can use to define and develop their practice;
- Support professional educators in fulfilling their professional roles and responsibilities, from student teacher to experienced practitioner;
- Set standards for the providers of initial and continuing education for educators so that their programmes are designed and delivered in such a way as to allow all their trainees and educators to meet the standards.
- Provide a framework to guide and inform the whole continuum of educator preparation and development from student selection, pre-service education, provisional registration of newly qualified educators, induction, full registration, educator evaluation, professional development and career advancement.
- Facilitate self-evaluation, reflection and professional development of educators at all career stages; and
- Guide educators in expanding the depth and breadth of their professional knowledge, skill, and understanding as they gain in experience.

We have reported that the Standards Development Working Group (SDWG) has been established in the previous financial year and met three times 29 August 2017, 23 March 2018 inclusive of the Initial Teacher Education Meeting which took place on 30 August 2017.

Against this background, additional consultations on the professional teaching standards were held in the six provinces (Limpopo, Northwest, Gauteng, Eastern Cape, Northern Cape and Kwazulu-Natal) from end of January to mid-March 2018 with teachers, office-based educators and stakeholders. The second feedback was obtained through responses to a survey that was available to the public online via the SACE website. This was also advertised to the practicing teachers and the teaching profession at large via social media and the City Press newspaper during this quarter. Lastly, presentations of the Professional Teaching Standards were conducted by partnering with the Continuing Professional Teacher Development Seminars series which addressed 1265 School Management Team members in Limpopo, Gauteng, Mpumalanga and Northwest provinces between February and March 2018.

The feedback received has been used to revise the first draft standards by a collaborative and multi-stakeholder Standard Development Working Group made up of SACE, JET Education Services, the Zenex Foundation, five teacher unions, the CHE, the ELRC, Faculties of Education at HEIs, SAPA, SGBs, independent schools, provincial education departments, DBE Initial Teacher Education Directorate and Department of Higher Education and Training, educators, and policy researchers.

Consequently, the second draft has been produced and will be presented to the SACE Council for approval with an ultimate goal of being gazetted for the wider public comments and pilot/field test them prior to the implementation process.

The JET Education Services played an immense role in providing the technical support to SACE and building the necessary internal capacity as well. The attached report below provides a comprehensive picture of the entire process of developing the SACE professional teaching standards –

Professional Designation for Teachers Developed and Registered

While the Process of engaging and consulting stakeholders, teachers and office-based educators on the concept of professional designation and related activities were achieved through the teacher professionalization process, the actual process of finalizing the actual professional designation for approval by the council has not been finalized.

This, as indicated previously has been seriously affected by the slow buy-in from the stakeholders and incomplete SACE recognition process by the SAQA. In mitigating this challenge, SAQA has been instrumental in supporting SACE on this process and again as highlighted previously the stakeholders are now coming on board.

- SACE has a goal of producing the teacher professional designation during the 2018/2019 financial year.
- Post-attendance of the SAQA new applicants meeting dated 7 February 2018, SACE has developed a projected project plan, which has an earmarked submission date of 14 February 2019.

INTERVENTIONS FOR IMPROVEMENT

The provincial consultations had a minimal response in attendance and the comments were limited to the delegates that attended the provincial consultation. The participation in the CPTD MS Seminars, will increase the pool of individuals consulted and allow for additional comments to be sent through.

Strategy to overcome areas of underperformance

- Consultations with the stakeholders and teacher unions in particular should continue
- SAQA to continue supporting SACE on the matter
- SACE Recognition status as fully-fledged professional council to be finalized

Changes to planned target

- There were no changes to the planned targets

Financial Performance

| Programme/Activity/Objective | 2016/17 | | | 2017/18 | | |
|------------------------------|------------|--------------------|--------------------------|--------------|--------------------|--------------------------|
| | Budget | Actual Expenditure | (Over)/Under Expenditure | Budget | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Professional Standards | 500 | 345 | 155 | 1 000 | 504 | 496 |
| TOTAL | 500 | 345 | 155 | 1 000 | 504 | 496 |

PROGRAMME 5: POLICY AND RESEARCH

Programme Purpose:

- To enhance policy and research coordination within SACE.
- To strengthen the SACE advisory role and service that is informed by policy, research, and consultative processes.
- To promote research on professional matters and any other educational matter relevant to SACE.

| Performance Indicators | Actual Achievement 2016/17 | Planned Target for 2017/18 as per APP | Actual Achievement 2017/18 | Deviation from Planned Target to actual Achievement for 2017/18 |
|--|----------------------------|---|----------------------------|--|
| 1. The number of research reports produced in line with the SACE Research Policy and Agenda. | 7 | 5 | 5 Achieved | - |
| 2. A number of Policy advice and briefs produced per annum. | 1 | 2 | 2 Achieved | - |
| 3. A number of provincial practitioners – Based research conferences/seminars held. | - | 2 | 2 Achieved | - |
| 4. Establish the SACE Resource center and virtual library. | - | Resource center and virtual library concept approved. | Partially Achieved | The concept has been developed by the end of the financial year. However, will only be adopted by the relevant Professional Development Committee and Council by May/ June 2018. |

| ACTIVITY | SUMMARY | PROGRESS |
|--|---|---|
| The number of research reports produced in line with the SACE Research Policy and Agenda. | | |
| 1. Research trends analysis of a 5-year review study on disciplinary cases reported to SACE from 2013 to 2017. | The research analyzes the trends of cases of misconduct reported to SACE from 2013 to 2017. This is a follow-up on a study conducted in 2014, that examined data from educator disciplinary cases referred to SACE from 2008 to 2012 and the report was released in 2016. | <p>The draft report has been produced and circulated for inputs and comments. The purpose of this follow-up five-year Review Study is to analyze the cases of misconduct brought to the attention of the SACE between the years, 2013 to 2017 while broadening the scope of the analysis to include investigating:</p> <ul style="list-style-type: none"> • the demographic and socio-economic factors contributing to different kinds of disciplinary cases; • the accessibility of SACE for the reporting of cases; • SACE's effectiveness and efficiency in dealing with cases; • the reasons for under-reporting of cases in certain provinces; and • the cooperation, or the lack thereof, from some provincial departments of education. <p>This information, in addition to providing a greater understanding of the disciplinary cases that manifest themselves in the education profession in South Africa, will also assist SACE in developing more effective systems of data collection and will strengthen their role "not only as a disciplinary body but also as a guardian and promoter of professionalism and an implementer of government education policy.</p> |

| ACTIVITY | SUMMARY | PROGRESS |
|--|---|--|
| <p>2. How can special schools use their expertise relating to specific disabilities to support ordinary schools including children with similar needs (i.e. special schools as resource centers) drawing from global examples.</p> | <p>Focuses on the role which special schools can play as resource centers for ordinary schools, taking into account all the contextual factors learners are exposed to, which may include poverty and or living conditions, family medical background or history, the child's family literacy levels and any other children's needs. Consideration of all these issues is important if the intended model is to be successful.</p> | <p>The final research project has been handed to SACE.</p> <p>The report investigated how special schools can use their expertise relating to specific disabilities to support ordinary schools including children with similar needs (i.e. Special Schools as Resource Centre's) drawing from the various global examples. The main purpose of the research is to enable and empower SACE to comprehend the challenges including the dynamics of collaboration between special schools and ordinary schools; especially in expanding and integrating the curriculum. Also, to determine how best can such collaboration be formed in order for both school types to gain maximum benefit.</p> |
| <p>3. The role of institutional networks in the professional registration of teachers in South Africa</p> | <p>The purpose of the study is to:</p> <ul style="list-style-type: none"> • examine the role of institutional networks on the professional registration of the newly qualified and practicing national and foreign teachers, and • the extent to which SACE is utilizing the institutional networks to influence the implementation of its teacher registration process. | <p>The research report has been finalized and there is convincing and conclusive evidence in the study that an institutional network for SACE need to be established as a matter of urgency in line with this study's conceptualization of institutional networks and the theoretical framework developed. This institutional network and arrangements will have many actors that are classified into four as follows:</p> <ul style="list-style-type: none"> • Teacher Employers (Provincial Education Departments, School Governing Body Associations, Independent Schools) • 25 Higher Education Institutions • Department of Social Development • Department of Justice and Constitutional Development • Education Labour Relations Council • Department of Higher Education and Training • Department of Home Affairs • SAQA • National Teacher Unions <p>This network will play a significant role in terms of professional registration enforcement and compliance, processes of vetting and verification, and advocacy and communication matters.</p> |
| <p>4. Factors and environment facilitating/enhancing sexual-related misdemeanor between teachers and learners</p> | <p>The study seeks to investigate the factors and the environment facilitating sexually related misdemeanor between teachers and learners. The research is conducted as follow up the sequel to previous similar research studies conducted on this matter. The current study is focusing strongly on the qualitative method approach on factors facilitating sexually related misdemeanors between teachers and learners SACE.</p> | <p>The booklet was printed and a few copies were distributed to stakeholders during the Imbizo plenary session held on the 19th of February 2018. Please refer to the copy below by clicking on it.</p> |
| <p>5. Redefining the SACE Registration Scope</p> | <p>Currently, council registers everyone who works with children in schools. This move has resulted in SACE having too many provisional and conditional registrations due to people who are not professionally qualified teachers and most importantly they are not dealing with teaching and learning in schools.</p> <p>Because of this situation, it was necessary for the Council to re-examine its registration process and re-define the scope accordingly.</p> | <p>The Draft report was presented to the Registration Committee and adopted by Council in March 2017 See attached Presentation.</p> |

| ACTIVITY | SUMMARY | PROGRESS |
|--|---|--|
| Number of Policy Advice and Briefs Produced Per Annum | | |
| 6. Policy Briefs | The main purpose of a policy brief is for SACE to advise the Ministers of Basic and Higher Education, Council and the profession on professional matters. | Two Policy briefs were written on: (a) Low participation rates on the implementation of the CPTD Management System (b) Factors and environment that enhances sexual misdemeanors between learners and teachers. |
| A number of provincial practitioners – Based research conferences/seminars held. | | |
| 7. Conferences/Seminars held. | Produce policy and research publications/ reports and disseminate research findings through various communications channels. | On the 19th of March 2018, a seminar was held at the SACE offices. The focus of the seminar was on how to deal with the scourge of sexual harassment in schools. Stakeholders such as Congress of South African Students, National Associations of School Governing Bodies, Federation of Governing Bodies of South African Schools, Suid Afrikaanse Onderwyser Unie, National Professional Teachers' Organisation of South Africa, Commission for Gender Equality, the Education Labour Relations Council, South African National Association for Specialized Education, National Alliance of Independent Schools Association, The Department of Basic Education, VVOB, South African Democratic Teachers Union, Professional Educators Union, Teddy Bear Foundation, ADvTECH, South African Principals Association attended and participated meaningfully. At the end of it all, resolutions were developed on how to establish an institutional network and policy actors to address this challenge from the teachers, learners, employers, parents and community perspectives. |

Strategy to overcome areas of underperformance

The resource centre and virtual library concepts to be adopted by Council in the new financial year.
The resource centre to be equipped in the new financial year as well.

