



ANNUAL
REPORT
2021/22

Promoting continuing
professional learning of
educators anywhere,
anytime - Education 4.0 counts





S A C E

South African Council for Educators

wards Excellence in Education

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PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	South African Council for Educators
REGISTRATION NUMBER (if applicable):	SACE Act 31 of 2000 as amended
PHYSICAL ADDRESS:	Crossway Office Park, Block 1 240 Lenchen Avenue Centurion
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FAX NUMBER:	+27(12) 663 9238
EMAIL ADDRESS:	info@sace.org.za/pr@sace.org.za
WEBSITE ADDRESS:	www.sace.org.za
EXTERNAL AUDITORS:	A2A Kopano Incorporated
BANKERS:	Nedbank Limited
CHIEF EXECUTIVE OFFICER	Ms ME Mokgalane



2. LIST OF ABBREVIATIONS/ACRONYMS

ADVOCCO	Advocacy and Communication Committee
AFTRA	African Forum of Teaching Regulatory Authorities
APP	Annual Performance Plan
CGE	Commission for Gender Equality
CET	Community Education and Training
COID	Compensation for Occupational Injuries and Diseases
CPTD	Continuing Professional Teacher Development
CRR	Capital Replacement Reserve
CHE	Council for Higher Education
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
EDF	Education Deans Forum
ETHCOM	Ethics Committee
EXCO	Executive Committee
FEDSAS	Federation of Governing Bodies of South African Schools
FINCO	Finance Committee
GRAP	Generally Recognised Accounting Practice
HEDCOM	Heads of Education Departments Committee
IAS	International Accounting Standards
IFTRA	International Forum of Teaching Regulatory Authorities
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MTEF	Medium Term Expenditure Framework
NRSO	National Register of Sexual Offenders
NAISA	National Alliance of Independent Schools Association
NAPTOSA	National Professional Teachers' Organisation of South Africa
NASGB	National Association of School Governing Bodies
NATU	National Teachers' Union
NPFTED	National Policy Framework on Teacher Education and Development
PEDs	Provincial Education Departments
PEU	Professional Educators' Union
PRODCO	Professional Development Committee
PFMA	Public Finance Management Act
R&A	Risk and Audit Committee
SACE	South African Council for Educators
SADTU	South African Democratic Teachers Union
SAOU	Suid-Afrikaanse Onderwysers Unie
SAPA	South African Principal Association
SAQA	South African Qualification Authority
SA GAAP	South African Statements of Generally Accepted Accounting Practice
STAFFCO	Staffing Committee
TEPCO	Teacher Professionalisation Committee
TVET	Technical and Vocational Education and Training
VVOB	Flemish Association for Development Cooperation and Teacher Assistance

3. FOREWORD BY THE CHAIRPERSON



Following the inauguration of the newly appointed Council by the Minister of Basic Education in August 2022, I am humbled to be leading the SACE Accounting Authority (Council) for the 2020–2025 term of office. Thus, as a collective, Council hit the ground running in performing its fiduciary duties as per the prescripts of the Public Finance Management Act (PFMA), playing oversight over the implementation of the SACE Act, as well as setting out principles and key elements of good governance. Therefore, the 2021/22 financial year marks the first Reporting cycle for the public entity's Accounting Authority (AA), appointed and inaugurated by the Minister of Basic Education as the Executive Officer in August 2021, for the 2021–2025 term of office.

While the effects of COVID-19 hampered the entity's effective operations and delivery of its mandate in the 2020/2021 financial year, the period under review experienced some reasonable improvement with some inevitable revisions of our working processes and provisioning of service delivery, particularly in conducting investigations and hearings on reported cases of educator misconduct. On the other hand, this changing environment presented some opportunities that led to Council and Council committees holding meetings cost-effectively virtually.

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

This Annual Report signals the second year of implementing the 2020–2025 strategic plan through the 2021/2022 APP which had 30 output indicators from the following six Programmes: Programme 1: Administration, Programme 2: Professional Registration, Programme 3: Ethical Standards, Programme 4: Professional Development, Programme 5: Professional Standards and lastly Programme 6 Research. Through Programme 1, the entity ensured that it enhances the oversight efficiency and effectiveness of its newly inaugurated Accounting Authority by establishing the following nine (9) statutory and non-statutory committees. They were established in line with the SACE no.31 of 2000: Execu-

tive Committee (EXCO), Registration Committee (REGCO), Professional Development Committee (PRODCO), Ethics Committee (ETHCOM), Teacher Professionalisation Committee (TEPCO), Advocacy and Communication Committee (ADVOCCO), Staffing Committee (STAFFCO), Finance Committee (FINCO) and Risk and Audit Committee (R&A Com). Accordingly, these committees, together with Council have been instrumental in overseeing the implementation of the 2021/2022 Annual Performance Plan (APP) that led to the outputs and financial spending reflected in this report.