Changes to planned targets

No targets were changed in the new financial year.

Financial Performance

| Programme/Activity/Objective | 2016/17 | | | 2017/18 | | |
|------------------------------|------------|--------------------|--------------------------|--------------|--------------------|--------------------------|
| | Budget | Actual Expenditure | (Over)/Under Expenditure | Budget | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Professional Standards | 500 | 345 | 155 | 1 000 | 504 | 496 |
| TOTAL | 500 | 345 | 155 | 1 000 | 504 | 496 |

4. Revenue Collection

The Council is mainly funded by its members through determined membership fees. After consultation with the Teaching Profession, the Council took a decision to increase the educator membership fees from R120 per annum to R180 per annum effective from 1 November 2017. The Council has exceeded the estimated revenue collection by 13%. Of the R83 million collected, R9.7 million was received from the Department of Basic Education as a subsidy for the management of the Continuous Professional Teacher Development. The Council spent 85, 22% of the R9.7 million received as a subsidy for the management of Continuous Professional Teacher Development. Registration administration fee is also collected from registering members at R400,00 for Foreign Nationals and R200,00 for South Africans.

5. Capital Investments

The Council owns an administrative building located at No. 240 Lenchen Avenue, Centurion for the value as disclosed in the financial statements. The accumulated surplus as reflected in the financial statements is intended amongst others to acquire provincial administrative buildings in the Western Cape, Free State, Kwazulu Natal, Eastern Cape and Limpopo within the MTEF period. The acquisition process is underway.

6. Cost Containment Measure

| | | | | | | |
|-------------------------|-------------|--|---------------------------|--|------------------|--------------------|
| CONFERENCE NAME: | | SACE Outreach Conference | | | | |
| Purpose: | | To enhance policy and research coordination within SACE. To promote research on professional matters and any other educational matter relevant to SACE. To promote research on professional matters and any other educational matter relevant to SACE. | | | | |
| DIVISION | DATE | VENUE | NO OF PARTICIPANTS | CONTRACTING PROCEDURE | EXPENSES | |
| Research | 10/06/2017 | University of Limpopo | 800 | Only catering and accommodation was outsourced using the standard procedures of requesting three quotations and taking the lowest. | a) Venue Hire | R 0.00 |
| | | | | | b) Catering | R 60 000.00 |
| | | | | | c) Speakers | R 0.00 |
| | | | | | d) Equipment | R 0.00 |
| | | | | | e) Accommodation | R 19 753.30 |
| | | | | | TOTAL | R 79 753.30 |

| | | | | | | |
|-------------------------|-------------|---|---------------------------|---|-------------------|-------------------|
| CONFERENCE NAME: | | SACE Funwalk (Gauteng) | | | | |
| Purpose: | | Improving SACE visibility, encouraging healthy lifestyle amongst educators and enhancing their morale | | | | |
| DIVISION | DATE | VENUE | NO OF PARTICIPANTS | CONTRACTING PROCEDURE | EXPENSES | |
| Communications | 19/08/2017 | Lyttelton Primary School (Centurion) | 1650 | Requested Free Venues from schools in the area. | a) Venue Hire | R 0.00 |
| | | | | The standard procedures of requesting three quotations and taking the lowest. | b) Catering | R 6 450.00 |
| | | | | Equipment was sponsored | c) Equipment hire | R 0.00 |
| | | | | | TOTAL | R 6 450.00 |

| | | | | | | |
|-------------------------|-------------|---|---------------------------|---|-------------------|--------------------|
| CONFERENCE NAME: | | SACE Funwalk (KwaZulu-Natal) | | | | |
| Purpose: | | Improving SACE visibility, encouraging healthy lifestyle amongst educators and enhancing their morale | | | | |
| DIVISION | DATE | VENUE | NO OF PARTICIPANTS | CONTRACTING PROCEDURE | EXPENSES | |
| Communications | 02/09/2017 | Addington Primary School (KwaZulu-Natal) | 1400 | Requested Free Venues from schools in the area. | a) Venue Hire | R 0.00 |
| | | | | The standard procedures of requesting three quotations and taking the lowest. | b) Catering | R 11 068.00 |
| | | | | Equipment was sponsored | c) Equipment hire | R 0.00 |
| | | | | | TOTAL | R 11 068.00 |

| | | | | | | |
|-------------------------|-------------|---|---------------------------|---|-------------------|--------------------|
| CONFERENCE NAME: | | SACE Funwalk (Free State) | | | | |
| Purpose: | | Improving SACE visibility, encouraging healthy lifestyle amongst educators and enhancing their morale | | | | |
| DIVISION | DATE | VENUE | NO OF PARTICIPANTS | CONTRACTING PROCEDURE | EXPENSES | |
| Communications | 02/09/2017 | Grey College (Free State) | 1000 | Requested Free Venues from schools in the area. | a) Venue Hire | R 0.00 |
| | | | | The standard procedures of requesting three quotations and taking the lowest. | b) Catering | R 13 619.00 |
| | | | | Equipment was sponsored | c) Equipment hire | R 0.00 |
| | | | | | TOTAL | R 13 619.00 |

| | | | | | | |
|-------------------------|-------------|---|---------------------------|---|-------------------|--------------------|
| CONFERENCE NAME: | | SACE Funwalk (Eastern Cape) | | | | |
| Purpose: | | Improving SACE visibility, encouraging healthy lifestyle amongst educators and enhancing their morale | | | | |
| DIVISION | DATE | VENUE | NO OF PARTICIPANTS | CONTRACTING PROCEDURE | EXPENSES | |
| Communications | 23/09/2017 | Buffalo City East London | 325 | Requested Free Venues from schools in the area. | a) Venue Hire | R 0.00 |
| | | | | The standard procedures of requesting three quotations and taking the lowest. | b) Catering | R 18 288.43 |
| | | | | Equipment was sponsored | c) Equipment hire | R 0.00 |
| | | | | | TOTAL | R 18 288.43 |

| | | | | | | |
|-------------------------|-------------|---|---------------------------|---|-------------------|--------------------|
| CONFERENCE NAME: | | SACE World Teachers Day Celebration | | | | |
| Purpose: | | Acknowledging and appreciating teachers | | | | |
| DIVISION | DATE | VENUE | NO OF PARTICIPANTS | CONTRACTING PROCEDURE | EXPENSES | |
| Communications | 27/10/2017 | Bolivia Lodge (Polokwane) | 150 | Requested Free Venues from schools in the area. | a) Venue Hire | R 50 845.00 |
| | | | | The standard procedures of requesting three quotations and taking the lowest. | b) Catering | R 31 114.00 |
| | | | | Equipment was sponsored | c) Equipment hire | R 0.00 |
| | | | | | TOTAL | R 81 959.00 |

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 and also abides by principles contained in the King Code of Governance Principles of 2009 (King 1V). The Council is the highest decision-making body and the accounting authority of SACE and is also responsible for governance.

1. PORTFOLIO COMMITTEES

SACE has, during the reporting year, had a series of meetings with the Basic Education Portfolio Committee regarding the following:

- 04 May 2017 (Budget Review; APP and Strategic plans briefing)
- 05 October 2017 (Annual Report presentation)
- 27 March 2018 (Budget review; APP and Strategic plan briefing)

2. EXECUTIVE AUTHORITY

Council submitted quarterly reports to the Minister of Basic Education within the timeframe as followed:

- 31 July 2017 (1st Quarter)
- 31 October 2017 (2nd Quarter)
- 31 January 2018 (3rd Quarter)
- 30 April 2018 (4th Quarter)

3. 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.

The Council

The term of the current Council which began on the 01st August 2017 comes to an end on the 31st July 2021. The following table depicts the composition of the Council and attendance for the year under review.