Equally, this Annual Report provides a public account on the programme and financial performance of the entity in the year under review. Overall, 23 (77%) out of the 30 Annual Performance Plan indicators were achieved in 2021/2022 as compared to 14 (52%) out of 27 in 2020/2021. The 2021/2022 performance increased by 12%. This improved performance could be attributed to the easing of COVID-19 pandemic levels that enabled Council to double its efforts in promoting professional development amongst several educators in Programme 4 (Professional Development) and access to perpetrators and children who are pivotal to the enforcement of code of professional ethics within Programme 3 (Ethical Standards) in particular.

Our flagship Professional Teaching Standards (PTS) continue to underpin many of our initial teacher education and continuing professional development programmes in the education system. Also, the year under review saw the development of relevant policies and frameworks that are enhancing the status and standing of the teaching profession as living documents. Therefore, the SACE constituencies and stakeholders, along with the teaching profession will continue to engage SACE on their content and implementation as part of contributing to becoming, being and growing as a South African teacher.

Strategic Relationships

The changing world and teaching profession alike require that every organisation invest in various collaborations and partnerships. As part of supporting the initial teacher education space and student teachers to become professional newly qualified teachers, the entity has been working collaboratively with the Education Deans Forum (EDF) and public and private Higher Education Institutions (HEIs) in ensuring that provisional registration, as well as orientation on SACE mandates is done accordingly. Likewise, the Department of Home Affairs (DHA), South African Police Services (SAPS), the Hawks, and Department of Justice and Constitutional Development (DOJC) have been critical partners who provided the vital support in implementing the professional registration fit-to-teach/practice value chain.

Furthermore, the management and implementation of the Continuing Professional Teacher Development (CPTD) System is incomplete without the Professional Development provisioning system by the Provincial Education Departments (PEDs) and other providers. Therefore, implementing the CPTD system collaboratively with all these partners ensured that the basic education sector has fit-for-purpose SACE-endorsed professional development programmes and activities for teachers. More so, the rapid review study conducted by the University of KwaZulu-Natal and SACE, assisted in examining the extent of uptake of the SACE-endorsed professional development programmes and activities.

Again, the ongoing relationship between SACE and the VVOB gave teachers an opportunity to access reading, teaching and learning resource material through the virtual library. This relation also contributed to the development of the online safety and security for teachers' online programme that can be accessed by teachers anywhere, anytime in the country.

Challenges faced by Council

At strategic level, Council experienced slow turn around processes in the finalisation of the teacher misconduct cases reported to SACE due to disjuncture between the increasing number of reported cases versus the available financial and human resources. Consequently, this results in recurring rolled over cases into the new financial year and delaying of justice. Additionally, the submission of fraudulent qualifications for registration processes, as well as the manufacturing of fraudulent SACE certificates in the public remains a challenge that requires both SACE and teacher employers to be vigilant and verify qualifications and SACE certificates prior to the registration and employment

processes respectively.

The strategic focus over the medium to long term period

During the 2022-2023 financial year, the Council will be undertaking a mid-term review assessment of its Strategic Plan. This mid-term assessment will document the SACE progress in implementing its Strategic Plan 2020-2025, with a particular reference to the delivery of outcomes in relation to the priorities of the government. This report must include recommendations about performance, budgeting and planning improvement for the Strategic Plan's remaining financial years, with its findings contributing to sector performance assessments. The Council will finalise the process of reviewing and repositioning SACE. Coupled with this, will be a process of engaging in the job evaluation process to support the organisational review and repositioning process, as well as enhancing internal capacity.

As part of the continued process to heighten SACE visibility in the public and at the coal face of the teaching profession, a feasibility study will be conducted for the establishment of the SACE Provincial offices in the Northern Cape, North West and Mpumalanga provinces.