Composition of the Council from 01st August 2017 to 31st July 2021

| 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. Lucky Goodman Mabutho Cele Chairperson | | 01st August 2017 | - | 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 Organised Labour | | Ex- officio | |
| Ms. Veronica Hofmeester | | 01st August 2017 | - | B. Comm, HED, B. Comm (Honours - Economics), M. Comm (Economics), Ph. D, (Educational Management) | Education & School Leadership | | Ethics Committee Executive Committee | |
| Mr. Elphus Maseko | | 01st August 2017 | - | BSc | Strategic Management | | Registration Committee | |

| | | | | | | | | |
|--------------------------|--|------------------|---|---|--|---|---|--|
| Mr. John William Bester | | 01st August 2017 | - | Higher Diploma in Education | School Management | Michael Mount Waldorf School Southern African Federation of Waldorf Schools Bryanston Organic and Natural Market European Council of Waldorf Schools South African Council of Educators National Alliance of Independent Schools | Registration and PRODCO Committees | |
| Ms. Gugulethu Mbele | | 01st August 2017 | - | Hon B.ED (Unisa); FDE.(Unisa) ; PTD (Ezakheni Col) | Education School Leadership and Management | ETDP – SETA SACE Endorsement Com; CPTD Orientation and sign-up | Advocacy, Communication and Staffing Committees | |
| Prof. Veronica McKay | | 01st August 2017 | - | Higher Education Dip; Hon BA; Master of Arts in Sociology; D Litt et Phil in Sociology | | Executive Dean –College of Education UNISA | Professional Development Committee | |
| Ms. Gaylin Wendy Bowles | | 01st August 2017 | - | H.Dip Ed – JCE 1989 Bachelor of Arts – UNISA 11198 FDE – CAE – University of Pretoria Advanced Certificate in Education – Leadership and Management - WITS | Education and School Leadership | Provincial Vice President – Naptosa Gauteng Member of the National Executive Committee - NAPTOSA | Registration Committee and Executive Committee | |
| Mr. Mxolisi Bomvana | | 01st August 2017 | - | Senior Primary Teachers Dip;- Further Dip in Education; Hon Bed; Higher certificate in Economic Development | Education and Organised Labour | | Finance Committee | |
| Mr. Magope Lucas Maphila | | 01st August 2017 | - | Higher Education Diploma | Education and Organised Labour | Old Mutual Education Trust; ETDP SETA Board Member | Advocacy, Communications and Finance Committees Executive Committee | |

| | | | | | | | | |
|------------------------------|--|------------------|---|---|--------------------------------|--|--|--|
| Mr. Tseliso Ledimo | | 01st August 2017 | - | BA Education; Hon BA Psychology; Project management; Cert in financial & accounting principles for public entities; Labour law in Education | Education and Organised Labour | | Professional Development Committee | |
| Mr. Thabile Kunene | | 01st August 2017 | - | Higher Certificate in Economic Development; Project management; Senior Teachers Dip; Case handling & grievance procedure | Education and Organised Labour | | Advocacy and Communications Committee | |
| Ms. L. Motshwane | | 01st August 2017 | - | | Education and Organised Labour | | Ethics Committees | |
| Mr. Ronald Moroatshehla | | 01st August 2017 | - | JSTC; STD-FT; BA Degree; BEd Degree; Higher Cert HRM; Higher Cert Economic Development | Education and Organised Labour | | Ethics Committee | |
| Mr. Johannes Motona | | 01st August 2017 | - | SPTD; BA; B.Ed Hon; ACE; Professional Business writing skills; Labor Law; Programme in labour law; Masters in Education | Education and Organised Labour | | Professional Development | |
| Ms. Nomarashiya Caluza | | 01st August 2017 | - | SPTD; Advanced Dip in Practical labour law; ACE | Education and Organised Labour | | Registration and Communications Committees | |
| Mr. F Ntathu | | 01st August 2017 | - | Secondary Education Dip; Project management; Labour law in Education | Education and Organised Labour | | Staffing Committee | |
| Mr. Nkosi-phendule Ntantala | | 01st August 2017 | - | BA (Ed) | Education and Organized Labour | | Finance Committee | |
| Mr. Mokholoane Samuel Moloji | | 01st August 2017 | - | STD(Tech); FDE | Education and Organised Labour | | Staffing Committee | |
| Mr. Walter Hlaise | | 01st August 2017 | - | Secondary Education Dip; ACE; Hon BA; Advanced cert in labour law | Education and Organised Labour | | Staffing committee; Registration committee and Executive Committee | |
| Mr. Jonovan Rustin | | 01st August 2017 | - | Senior Primary Teachers Diploma Further Diploma in Education – School Management | Education and Organised Labour | | Ethics and Audit committee | |

| | | | | | | | | |
|-------------------------|-------------------------|------------------|---|--|--------------------------------|--|---|--|
| Mr. Paul Sauer | | 01st August 2017 | - | B.Sc ;Hon B.Sc; Dip in Business Management | Education and Organised Labour | | Finance Committee and Advocacy and Communications Committee | |
| Dr. Simelane | | 01st August 2017 | - | | | | | |
| Mr. Sello Setusha | | 01st August 2017 | - | Dip in Education;BA;B. Ed;Btech in Human Resources Management | | | Registration & Professional Development | |
| Mr. K. Geza | | 01st August 2017 | - | B Juris; MBA –General Post Graduate Diploma in Labour Law | Education and Organised Labour | | Ethics Committee & Staffing Committee | |
| Mr. Enoch T Rabotapi | | 01st August 2017 | - | BED (HONS): Assessment & Quality Assurance Advanced Diploma in Labour Law Bachelor of Science in Education | Education and Organised Labour | | Professional Development Committee, Finance committee Executive Committee | |
| Prof.Salome Human-Vogel | | 01st August 2017 | - | BA;BA Hon;B. Ed Hons;M.Ed | | | Professional Development Committee | |
| Ms. Cheryl Weston | | 01st August 2017 | - | B.Ed Hon(ICT) IN Education; ACE; Higher Diploma in Education; Diploma in Education | Education and Organised Labour | | Professional Development Committee | |
| Ms Ella Mokgalane | Chief Executive Officer | 01st August 2017 | - | BPrim Ed;BED Hon;PG-DE;HRM Dip ;PGDM;- Masters of management in Public policy (current);Cert Financial accounting principles for public entities | | | All Committees | |

- *Dr Simelane replaced Ms Marie Schoeman (01st August 2017 to 28th February 2018)*

| Committee | No. of Meetings held | No. of Members | Names of Members |
|------------------------------------|-----------------------------|-----------------------|--|
| The Executive Committee | 08 | 08 | Mr.Mabutho Lucky Cele (Chairperson) Dr. Louis H Swanepoel (Deputy Chairperson) Mr. Walter Hlaise Ms G Mbhele Mr. Magope Maphila Ms. Gaylin Bowles Mr. Enoch Rabotapi Ms.ME Mokgalane (CEO) |
| Professional Development Committee | 04 | 12 | Dr. T.Rabotapi (Chairperson) Mr. G. Harrison (Non -Councillor) Prof Salome' Human-Vogel Prof.V Mckay Mr S Sethusha Mr.W Bester Mr. J.Motona Dr. N. Nduna Watson (Non -Councillor) Dr. S Besman (Non- Coucillor) Mr. ML Cele (Ex office) Ms.V Hofmeester Ms.ME.Mokgalane (CEO) |
| Registration Committee | 05 | 09 | Ms. G Bowles (Chairperson) Mr. W Bester Mr E Maseko Ms. N Caluza Dr M.Simelane Mr. W Hlaise Mr. S Sethusha Ms.R Du Toit (Non-Councillor) Ms.ME Mokgalane (CEO) |
| Ethics Committee | 05 | 11 | Dr. Louis H. Swanepoel - Chairperson Dr. H.J. Deacon Mr. R. Moroatshehla Mr. T.K. Geza Mr. J Rustin Prof Salome Human-Vogel Ms. L Motshwane Mr J Eastes (Non-Councillor) Mr S Tjebane (Non-Councillor) Mr. J Motona Ms. ME Mokgalane(CEO) |
| Finance Committee | 05 | 08 | Mr. N.Ntantala Mr. PP Sauer Mr. E.T. Rabotapi Mr. M Bomvana Ms.N.Thipe (Non- Councillor) Mr. G. Clark (Non- Councillor) Ms. ME Mokgalane(CEO) |
| Staffing Committee | 08 | 08 | Mr. W. Hlaise (Chairperson) Mr. F Ntathu Mr. M Mloi Ms G Mbhele Mr T Geza Mr. C. Nel (Non- Councillor) Mr. S Tjebane (Non-Councillor) Ms ME Mokgalane (CEO) |
| Advocacy and Communications | 03 | 08 | Ms G Mbhele – Chairperson Mr. L Maphila Ms. N. Caluza Ms CT Weston Dr M Simelane Mr.T Kunene Mr.M Mafunda (Non-Councillor) Ms. ME Mokgalane (CEO) |

| | | | |
|-----------------------|----|----|--|
| Endorsement Committee | 02 | 04 | Ms S. Muller Ms. R Ledwaba Prof. Lebeloane Ms H Hariram Ms. P Boyta Mr. R Somnath Ms M R Shasha Prof. R Balfour Ms G Mbele Prof. Magi Ms. ME Mokgalane (CEO) |
| Audit Committee | 04 | 06 | Mr. B. Snayer (Chairperson) Mr. J. Rustin Mr N Maluleke (Non-Coucillor) Mr. G. Bengel (Non-Coucillor) Mr. P. White (Non-Coucillor) Ms.ME.Mokgalane (CEO) |

Remuneration of board members

- No Councillors were remunerated in the year under review.

3. RISK MANAGEMENT

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

“An accounting authority for a public entity— (a) must ensure that that public entity has and maintains—

- (i) Effective, efficient and transparent systems of financial and risk management and internal control;
- (ii) A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.”

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

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

Risk management has been incorporated into the performance management system of the Council, as well as quarterly reporting to the Audit Committee.

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

The top risks as identified by Risk Owners are prioritised in terms of their importance and are being managed and reported on accordingly.

Key controls and mitigation strategies/plans have been identified and are being implemented for both strategic and operational risks to ensure that risks are kept within the Council’s acceptable levels.

4. INTERNAL CONTROL

Internal Control is a process, affected by the Council, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives strategic and operational.

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, organizational culture, competence of people, management's philosophy and operating style, a delegation of authority and responsibility, the way in which people are organized and developed as well as the intention and direction provided by the Council.

These controls are designed to manage the risk profile and provide reasonable assurance that there is an adequate system of internal controls in place and that established objectives will be achieved.

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

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

5. INTERNAL AUDIT AND AUDIT COMMITTEE

Internal Audit

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

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

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

During the financial year, Internal Audit performed a number of engagements from the internal audit plan and a number of weakness or findings identified for correction and implementation of corrective action by management. The activities for the function were based on the results of risk assessment, 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.

Audit Committee

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

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

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

The table below discloses relevant information on the audit committee members:

| Name | Qualifications | Internal/External | If Internal, position in the public entity | Date Appointed | Date Resigned | No. of Meetings attended |
|------------|--|-------------------|--|----------------|---------------|--------------------------|
| B Snayer | Primary Teachers Certificate Teachers Diploma B.A Degree B.ED Degree | External | N/A | August 2013 | 26 April 2018 | 3/3 |
| P White | Grade 12 | External | N/A | August 2013 | Not Resigned | 3/3 |
| J Rustin | BA (UWC) Financial Management for Non-financial Managers (UNISA) Labour (NMMU) | Councillor | N/A | August 2013 | Not Resigned | 1/3 |
| G Bengell | Grade 12 PTD 3 | External | N/A | November 2013 | Not Resigned | 3/3 |
| N Maluleke | - | External | N/A | - | Not Resigned | 2/3 |

6. COMPLIANCE WITH LAWS AND REGULATIONS

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

The committees are:

- Executive Committee (EXCO); Finance Committee (FINCO); Registration Committee (REGCO); Professional Development Committee (PRODCO); Ethics Committee (ETHCOM); Advocacy Committee (ADVOCO) and Audit Committee (AUDCO).

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

7. FRAUD AND CORRUPTION

In line with its zero-tolerance approach towards fraud, corruption and other economic crimes, SACE has recognized that managing fraud risk is imperative to the business, and if sustained, effective fraud risk management will improve the control environment and enhance SACE's operational performance and reputation.

A fraud-free environment is important to SACE's efforts for the continued delivery of mandatory 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 Prevention and Detection Policy 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 and the Fraud Prevention and Detection Policy for implementation.

8. 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 a delegation of powers is implemented in terms of the Supply Chain Management Policy. Members who declare interest are recused from the relevant discussion. For the year under review, there was no violation identified in this regard.

9. CODE OF CONDUCT

The Code of Conduct for staff was reviewed and approved by the Council in line with the best practices.

The need for a review was identified after the realization that the previous Code was constructed along the lines of professional ethics, as such, poses some challenges regarding implementation. The new Code will endeavor 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.

10. 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 & safety management.

1. Introduction

The Human Resource Management Division is responsible for providing support, to all other divisions of the Council to enable them to deliver the core mandate of the organization. Support to other units are provided through processes of staffing, maintaining labour relations, and taking care of the matters related to remunerations, leave administration and general conditions of service for all employees. Human Resource Management is further responsible to ensure that employees are capacitated through training and workshops to enable them to discharge their duties. The Human Resource Division is located within the Corporate Service Division which is generally responsible to provide Human Resource Support; handle structural building and infrastructure maintenance, provide security to personnel and assets of the Council; developing and maintaining policies that guide the conduct and interaction between Staff and the Council.

All the above-mentioned objectives are implemented through the following activities:

- Providing and review of Human Resource Policies.
- Maintaining Employer-Employee relations.
- Employee Assistance and Support.
- Recruitment; Selection and Placement.
- Salaries.
- Training and Support.
- Administration of Employee benefits and support.
- Administration of leave measures and Employee Assistance Programme.

2. Strategic Goals

The following strategic goals are developed and provide guidance and measure the performance of the unit.

- To provide Administrative Support to SACE divisions and Provinces.
- Create an enabling environment within SACE Building and provide hygienical, working space.
- Maintain and repair SACE buildings and assets.
- Provide security to Personnel and assets of SACE.
- Maintain labour relations.
- Provide Support and Training through appraisals, skills audit, internships and study assistance.
- Provide Employee Assistance Programmes and interventions.

3. HR Policies

The Council has standardised Human Resource Management Policies in place; guiding the direction and interaction between Managers and Staff. All SACE Policies are subjected to annual review to ensure that the Policies are relevant and coherent to prevailing circumstances.

The Council has recently adopted the reviewed HR Policies during its seating on the 15 March 2018. The amended Policies were just strengthened and some details provided on amended areas. The office took Managers and Staff through those amended areas and salient issues of the Policies through workshops held in March 2018. Policies will still be subjected to continuous reviews and new inputs will be considered to strengthen weak areas.

4. Appointments

The organization continues to grow and staffing needs increases as the mandate to deliver effective registration processes; maintaining an ethically entrenched teaching system and providing continual teacher Professionalization system.

The Council continues to review the organogram and create vacancies that must be completed to help achieve SACE Mandate. Apart from staff hired to assist in delivering the mandate; the organization has recently strengthened its Management wing by appointing relevant Managers and Staff such as Investigators to process cases, appointing Panels to help in prosecuting cases. Appointment of Managers and Staff; following the Universal Standard procedures of selections through advertising of posts; shortlisting and interviews following principles of openness and transparency. It should, however, be reported that the Council still needs more Staff compliment to fulfill its duties depending on availability of funds.

5. Labor Relations and Policies

The Council aims at building and improving labor relations, noting that the organization is growing. The following initiatives were taken as an attempt to build labor relations but further to strengthen the implementation of HR Policies.

a. Introduction of Employee Assistance Programme

The administration has developed a Concept Plan that introduces Employee Assistance initiatives and plans for the Council. The plan is an indication and commitment towards retaining a workforce with no or little Health-Socio-Economic problems that will hamper their performance. Stakeholders will be engaged in the finalization of the programme. This will be rolled out in the following year.

b. Performance Evaluation Management Systems

The Council signed an agreement with employee representative parties during July 2013. The agreement aimed at creating a common tool for all employees to measure and manage performance and strengthen service delivery. The Council is now in the process of reviewing the agreement in order to deal with the bottle-necks that hampered a full implementation of the agreement and attaining service delivery based on efficient performance.

c. Occupational Health and Safety Plans

The HR Policies requires the Council to have OHS Plans in compliance to Occupation; Health and Safety Act and other legislative regulations. The administration has also introduced a formal Occupational Health and Safety Plan. This provides a guide on what steps to follow in handling Occupational Health and Safety challenges in a more coherent and guided approach.

d. Skills Plans

The Council has been submitting its skills report to ETDP-SETA and other relevant institutions. Employees are provided with several study assistances, as a matter of interventions and upgrading of skills within the organization.

e. Establishment of Workplace Forum

The Workplace Forum will be established with the intention to broaden representation of employees in the decision-making process. Some of the employees who do not belong to organized Labor Structures; their voices will be heard through engagement in the workplace.

f. Internship

The Council provides internships in all its divisions to create opportunities for those who intend to improve their chances of employment; to gain the necessary workplace experience and those in the process of completing their studies in various fields. Contracts are provided for 12 (twelve) month periods for these experiential learning process. Interns are issued with certificate letters after completion of their experiential learning in the organization.

6. Challenges

- The need to build capacity amongst Council employees still prevails.
- Lack of capacity and need to improve performance.
- Retention of skills.
- Skills fitting the organogram and compliance to Employment Equities.

The Council remains steadfast to fill the existing vacancies through STAFFCO (Staffing Committee) which is responsible for staffing matters. The issue of funding remains a challenge towards achieving a full staff compliment that will deliver SACE mandates as expected.

Interventions in identifying skills and capacity gaps through PEDS and other processes will help provide the necessary skills training interventions. The current skills plan provides sufficient platform for the Council to address issues of capacity amongst employees. Study assistance provided by the Council to the employees will go a long way in addressing skills challenges in the organization. The Training Programmes initiated by HR-Labour Relations and Provisioning will help to eliminate performance problems and improve the skills of employees.

The recent HR Policies introduced aspects of skills retention through some means amongst others like, Counter Offers, Head Hunting and extension of contracts beyond retirement age.

SACE must double its efforts in an attempt to attract employees from designated groups like Women; disabled people and others.

7. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

Personnel Cost

| Programme/activity/objective | Total Expenditure for the entity (R'000) | Personnel Expenditure (R'000) | Personnel exp. as a % of total exp. | No. of employees | Average personnel cost per employee (R'000) |
|------------------------------|--|-------------------------------|-------------------------------------|------------------|---|
| Total number of employees | 62,882 | 33,556 | 53 | 117 | 287 |

Personnel cost by salary band

| Level | Personnel Expenditure (R'000) | % of personnel exp. to total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|------------------------|-------------------------------|---|------------------|---|
| Top Management | 4,069 | 12.13 | 3 | 1,356 |
| Senior Management | 7,482 | 22.30 | 9 | 831 |
| Professional qualified | 5,743 | 17.12 | 21 | 277 |
| Skilled | 8,680 | 25.87 | 26 | 334 |
| Semi-skilled | 6,758 | 20.14 | 35 | 193 |
| Unskilled | 824 | 2.45 | 23 | 36 |
| TOTAL | 33,556 | 100 | 117 | 287 |

Performance Rewards

| Programme/activity/objective | Performance rewards | Personnel Expenditure (R'000) | % of performance rewards to total personnel cost |
|------------------------------|---------------------|-------------------------------|--|
| Top Management | 0 | 4,069 | 0 |
| Senior Management | 0 | 7,482 | 0 |
| Professional qualified | 0 | 5,743 | 0 |
| Skilled | 0 | 8,680 | 0 |
| Semi-skilled | 0 | 6,758 | 0 |
| Unskilled | 0 | 824 | 0 |
| TOTAL | 0 | 33,556 | 0 |