Acknowledgements /Appreciation

I am eternally grateful to my fellow Council members who played the oversight role over the delivery of the SACE mandate and ensured that service delivery occurs in the teaching profession. My appreciation also goes to the Chief Executive Officer for an immense role she played in leading the organisation administratively, as well as the Chief Financial Officer (CFO) for his stewardship of the organisational finances. I also thank our Heads of Divisions, managers and staff for their hard work and ensuring that our teachers are served with pride. SACE mandates could not have been implemented without the contributions made by over 450 000 educators in this country's public and independent institutions.

We are also appreciative of the SACE Executive Authority, Department of Basic Education and Portfolio Committee on Basic Education's guidance and support. Our constituencies, stakeholders and the VVOB are also thanked for their support and continued inputs that shape SACE as an organisation, entity and professional self-regulatory body.

Conclusion

Notwithstanding the current challenges, some audit findings and effects from COVID-19 and other service delivery experiences, Council improved in terms of its processes, systems and audit report. The newly appointed Council will be finalising the SACE Review and Repositioning and Job Evaluation projects which will turn SACE around in terms of the internal capacity, heightening service delivery and repositioning the organisation accordingly.



Mr Mabutho Lucky Cele
Council Chairperson
South African Council for Educators
29 July 2022



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

General Financial Review of the Public Entity

The main source of Council funding is educator membership fees determined by Council from time to time. In consultation with the teaching profession, the Council took a decision to adjust the Annual membership fee from R180 to R198 per educator effective from 01 April 2021. The Council has over collected the estimated revenue of R 113 million by 4,8%. Of the total revenue of R 119 million, R22 million was received from the fiscal as a grant for the management of the Continuous Professional Teacher Development of which 13% remained unspent and accounted for as a deferred government grant. The registration administration fee collectable from registering educators is R 400 for foreign educators and R200 for South Africans. The Council's financial position is sound.

Spending Trends of the Public Entity

The Council delivered its responsibilities within its collected means of R119 million as compared to R104.2 million in 2020/2021. While council remained with the net annual surplus of R16 million in 2020/2021 financial year, the period under review saw an improvement of R3m net surplus. This is a reduction of the 2021/2022 surplus by R13m (81.25%), a move that saw the improved organisational performance as well. From a capital investment perspective, Council has been operating from its own bought properties. Starting with the national office situated at No. 240 Lenchen Avenue in Centurion; No 25 Rhodesdrift Office Park in Polokwane, Limpopo; and 180 Mahatma Gandhi Road in Durban, KwaZulu-Natal. During the year, Council acquired its planned provincial administrative properties situated at No. 33 Bonza Bay Drive in East London, Eastern Cape; No. 2 Genius Loci Park in Bloemfontein, Free State; and No. 38 Wale

Street Chambers in Cape Town, Western Cape.

Capacity constraints and challenges facing the public entity

While Council over collected its revenue by 3.8% during the year under review, it continues to have inadequate funds to be budgeted for the APP Mandatory Programmes that are key to the delivery of service to the teaching profession. This challenge might also be attributed to the amount of money contributed by the educators to the monthly levies.

Council continues to be faced with a disjuncture between the financial and human resources available to investigate and prosecute cases of ethical misconduct and the increasing number of teacher misconduct cases received annually. This results in inevitable cumulative number of cases rolled over from one financial year to the next. While the historic figures of cases received are supposed to assist in planning for the resources for the succeeding financial year, the unavoidable reactive process of receiving misconduct cases from third parties, like any other prosecuting authority and courts, make such planning impossible. As such, it remains challenging to achieve targets in Programme 3 because the entity does not have control on the number of cases to be received, as trends change annually.

Discontinued key activities / activities to be discontinued

Council intended to sign-up final year students under Programme 4, in preparation for participation in the CPTD System once they qualify as newly qualified educators. However, the process of acquiring the final year student teachers to source data from the Higher Education Institutions (HEIs), as a third party has been a challenging process. Therefore, this process has been discontinued with an understanding that the sign-up process for participation in the CPTD system will form part of the newly qualified educators' induction and orientation process.

New or proposed key activities

Council has the responsibility to professionalise the teaching profession across the teacher education continuum. Part of this process involves influencing the preservice teacher education space in terms of accreditation of the programmes and qualifications in teacher preparation. Therefore, Council will be signing the initial Memorandum of Agreement (MOA) with the Council on Higher Education (CHE) for purposes of joint accreditation of the preservice programmes from a professional perspective. This will ensure SACE plays a meaningful quality assurance role in the preservice space. At strategic level, this move will heighten teacher professionalism and the implementation of the Council-approved teacher professionalisation path.