Training Costs

| Programme/activity/objective | Personnel Expenditure (R'000) | Training Expenditure(R'000) | Training Expenditure as a % of Personnel Cost. | No. of employees trained | Average training cost per employee (R '000) |
|-----------------------------------|-------------------------------|-----------------------------|--|--------------------------|---|
| Finance | 4,433 | 4 | 0.09 | 1 | 4 |
| PD and Research | 3,997 | 16 | 0.40 | 3 | 5 |
| Communications | 4,468 | 21 | 0.48 | 2 | 11 |
| Executive | 4,493 | 0 | 0 | 1 | 0 |
| Corporate Services and ICT | 4,332 | 0 | 0 | 0 | 0 |
| Registrations and Ethics | 7,554 | 3 | 0.04 | 4 | 1 |
| Free State SACE Provincial Office | 1,401 | 0 | 0 | 0 | 0 |
| Councillors | 0 | 72 | 0 | 30 | 2 |
| Internal Auditor | 1,245 | 14 | 1.13 | 2 | 7 |
| KZN SACE Provincial Office | 1,633 | 0 | 0 | 0 | 0 |
| TOTAL | 33,556 | 130 | 2.14 | 40 | 3 |

Employment and Vacancies

| Programme/activity/objective | 2016/2017 No. of Employees | 2017/2018 Approved Posts | 2015/2016 No. of Employees | 2017/2018 Vacancies | % of Vacancies |
|------------------------------|----------------------------|--------------------------|----------------------------|---------------------|----------------|
| | 122 | 130 | 117 | 13 | 10.7 |

Employment and Vacancies per Salary band

| Programme/activity/objective | 2016/2017 No. of Employees | 017/2018 Approved Posts | 2017/2018 No. of Employee | 2017/2018 Vacancies | % of vacancies |
|------------------------------|----------------------------|-------------------------|---------------------------|---------------------|----------------|
| Top Management | 4 | 4 | 3 | 2 | 50 |
| Senior Management | 9 | 9 | 9 | 0 | 0 |
| Professional qualified | 21 | 25 | 22 | 3 | 12 |
| Skilled | 26 | 27 | 26 | 1 | 3,7 |
| Semi-skilled | 33 | 35 | 35 | 0 | 0 |
| Unskilled | 29 | 30 | 22 | 8 | 26,6 |
| TOTAL | 122 | 130 | 117 | 14 | 10,7 |

Employment changes (01 April 2017)

| Salary Band | Employment at beginning of period | Appointments | Terminations | Employment at end of the period |
|------------------------|-----------------------------------|--------------|--------------|---------------------------------|
| Top Management | 3 | 1 | 2 | 1 |
| Senior Management | 8 | 2 | 1 | 9 |
| Professional qualified | 16 | 10 | 8 | 18 |
| Skilled | 23 | 2 | 2 | 23 |
| Semi-skilled | 32 | 1 | 1 | 32 |
| Unskilled | 30 | 18 | 19 | 29 |
| TOTAL | 112 | 34 | 33 | 112 |

Reasons for staff leaving

| Reason | Number | % of total no. of staff leaving |
|--------------------|-----------|---------------------------------|
| Death | - | - |
| Resignation | 11 | - |
| Dismissal | 1 | - |
| Retirement | 1 | - |
| Ill-health | - | - |
| Expiry of Contract | 24 | - |
| Other | - | - |
| Total | 37 | - |

Explanations: Seeking greener pastures

Equity Target and Employment Equity Status

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

| Male | | | | | | | | |
|-------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
| Levels | African | | Coloured | | Indian | | White | |
| | Current | | | | | | | |
| Top Management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Management | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-Skilled | 9 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 3 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Total | 40 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |

| Female | | | | | | | | |
|-------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|
| Levels | African | | Coloured | | Indian | | White | |
| | Current | | | | | | | |
| Top Management | 2 | | 0 | | | | | |
| Senior Management | 1 | | 0 | | | | | |
| Professional Management | 6 | 0 | 1 | 0 | 0 | 0 | 1 | 0 |
| Skilled | 14 | 0 | 1 | 0 | 1 | 0 | 2 | 0 |
| Semi-Skilled | 20 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 22 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Total | 65 | 0 | 2 | 0 | 1 | 0 | 3 | 0 |



Towards Excellence in Education

SOUTH AFRICAN COUNCIL FOR EDUCATORS
Annual Financial Statements
for the year ended 31 March 2018

These annual financial statements were prepared by:
Nndwambi C
Finance manager
Published 27 July 2018

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

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. |
| Members | Mr M. Cele (Chairperson) Dr L.H. Swanepoel (Deputy chairperson) Ms M.E. Mokgalane (Chief Executive officer) Mr W. Hlaise Mr M. Moloji Mr T.K. Geza Mr T. Ledimo Mr J. Rustin Ms V. Hofmeester Mr R. Moroatshehla Mr M. Bomvana Mr M.L. Maphila Mrs G.W. Bowles Mr J. Motona Mr M.E. Maseko Dr H.J. Deacon Mr N. Ntantala Mr F. Ntathu Mr E.T. Rabotapi Mr P. Sauer Mr J.W. Bester Mr S. Setusha Prof. S. Human-Vogel Ms N. Caluza Ms G. Mbele Mr T. Kunene Prof. V. McKay Ms C. Weston Ms L. Motshwane Dr. M.T. Simelane |
| Registered office | Block 1, Crossway Office Park 240 Lenchen Avenue Centurion 0046 |
| Postal address | Private Bag X127 Centurion 0046 |
| Bankers | Nedbank Limited Reserve Bank |
| Auditors | Nexia SAB&T |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Index

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

| Index | Page |
|--|-------------|
| Council's Responsibilities and Approval | 60 |
| Audit Committee Report | 61 |
| Independent Auditor's Report | 62 - 66 |
| Council's Report | 67 - 68 |
| Statement of Financial Position | 69 |
| Statement of Financial Performance | 70 |
| Statement of Changes in Net Assets | 71 |
| Cash Flow Statement | 72 |
| Statement of Comparison of Budget and Actual Amounts | 73 |
| Accounting Policies | 74 - 80 |
| Notes to the Annual Financial Statements | 81 - 90 |

Abbreviations

| | |
|---------|--|
| COID | Compensation for Occupational Injuries and Diseases |
| CRR | Capital Replacement Reserve |
| SAICA | South African Institute of Chartered Accountants |
| SA GAAP | South African Statements of Generally Accepted Accounting Practice |
| GRAP | Generally Recognised Accounting Practice |
| SAQA | South African Qualification Authority |
| SACE | South African Council for Educators |
| ASB | Accounting Standard Board |
| PFMA | Public Finance Management Act |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Council's Responsibilities and Approval

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

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

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

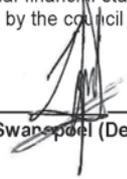
The council acknowledge that they are ultimately responsible for the system of internal financial control established by the council and place considerable importance on maintaining a strong control environment. To enable the council to meet these responsibilities, the council sets standards for internal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

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

The council members have reviewed the council's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, they are satisfied that the council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the council's annual financial statements. The annual financial statements have been examined by the council's external auditors and their report is presented on page 62 to 66.

The annual financial statements set out on pages 69 to 90, which have been prepared on the going concern basis, were approved by the council on 27 July 2018 and were signed on its behalf by:



Dr L.H. Swanson (Deputy chairperson)



Ms M.E. Mokgalane (Chief Executive officer)

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2018.

Audit committee members and attendance

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

Audit committee responsibility

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

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

The effectiveness of internal control

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

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

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

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the External Auditors and the members;
- reviewed the External Auditors' management report and management's response thereto;
- reviewed the entities compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

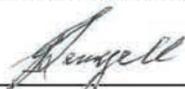
The audit committee concur with and accept the External Auditors' report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the External Auditors.

Internal audit

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

External Auditors

The audit committee has met with the External Auditors to ensure that there are no unresolved issues.



Chairperson of the Audit Committee

Date: 31/3/2018

Independent Auditor's Report

To the Parliament of SOUTH AFRICAN COUNCIL FOR EDUCATORS



119 Witch-Hazel Avenue
Highveld Technopark
Centurion
P O Box 10512
Centurion
0046
T: +27 (0) 12 682 8800
F: +27 (0) 12 682 8801
www.nexia-sabtl.co.za

Independent auditor's report to Parliament on South African Council for Educators

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the South African Council for Educators set out on pages 69 to 90, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African Council for Educators as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of this auditor's report.

We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' *Code of professional conduct of registered auditors* (IRBA code) and other independence requirements applicable to performing audits of the financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and in accordance other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (parts A and B).

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

Responsibilities of the accounting authority for the financial statements

The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



Incorporating: Chairperson: Ms M Mashape
Chief Executive Officer: Mr B Adams
* A full list of directors is available on request
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
SAB&T Chartered Accountants Incorporated is an independent member firm of Nexia International
Company Registration Number: 1997/018859/21 | IRBA Registration Number: 921297



Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2018:

| Programmes | Pages in the annual performance report |
|---|---|
| Programme 1 – Registrations of Educators | 14 – 18 |
| Programme 3 – Continuing Professional Development Management System | 23 – 34 |
| Programme 4 – Professional Standards | 34 – 36 |

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

We did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

-
- Programme 1 – Registration of Educators
 - Programme 3 – Continuing Professional Development Management System
 - Programme 4 – Professional Standards

Other matter

We draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages 12 to 39 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Adjustment of material misstatements

We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 1 – Registrations of Educators and Programme 3: Continuing Professional Development Management System. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

The material finding on compliance with specific matters in key legislations is as follows:

Financial statements

The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required section 55(1) (b) of the PFMA. Material misstatements of receivables from exchange transactions and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information

The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected

programmes presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We did not receive the other information prior to the date of this auditor's report. After we receive and read this information, and if we conclude that there is a material misstatement, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

We considered internal control relevant to our audit of the financial statements, reported performance information and compliance with legislation; however our objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

Financial and performance management

Although management reviewed the financial statements and reported performance information for completeness and accuracy prior to its submission for audit purposes, certain misstatements and non-compliance matter were identified.

Auditor tenure

In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of South African Council for Educators for 4 years.

Nexia SAB&T
Nexia SAB&T
Per: N.C Soopal
Director
Registered Auditor
27 July 2018
Centurion

Annexure – Auditor's responsibility for the audit

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

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:

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

Communication with those charged with governance

We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also confirm to the accounting authority that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of the most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Council's Report

The members submit their report for the year ended 31 March 2018.

1. Review of activities

Main business and operations

Net surplus of the entity was R 18,939,225 (2017: surplus R 10,731,267).

2. Going concern

We draw attention to the fact that at 31 March 2018, the entity had an accumulated surplus of R 126,371,220 and that the council's total assets exceed its liabilities by R 126,371,220.

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

The ability of the council to continue as a going concern is dependent on a number of factors. The most significant of these is that the members continue to secure funding for the ongoing operations for the council.

3. Subsequent events

The council members are not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

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

5. Corporate governance

General

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

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

Executive committee

The committee:

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

Council meetings

The council members have met on 4 separate occasions during the financial year. The council members must meet at least 2 times per annum as per section 16(1) of the SACE act.

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Council's Report

Internal audit

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Statement of Financial Position as at 31 March 2018

| Figures in Rand | Note(s) | 2018 | 2017 |
|--|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Receivables from exchange transactions | 4 | 2,116,180 | 1,576,999 |
| Cash and cash equivalents | 5 | 69,772,815 | 45,631,089 |
| | | 71,888,995 | 47,208,088 |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 63,440,435 | 64,171,080 |
| Intangible assets | 3 | 1,312,201 | 1,717,176 |
| | | 64,752,636 | 65,888,256 |
| Total Assets | | 136,641,631 | 113,096,344 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables from exchange transactions | 8 | 5,748,024 | 2,339,002 |
| Unspent grants and receipts | 6 | 1,547,642 | 107,766 |
| Provisions | 7 | 2,974,745 | 3,062,015 |
| AFTRA deposit | | - | 155,560 |
| | | 10,270,411 | 5,664,343 |
| Total Liabilities | | 10,270,411 | 5,664,343 |
| Net Assets | | 126,371,220 | 107,432,001 |
| Accumulated surplus | | 126,371,220 | 107,432,001 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Statement of Financial Performance

| Figures in Rand | Note(s) | 2018 | 2017 |
|---|---------|---------------------|---------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Revenue | | 70,602,761 | 60,831,018 |
| Other income | | 270,750 | 417,755 |
| Interest received | 10 | 2,800,390 | 2,280,056 |
| Gain on disposal of assets and liabilities | | 4,954 | 8,068 |
| Total revenue from exchange transactions | | 73,678,855 | 63,536,897 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Government grants | 11 | 8,303,124 | 7,239,127 |
| Total revenue | | 81,981,979 | 70,776,024 |
| Expenditure | | | |
| Employee benefit costs | 12 | (33,648,716) | (34,456,252) |
| Depreciation and amortisation | | (2,664,948) | (2,032,953) |
| Lease rentals on operating lease | | (630,981) | (559,723) |
| Debt Impairment | | (154,477) | (398,283) |
| Operating Expenses | 13 | (25,943,632) | (22,597,546) |
| Total expenditure | | (63,042,754) | (60,044,757) |
| Surplus for the year | | 18,939,225 | 10,731,267 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Statement of Changes in Net Assets

| Figures in Rand | Building reserve | Accumulated surplus | Total net assets |
|---|-------------------|---------------------|--------------------|
| Balance at 01 April 2016 as restated | 63,702,019 | 32,998,715 | 96,700,734 |
| Changes in net assets | | | |
| Transfer between reserves | (63,702,019) | 63,702,019 | - |
| Total transfers | (63,702,019) | 63,702,019 | - |
| Surplus for the year | - | 10,731,267 | 10,731,267 |
| Total recognised income and expenses for the year | (63,702,019) | 74,433,286 | 10,731,267 |
| Total changes | (63,702,019) | 74,433,286 | 10,731,267 |
| Balance at 01 April 2017 | - | 107,431,995 | 107,431,995 |
| Changes in net assets | | | |
| Surplus for the year | - | 18,939,225 | 18,939,225 |
| Total changes | - | 18,939,225 | 18,939,225 |
| Balance at 31 March 2018 | - | 126,371,220 | 126,371,220 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Cash Flow Statement

| Figures in Rand | Note(s) | 2018 | 2017 |
|---|-----------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Membership, registration, reprints and other receipts | | 69,433,634 | 61,254,895 |
| Grants | | 9,743,000 | 7,239,127 |
| Interest income | | 2,800,390 | 179,814 |
| Other interest income | | - | 2,100,242 |
| | | 81,977,024 | 70,774,078 |
| Payments | | | |
| Employee costs | | (33,872,977) | (34,364,909) |
| Payment suppliers and others | | (22,282,381) | (24,884,916) |
| | | (56,155,358) | (59,249,825) |
| Net cash flows from operating activities | 14 | 25,821,666 | 11,524,253 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (1,375,675) | (62,201,205) |
| Proceeds from sale of property, plant and equipment | 2 | 25,573 | 9,746 |
| Purchase of other intangible assets | 3 | (177,500) | (320,469) |
| Proceeds from sale of other intangible assets | 3 | 3,222 | - |
| Deposit held in trust | | - | 60,978,738 |
| Net cash flows used in investing activities | | (1,524,380) | (1,533,190) |
| Cash flows from financing activities | | | |
| Repayment of AFTRA deposits | | (155,560) | 155,560 |
| Net increase in cash and cash equivalents | | 24,141,726 | 10,146,623 |
| Cash and cash equivalents at the beginning of the year | | 45,631,089 | 35,484,465 |
| Cash and cash equivalents at the end of the year | 5 | 69,772,815 | 45,631,088 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Statement of Comparison of Budget and Actual Amounts

| Budget on Accrual Basis | | | | | | |
|--|---------------------|--------------------|---------------------|------------------------------------|--|-----------|
| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Figures in Rand | | | | | | |
| Statement of Financial Performance | | | | | | |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Revenue | 58,960,000 | 1,200,000 | 60,160,000 | 70,602,761 | 10,442,761 | 22 |
| Other income | 300,000 | 100,000 | 400,000 | 270,750 | (129,250) | |
| Interest received | 1,400,000 | 1,000,000 | 2,400,000 | 2,800,390 | 400,390 | 22 |
| Total revenue from exchange transactions | 60,660,000 | 2,300,000 | 62,960,000 | 73,673,901 | 10,713,901 | |
| Revenue from non-exchange transactions | | | | | | |
| Transfer revenue | | | | | | |
| Government grants & subsidies | 9,743,000 | - | 9,743,000 | 8,303,124 | (1,439,876) | 22 |
| Total revenue | 70,403,000 | 2,300,000 | 72,703,000 | 81,977,025 | 9,274,025 | |
| Expenditure | | | | | | |
| Personnel | (37,361,693) | - | (37,361,693) | (34,117,038) | 3,244,655 | 22 |
| Depreciation and amortisation | (1,800,000) | (1,600,000) | (3,400,000) | (2,664,948) | 735,052 | |
| Lease rentals on operating lease | (580,500) | (5,000) | (585,500) | (630,981) | (45,481) | |
| Debt Impairment | - | - | - | (154,477) | (154,477) | |
| General Expenses | (30,660,807) | (695,000) | (31,355,807) | (25,475,310) | 5,880,497 | 22 |
| Total expenditure | (70,403,000) | (2,300,000) | (72,703,000) | (63,042,754) | 9,660,246 | |
| Operating surplus | - | - | - | 18,934,271 | 18,934,271 | |
| Gain on disposal of assets | - | - | - | 4,954 | 4,954 | |
| Surplus before taxation | - | - | - | 18,939,225 | 18,939,225 | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual | - | - | - | 18,939,225 | 18,939,225 | |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

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

These accounting policies are consistent with the previous year's financial statements.

1.1 Presentation currency

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

1.2 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

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.

Membership fees are received from the Provincial and National Departments of education from 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 the 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 the absence of the forthcoming information from the members themselves, a reliable estimate of educators that should have paid levies during the year are estimated based on past experience and other available information.

Depreciation

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

1.3 Property, plant and equipment

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

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

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

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

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire 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.

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

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

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

| Item | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Buildings | Straight line | 40 years |
| Motor vehicles | Straight line | 5-10 years |
| Office equipment | Straight line | 10-25 years |
| IT equipment | Straight line | 3 to 10 years |
| Leasehold improvements | Straight line | lease term |

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

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.3 Property, plant and equipment (continued)

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

1.4 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 or fair value of the asset can be measured reliably.

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

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

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

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

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

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

| Item | Useful life |
|---|-------------|
| Computer software, internally generated | 5-10 years |
| Computer software, other | 5-10 years |

1.5 Financial instruments

Classification

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

| Class | Category |
|-----------------------------|--|
| Trade and other receivables | Financial asset measured at amortised cost |
| Cash and cash equivalents | Financial asset measured at amortised cost |

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

| Class | Category |
|--------------------------|--|
| Trade and other payables | Financial liability measured at amortised cost |

Initial recognition

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.5 Financial instruments (continued)

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

1.6 Leases

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

Operating leases - lessee

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

1.7 Provisions

Provisions are recognised when:

- the council has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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

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

Provisions are not recognised for future operating deficits.