Requests for roll over of funds

The entity remained within a net surplus of R3 million for the financial year. This surplus brings the accumulated surplus of Council at the end of 31st March 2022 to 176 million. Thus, Council applied to National Treasury (NT) for the retention of the accumulated surplus to enable the Council to continue with the Information Technology (IT) infrastructure improvement; further establishment of provincial offices in the remaining three provinces; keeping contingency reserve fund for the operations, such as employee disputes, educator case management, and asset acquisition.

Supply Chain Management

The Supply Chain Management (SCM) are in place and operating effectively. At the close of the financial year there were no unsolicited bid proposals.

Challenges experienced and how they will be resolved

In addition to the challenges highlighted above, Council experienced challenges around under expenditure on Programme 4, as a result of leadership and managerial deficiencies as reflected, amongst others, in the audit findings and surplus on the grant received from surplus. Also, certain Programmes were under-budgeted due to insufficient amount of levies paid by the educators monthly.

Council came to a decision to review the teachers' monthly levy annually. Again, Council is involved in a SACE Review and Repositioning project which will be completed in July/August 2022. Council with this, the job evaluation process will commence in August 2022. The two processes will assist in repositioning the organisation, addressing internal capacity issues as well as ensuring that Council programmes are adequately funded.

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

In the previous financial year, 2020/2021, Council received an unqualified audit with some performance information misstatements. Based on the identified misstatements, a remedial action plan was developed and implemented accordingly.

Additionally, Council appointment of the Manager: Planning, Monitoring & Evaluation, Reporting and Research, a critical position that assisted council in ensuring that the pre-determined and strategic objectives are met, to a larger extent. Also, this position ensured quality and internal control to Council's performance and reported performance information as compared to 2021 financial year.

Outlook/ Plans for the future to address financial challenges

In line with the Council's decision, funding will be reviewed every year to ensure sustainability in delivering mandatory functions.

Economic Viability

While Council's financial position is reported to be sound, an enhanced funding model of the entity is being explored as part of the SACE Review and Repositioning process to ensure financial stability.

Acknowledgement/s or Appreciation

My sincere gratitude goes to the Council Chairperson and the entire Council for oversight role, continued guidance and support to the administration. The entity received unqualified and clean financial audit. Therefore, my appreciation goes to the CFO and Finance Division team for stewardship of the entity's finances. While Council received some misstatements on three of its APP indicators, the Planning, Monitoring and Evaluation and Reporting Manager and staff should be complemented for working around the clock in ensuring that Council's performance information improves. Hence the reduction in the number of audit findings.

The education sector would not have had professional employees in schools and colleges if the Head for Registration and her registration team were not hard at work in registering fit-to-practice/teach professional educators and college lectures. Their tireless efforts have not gone unnoticed. The four SACE provincial Heads and CPTD Coordinators are equally thanked for ensuring that the SACE mandates are delivered at the coalface of the teaching process across the country. All the staff in the Council support functions, we value your efforts and your continued support of core mandates and the entire organisation. The Ethics staff safeguarded the interests and rights of the children are protected, while Professional Development staff ensured that the educators are supported professionally, as well as participating in the CPTD system. Their selflessness is highly recognised.

Lastly, our Department of Basic Education, Department of Higher Education and Training, Department of Home Affairs, National Treasury, Department of Justice and Constitutional Development, ETDP-SETA, Umalusi, Education Deans Forum, teacher unions, NAISA, SGB Associations, VVOB, and all stakeholders, we value your collaboration, inputs, guidance and support. We are indebted to the educators of this country for the existence of SACE and financial resources.

Thank you all.



Ms Mapula Ella Mokgalane

Chief Executive Officer

South African Council for Educators

29 July 2022:

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

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the public entity.

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 entity for the financial year ended 31 March 2022.

Yours faithfully



Mr Mabutho Lucky Cele
Chief Executive Officer
29 July 2022



Ms Mapula Ella Mokgalane
Chairperson of the Council
29 July 2022

6. STRATEGIC OVERVIEW

6.1. VISION

Inspiring a credible teaching profession.