1.8 Commitments

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.8 Commitments (continued)

Disclosures are required in respect of unrecognised contractual commitments.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

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

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

Measurement

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

Revenue

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

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

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

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

Interest received

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

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

Interest is recognised, in surplus or deficit.

1.10 Revenue from non-exchange transactions

Recognition

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

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.10 Revenue from non-exchange transactions (continued)

Measurement

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

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

Transfers

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

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

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

1.11 Fruitless and wasteful expenditure

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

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

1.12 Contingent liabilities

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

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

1.13 Budget information

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

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

The approved budget covers the fiscal period from 2017/04/01 to 2018/03/31.

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

1.14 Related parties

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.14 Related parties (continued)

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

1.15 New Standards approved and not yet effective

The Accounting Standards Boards (ASB) has issued the following additional Standards of GRAP for which effective dates have not yet been gazetted by the minister of Finance:

1. GRAP 20: Related party disclosure
2. GRAP 32: Service Concession Arrangements: Grantor
3. GRAP 108: Statutory Receivables
4. GRAP 109: Accounting by Principals and Agents

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

2. Property, plant and equipment

| | 2018 | | | 2017 | | |
|------------------------|-------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Buildings | 61,110,937 | (1,718,012) | 59,392,925 | 61,110,937 | (735,661) | 60,375,276 |
| Motor vehicles | 138,000 | (102,063) | 35,937 | 138,000 | (135,700) | 2,300 |
| Office equipment | 5,016,211 | (2,036,533) | 2,979,678 | 3,929,584 | (1,616,929) | 2,312,655 |
| IT equipment | 2,933,185 | (2,171,414) | 761,771 | 3,934,290 | (2,863,483) | 1,070,807 |
| Leasehold improvements | 976,154 | (706,030) | 270,124 | 1,386,022 | (975,980) | 410,042 |
| Total | 70,174,487 | (6,734,052) | 63,440,435 | 70,498,833 | (6,327,753) | 64,171,080 |

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Additions | Disposals | Depreciation | Total |
|------------------------|-------------------|------------------|-----------------|--------------------|-------------------|
| Buildings | 60,375,276 | - | - | (982,351) | 59,392,925 |
| Motor vehicles | 2,300 | - | - | 33,637 | 35,937 |
| Office equipment | 2,312,655 | 1,128,495 | (9,018) | (452,454) | 2,979,678 |
| IT equipment | 1,070,807 | 247,180 | (11,601) | (544,615) | 761,771 |
| Leasehold improvements | 410,042 | - | - | (139,918) | 270,124 |
| | 64,171,080 | 1,375,675 | (20,619) | (2,085,701) | 63,440,435 |

Reconciliation of property, plant and equipment - 2017

| | Opening balance | Additions | Disposals | Depreciation | Total |
|------------------------|------------------|-------------------|----------------|--------------------|-------------------|
| Buildings | - | 61,110,937 | - | (735,661) | 60,375,276 |
| Motor vehicles | 29,900 | - | - | (27,600) | 2,300 |
| Office equipment | 1,759,917 | 889,265 | (38) | (336,489) | 2,312,655 |
| IT equipment | 1,200,625 | 201,003 | (1,640) | (329,181) | 1,070,807 |
| Leasehold improvements | 338,712 | - | - | 71,330 | 410,042 |
| | 3,329,154 | 62,201,205 | (1,678) | (1,357,601) | 64,171,080 |

Pledged as security

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

3. Intangible assets

| | 2018 | | | 2017 | | |
|---|------------------|---|------------------|------------------|---|------------------|
| | Cost | Accumulated amortisation and accumulated impairment | Carrying value | Cost | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, internally generated | 4,435,990 | (3,645,380) | 790,610 | 4,435,991 | (3,170,223) | 1,265,768 |
| Computer software, other | 1,080,606 | (559,015) | 521,591 | 1,408,759 | (957,351) | 451,408 |
| Total | 5,516,596 | (4,204,395) | 1,312,201 | 5,844,750 | (4,127,574) | 1,717,176 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

3. Intangible assets (continued)

Reconciliation of intangible assets - 2018

| | Opening balance | Additions | Disposals | Amortisation | Total |
|---|------------------|----------------|----------------|------------------|------------------|
| Computer software, internally generated | 1,265,768 | - | - | (475,158) | 790,610 |
| Computer software, other | 451,408 | 177,500 | (3,222) | (104,095) | 521,591 |
| | 1,717,176 | 177,500 | (3,222) | (579,253) | 1,312,201 |

Reconciliation of intangible assets - 2017

| | Opening balance | Additions | Amortisation | Total |
|---|------------------|----------------|------------------|------------------|
| Computer software, internally generated | 1,532,614 | 236,644 | (503,490) | 1,265,768 |
| Computer software, other | 539,442 | 83,825 | (171,859) | 451,408 |
| | 2,072,056 | 320,469 | (675,349) | 1,717,176 |

Pledged as security

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

Restricted title

The council does not have intangible assets whose title is restricted.

Transitional provisions

4. Receivables from exchange transactions

| | | |
|-------------------|------------------|------------------|
| Trade debtors | 1,670,298 | 1,084,109 |
| Deposits | 100,103 | 75,873 |
| Staff loans | 344,198 | 415,436 |
| Other receivables | 1,581 | 1,581 |
| | 2,116,180 | 1,576,999 |

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of R 986,381 (2017: R 831,904) were impaired and provided for.

The amount of the provision was R 986,381 as of 31 March 2018 (2017: R 831,904).

Reconciliation of provision for impairment of trade and other receivables

| | | |
|--------------------------------------|----------------|----------------|
| Opening balance | 831,904 | 551,008 |
| Provision for impairment | 154,477 | 398,283 |
| Amounts written off as uncollectible | - | (117,387) |
| | 986,381 | 831,904 |

5. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------|-------------------|-------------------|
| Bank balances | 53,297,762 | 30,382,047 |
| Cash on hand | 74,172 | 3,760 |
| Short-term deposits | 16,400,881 | 15,245,282 |
| | 69,772,815 | 45,631,089 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 | | |
|---|------------------|----------------|--------------------------|------------------|
| 6. Unspent grants and receipts | | | | |
| Movement during the year | | | | |
| Balance at the beginning of the year | 107,766 | 2,346,893 | | |
| Additions during the year | 9,743,000 | 5,000,000 | | |
| Income recognition during the year | (8,303,124) | (7,239,127) | | |
| | 1,547,642 | 107,766 | | |
| 7. Provisions | | | | |
| Reconciliation of provisions - 2018 | | | | |
| | Opening Balance | Additions | Utilised during the year | Total |
| Provision for leave | 3,062,015 | 1,765,398 | (1,852,668) | 2,974,745 |
| Reconciliation of provisions - 2017 | | | | |
| | Opening Balance | Additions | Utilised during the year | Total |
| Provision for leave | 2,670,087 | 2,175,430 | (1,783,502) | 3,062,015 |
| A provision is made on the estimated liability for annual leave as a result of services rendered by employees up to the amount of the obligation. | | | | |
| 8. Payables from exchange transactions | | | | |
| Trade payables | | | 3,003,252 | 881,559 |
| Payments received in advanced | | | 1,412,521 | 594,902 |
| Other payables | | | 40,176 | 386,031 |
| Accrued expense | | | 1,292,075 | 476,510 |
| | | | 5,748,024 | 2,339,002 |
| 9. Other revenue | | | | |
| Other income | | | 270,750 | 417,755 |
| 10. Investment revenue | | | | |
| Interest revenue | | | | |
| Bank | | | 2,763,026 | 2,062,668 |
| Interest received - other | | | 37,364 | 217,388 |
| | | | 2,800,390 | 2,280,056 |
| 11. Government grants | | | | |
| Operating grants | | | | |
| Government grant | | | 8,303,124 | 7,239,127 |
| Conditional | | | | |
| Included in above are the following grants and subsidies received inclusive of the unspent funds: | | | | |
| Grants received | | | 9,743,000 | 5,000,000 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|---|-------------------|-------------------|
| 12. Employee benefit costs | | |
| Basic | 28,243,732 | 28,325,617 |
| COID | 92,519 | 91,343 |
| Leave provision | (87,270) | 391,928 |
| | 28,248,981 | 28,808,888 |
| Remuneration of chief executive officer (Retired 31 January 2017) | | |
| Annual Remuneration | - | 885,963 |
| Car Allowance | - | 150,613 |
| Other | - | 473,979 |
| | - | 1,510,555 |
| Remuneration of chief finance officer | | |
| Annual Remuneration | 866,368 | 813,887 |
| Car Allowance | 356,314 | 138,361 |
| Annual Bonuses | 72,164 | 67,824 |
| Other | 183,612 | 503,003 |
| | 1,478,458 | 1,523,075 |
| Remuneration of chief operations officer (Resigned 31 July 2017) | | |
| Annual Remuneration | 278,642 | 785,630 |
| Car Allowance | 107,182 | 154,486 |
| Annual Bonuses | 39,587 | 65,469 |
| Other | 56,397 | 302,014 |
| Severance pay | 170,035 | - |
| | 651,843 | 1,307,599 |
| Remuneration of chief executive officer (Appointed 01 August 2017) | | |
| Annual Remuneration | 837,018 | 729,278 |
| Car Allowance | 321,999 | 144,618 |
| Annual Bonuses | 64,669 | 60,773 |
| Other | 191,542 | 278,722 |
| Acting Allowance | 443,639 | 92,744 |
| | 1,858,867 | 1,306,135 |

Appointments made in an acting capacity occur when an employee acts in a position at a higher level than his or her own.

The acting allowance shall be calculated at the difference between the current total remuneration package of the acting employee and the total remuneration package of the position at a higher level (the allowance is a fixed amount and is non-pensionable).