6.2. MISSION

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

6.3. VALUES

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



7. LEGISLATIVE AND OTHER MANDATES

- NDP: Vision 2030: National Development Plan
- NQF Act, 2008: National Qualifications Framework Act, NQF Amendment Bill 2019
- NPFTED, 2007: National Policy Framework for Teacher Education and Development South Africa
- ISPFTED, 2011: Integrated Strategic Planning Framework for Teacher Education and Development in South Africa, 2011–2025
- PPQTVET, 2013: Policy on Professional Qualifications for Lecturers in Technical and Vocational Education and Training
- MRTEQ, 2015: Revised Policy on the Minimum Requirements for Teacher Education Qualifications
- PPQACET, 2015: Policy on Minimum Requirements for Programmes Leading to Qualifications for Educators and Lecturers in Adult and Community Education and training
- MRQEECCCE, 2017: Policy on Minimum Requirements for Programmes Leading to Qualifications in Higher Education for Early Childhood Development Educators
- Revised Registration Criteria
- Code of Professional Ethics
- CPTD Management System Handbook 2013
- Professional Teaching Standards
- Fit-to-Teach Policy
- Teacher Professionalisation Path
- Teachers' Safety and Security in South African Schools

8. ORGANISATIONAL STRUCTURE

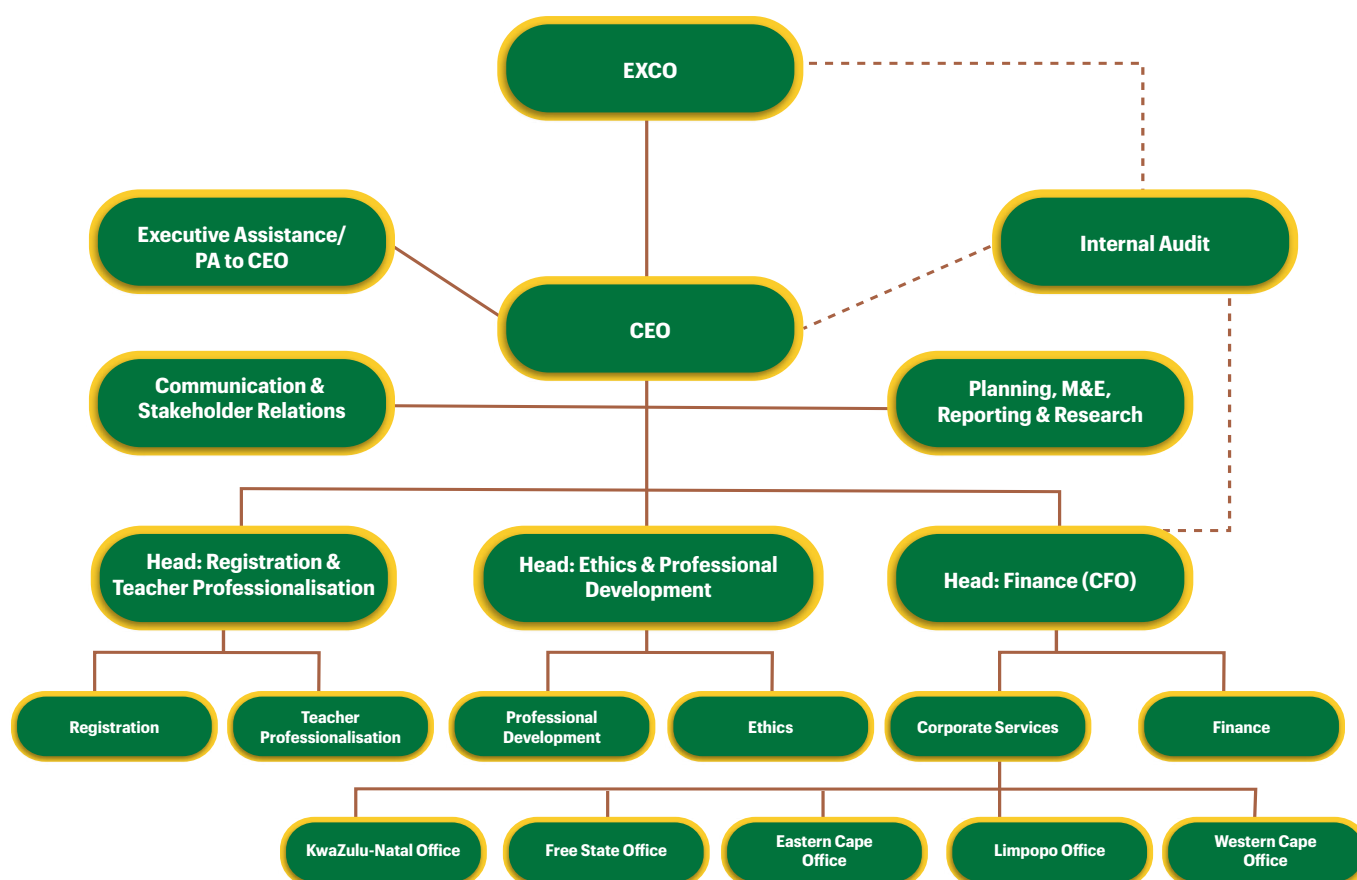


FIGURE 1: SACE ORGANISATIONAL STRUCTURE



PART B

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The Council managed to heighten service delivery to the teaching profession through several professional development and support activities, outreach sessions, engagements, and collaboration with stakeholders, as well as the purchasing of provincial offices in the Eastern Cape and Free State provinces. The 2017-2021 Council term of office came to an end on the 31st July 2021. As such, the Executive Committee held its last meeting for the 2017-2021 term of office on the 28th July 2021 and Council was dissolved accordingly in its final meeting on the 29th July 2021. Following the nomination of the prospective Council members by the SACE constituencies, the Minister of Basic Education appointed 29 new people to serve as SACE Council members for the 2021 – 2025 term of office. As a result, the 2021 – 2025 Council was formally constituted in its first meeting held on the 18th August 2021. Equally, the constituted Council was inaugurated by the Minister on the same day of its formal constitution.

The Council continues to provide quality assurance within the collecting , verifying and reporting performance information of the core mandate. Statutory Reports and documents has been provided to the DBE and in compliance with PFMA , Framework For Strategic Plans and Annual Performance Plans, Framework for Managing Programme Performance Information and PMER Policy Framework 2022-2024. The consistency submission of eQPRS and Quarterly Report to DBE in due time ensure good governance compliance with legislations. Since the training of the panelists, the number of cases that were investigated increased exponentially and it is expected that investigations will be finalised speedily in the future. The panelists will receive further training to enable them to prosecute and preside over disciplinary hearings. This will also increase the number of disciplinary hearings that the SACE will be able to finalise.