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

12. Employee benefit costs (continued)

Remuneration of acting chief operations officer

| | | |
|---|------------------|----------|
| Annual Remuneration | 604,028 | - |
| Car Allowance | 322,569 | - |
| Annual Bonuses | 50,308 | - |
| Contributions to UIF, Medical and Pension Funds | 102,686 | - |
| Other | 8,446 | - |
| Acting Allowance | 322,530 | - |
| | 1,410,567 | - |

Appointments made in an acting capacity occur when an employee acts in a position at a higher level than his or her own

The acting allowance shall be calculated at the difference between the current total remuneration package of the acting employee and the total remuneration package of the position at a higher level (the allowance is a fixed amount and is non-pensionable).

13. Operating expenses

| | | |
|-----------------------------------|-------------------|-------------------|
| Advertising | 146,327 | 106,210 |
| Auditors remuneration | 356,729 | 334,349 |
| Bank charges | 374,784 | 321,914 |
| Cleaning | 129,718 | 112,980 |
| Consulting and professional fees | 1,468,129 | 361,024 |
| Fines and penalties | 2,998 | - |
| Hire | - | 51,542 |
| Insurance | 379,025 | 344,229 |
| Motor vehicle expenses | 13,234 | 16,716 |
| Postage and courier | 14,861 | 23,728 |
| Printing and stationery | 587,843 | 458,700 |
| Project maintenance costs | 1,782,436 | 1,280,135 |
| Security | 347,446 | 145,558 |
| Staff welfare | 181,668 | 158,510 |
| Subscriptions and membership fees | 785,644 | 749,640 |
| Telephone and fax | 651,081 | 648,964 |
| Training | 115,337 | 198,117 |
| Travel - local | 2,386,315 | 2,968,304 |
| Utilities | 2,115,134 | 2,192,677 |
| Registration costs | 1,150,543 | 939,408 |
| Professional development | 8,332,301 | 7,239,127 |
| Code of conduct | 1,972,103 | 1,646,704 |
| Communications | 1,790,582 | 1,753,593 |
| Research | 859,394 | 494,925 |
| Leasehold improvements | - | 50,492 |
| | 25,943,632 | 22,597,546 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|---|-------------------|-------------------|
| 14. Cash generated from operations | | |
| Surplus | 18,939,225 | 10,731,267 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,664,948 | 2,032,953 |
| Gain on sale of assets | (4,954) | (8,068) |
| Debt impairment | 154,477 | 398,283 |
| Movements in provisions | (87,270) | 429,517 |
| Changes in working capital: | | |
| Receivables from exchange transactions | (539,181) | 32,345 |
| Other debtors | (154,477) | (398,283) |
| Payables from exchange transactions | 3,409,022 | 545,366 |
| Unspent grants and receipts | 1,439,876 | (2,239,127) |
| | 25,821,666 | 11,524,253 |

15. Financial instruments disclosure

Categories of financial instruments

2018

Financial assets

| | At amortised cost | Total |
|--|-------------------|-------------------|
| Trade and other receivables from exchange transactions | 2,116,180 | 2,116,180 |
| Cash and cash equivalents | 69,772,815 | 69,772,815 |
| | 71,888,995 | 71,888,995 |

Financial liabilities

| | At amortised cost | Total |
|---|-------------------|-----------|
| Trade and other payables from exchange transactions | 4,335,503 | 4,335,503 |

2017

Financial assets

| | At amortised cost | Total |
|--|-------------------|-------------------|
| Trade and other receivables from exchange transactions | 1,576,999 | 1,576,999 |
| Cash and cash equivalents | 45,631,089 | 45,631,089 |
| | 47,208,088 | 47,208,088 |

Financial liabilities

| | At amortised cost | Total |
|---|-------------------|-----------|
| Trade and other payables from exchange transactions | 1,332,128 | 1,332,128 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

Figures in Rand

2018

2017

16. Commitments

Authorised capital expenditure

Approved and contracted for

| | | |
|---------------------|-----------|---|
| • Intangible assets | 1,303,448 | - |
|---------------------|-----------|---|

Total capital commitments

| | | |
|-----------------------------|-----------|---|
| Approved and contracted for | 1,303,448 | - |
|-----------------------------|-----------|---|

Total commitments

Total commitments

| | | |
|--------------------------------|-----------|---|
| Authorised capital expenditure | 1,303,448 | - |
|--------------------------------|-----------|---|

This committed expenditure relates to intangible assets and will be financed by retain surpluses.

Operating leases - as lessee (expense)

Minimum lease payments due

| | | |
|-------------------------------------|------------------|----------------|
| - within one year | 608,468 | 275,880 |
| - in second to fifth year inclusive | 605,279 | 579,348 |
| | 1,213,747 | 855,228 |

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

17. Comparative figures

Certain comparative figures have been reclassified. the effects of the reclassification are as follows in 2017:

Bonus accruals were previously classified under provisions account and are now classified under payables from exchange transactions. The reason is that leave and bonus are expenditure already due to employees unlike the provision which is dependent on a particular uncertain future event.

Refer to note 7 and 8 of the annual financial statements.

The effects of the reclassification are as follows:

Statement of financial position - extract

| | Comparative figures previously reported | Reclassifi- cation | Restated balance |
|-------------------------------------|--|-----------------------|---------------------|
| Payables from exchange transactions | 1,927,030 | 411,972 | 2,339,002 |
| Provisions | 3,473,987 | (411,972) | 3,062,015 |
| Total | 5,401,017 | - | 5,401,017 |

Statement of financial performance - extract

18. Risk management

Financial risk management

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

Figures in Rand

18. (continued)

Liquidity risk

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

Credit risk

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

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

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

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

| | | |
|-----------------------------|------------|------------|
| Financial instrument | 2018 | 2017 |
| Cash and cash equivalents | 69,698,643 | 45,631,089 |
| Trade and other receivables | 2,116,180 | 1,576,999 |

Market risk

Interest rate risk

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

19. Going concern

The Council is largely dependent on fees received from Educators for continued funding of operations.

The accounting authority considers that the Council has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing council's Annual Financial Statements.

The accounting authority has satisfied itself that the Council is in a sound financial position and that it has access to sufficient cash resources to meet its foreseeable cash requirements. These Annual Financial Statements have been prepared based on the expectation that the council will continue to operate as a going concern in the year(s) ahead.

20. Fruitless and wasteful expenditure

| | | |
|------------------------------------|-------|---|
| Fruitless and wasteful expenditure | 2,998 | - |
|------------------------------------|-------|---|

The above fruitless and wasteful expenditure remains on these financial statements and will be removed on condonation by council.

21. Contingent liabilities

| | | |
|---------------------------|-------------------|-------------------|
| Heading | | |
| Cash and cash equivalents | 69,772,815 | 45,631,089 |
| Add: Receivables | 2,116,180 | 1,576,999 |
| Less: Current liabilities | (10,270,411) | (5,664,343) |
| Less: Commitments | (2,517,195) | (855,228) |
| Surplus | 59,101,389 | 40,688,517 |

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|-----------------|------|------|
|-----------------|------|------|

21. Contingent liabilities (continued)

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

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

The surplus of R 59,101,389 has been classified as a contingent liability at 31 March 2018 as there is no approval received as yet to retain the surplus funds.

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

The council at the end of the 2017/18 financial year had a commitment in the form of intangible asset internally generated. This liability is not recognised because the amount of the obligation cannot be measured with sufficient reliability.

22. Material differences between budget and actual amounts

The council budget is approved on a cash basis by functional classification. The approved budget covers the period from 1 April to 31 March each year.

The council adjusted the budget during the year to cater for the increase in the registration fees and interest receivable. The adjusted budget was approved by the Minister of Basic Education.

Financial Statements and budget documents are prepared for the same period. For the Financial Year ended 31 March 2018, there is a basis difference: the budget is prepared on a cash basis and the Annual Financial Statements are prepared on the accrual basis.

The council is not allowed to budget for a surplus; however, for the Financial Year ended 31 March 2018, revenue collected exceeded the expenditure incurred resulting in a net surplus of R 18,939,225.

This under-spending is as a result of vacant senior personnel positions, by R 3,244,655 below its budget as well as underspending on particular projects due to delay in the start of those projects, council will continue with those projects and have started a process of engaging National Treasury to retain the funds saved for this purpose.

After taking into account the accumulated surplus of R 107,432,001, this resulted in the increase in the accumulated surplus to R 126,376,192 at the end of the Financial Year.

Revenue is over the budget due to the increase in the membership fees effective 01 November 2017.

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

Personnel cost is below the budget due to some senior staff resignation during the financial year.

General expenses are below the budget due to underspending on CPTD and delayed leasehold improvements for new offices in Limpopo, Eastern Cape and Western Cape.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|---|----------------|----------------|
| 23. Related parties | | |
| Amount owing from related parties | | |
| South African Post Office | 1,089,550 | 848,297 |
| Education labour relations council | 1,581 | 1,581 |
| | - | - |
| Amounts owing to related parties | | |
| State Information Technology Agency Proprietary Limited | (531,625) | - |
| South African Post Office | - | (7,050) |
| | 559,506 | 842,828 |

All national departments of government are regarded to be related parties in accordance with Circular 4 of 2006: 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 above were recorded relating to transactions with related parties.

24. Review of useful lives and residual values

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

In prior periods, management had estimated the useful lives of computer equipment to be 3-8 years, furniture to be 20 years, office equipments to be 25 years and software to be 10 years. These assets were assessed with specific reference to each asset and the condition of the asset.

The effect of this revision has reduced the depreciation and amortization charges for the current and future periods by R 218,310. The effect of this revision has increased surplus for the year by R 218,310.

25. Subsequent events

The council has no knowledge of reportable events that occurred after the reporting period.