The Professional development of educators is still at the heart of Council, during the year under review, some professional development support interventions afforded to educators were conducted face to face, taking into consideration the Covid-19 prevention measures, and the country being at adjusted level 1 afforded more engagements with educators. Educators were supported mainly on programmes pertaining to the Code of Professional Ethics, the use CPTD MS, the CPTD theory of change and teachers' safety and security. The Council is continuing to administer the virtual instrument designed to monitor the SACE endorsed professional development activities. This initiative is designed to ensure that providers are implementing the activities as per their endorsement imperatives submitted to SACE. The Council also received positive feedback from several teachers who participated in the provider led professional development activities.

The Council presented the Professional Teaching Standards to the University of Fort Hare, East London campus for the Post Graduate Certificate Education student teachers. The Council in collaboration between programme 4 and 5 conducted the professional teaching standards awareness session in Mpumalanga at Malaga Forties Hotel, in the North West at Ikatisong High School in Brits. In relation to the Eastern Cape the following schools received the Professional Teaching Standards awareness Session in Jeffrey's Bay Comprehensive high school; Hankey Primary; Tsitsikama circuit schools in Johanna Hus Primary School; Humansdorp Secondary School. Furthermore, the Gauteng Province awareness session were also held in Manhattans Hotel, Pretoria; the lakes Hotel and Conference Centre, Benoni. As well as in the Western Cape, Professional Teaching Standards awareness sessions which were conducted for the six regions of the South African Democratic Teachers Union

2.2. Organisational Environment

As part of strengthening internal capacity, a number of vacant posts were filled and subjected to employment equity processes. The filled positions are in Professional Development, Corporate Services and ICT divisions.. Budgetary constraints and cost containment measures continue to affect the organisational environment, particularly in relation to training of staff and managers as some trainings had to be scaled down due to funding. Training of staff members is ongoing with an attempt to upskill employees to improve general organisational performance. The appointment of the Manager: Planning, Monitoring & Evaluation, Reporting and Research has enabled the Council to strengthen its functions within Council. The Council is in a stable environment to enable Service delivery from various Divisions.

Council was often affected by office closures due to Covid -19 Cases, however it is encouraging that the situation has improved and it is stable to allow Service delivery operating from the offices during the period under review. The Council embarked on a total staff return, which has minimised the negative effects of working from home. The current organisational structure and provision of human resource enables the Council to perform its duties with minimum limitations. Training of employees has been a priority of Council although it is not matched by funding provided for the matter. Some of Training Interventions were postponed due to lack of Funds. It is impressive to note the level of interest of some employees in training interventions including self-initiated Study interventions funded by Council. It is against this background that the Council reports that 100% of performance evaluation were completed for the 2021/22 financial year.

2.3 Key policy developments and legislative changes

The introduction of the Basic Education Laws Amendment Bill (B2-2022) Section 76: Ordinary Bills affecting the provinces to the National Assembly, as well as the Socio-Economic Impact Assessment System which defines the "additional employment opportunities for Grade R Educators which also impacts their condition of service. It further creates employment opportunities for competent assessors for Home Education learners." The Council will be required to planning for an increase in applications from qualified Grade R diploma holders as well as the increase of student educators in studying towards grade R Diploma. There is an emerging market of competent assessors which will need to be registered by Council and regulated in terms of the Ethical and Professional Standards. The Planning, Monitoring & Evaluation, and Reporting Policy Framework 2022-2024; and SACE Research Policy 2022 were reviewed. The recently enacted Law on administration of Personal Information will continue to change the landscape of public administration on various forms. The Council remains informed to the requirement of the Act in its administration of people's information.



2.4. Progress towards achievement of institution impacts and outcomes

TABLE 1: Strategic Outcome Oriented Goals

Outcome Oriented Goals	Progress To Date
Efficient and effective governance	This goal is being achieved through the five different input indicators that ensure that (a) as an Accounting Authority, all normal four annual Council and eight annual EXCO meetings as part of playing oversight role and ensuring the functionality of Council; (b) production of the five-year strategic plan, annual performance plans, operational plans, quarterly reports, and annual reports; (c) implementation of the communication strategy and annual plans; (d) implementation of the ICT strategy; and (e) ensuring that employees are well capacitated.
Fit-to-practice registered educators and lecturers	39% (103611/267810 x100) of educators, student teachers, ECD practitioners and college lecturers were professionally registered. The strategic Plan 2020-2025 baseline for the five-Year target was 267 810 and the 2020-2021 audited actual performance is 60 285. However the 2021-2022 audited actual performance is 43 326 which makes the percentage to be 39%.
Maintained ethical standards	Since Council started implementing the 2020-2025 strategic plan, 343 cases of ethical misconduct were finalised. The Council is seeing an increase in the number of cases being reported. Strides are also being made in ensuring that at least 400 000 educators by the end of the strategic plan cycle adhered to the code of professional ethics.
Improved teacher competence	In ensuring fit-for-purpose and quality teaching profession, 1 922 professional development programmes and activities were endorsed, and 146 providers were approved. A total of 15% (72 041/481 009) educators are participating in the Continuing Professional Teacher Development System.
Improved teacher professionalism	The development and approval of the professional teaching standards, along with the teacher professionalisation path across the teacher education and development continuum.



3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: Administration

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

Sub-Programme 1.1: Executive and Governance

Purpose: To determine policy and priorities for the organisation.

Sub-Programme 1.2: Planning, Monitoring & Evaluation Reporting

Purpose: To translate policies and priorities into strategies for effective service delivery and to manage, monitor and control performance and research.

Sub-Programme 1.3: Corporate Services

Purpose: To ensure appropriate support service based on the principles of corporate governance

Sub-Programme 1.4: Financial Management

Purpose: Provide sound financial and risk management support services as well as budgeting, provisioning, and procurement to the organisation.

Sub-Programme 1.5: Communication and Stakeholder Relations

Purpose: Provide and improve internal and external communications of the organisation through various platforms to all stakeholders and ensure a proactive communication and advocacy strategy reaching all educators and stakeholders groupings

Sub-Programme 1.6: Information and Communication Technology

Purpose: Improved corporate governance of ICT leads to effective public service delivery through ICT-enabled access to organisational information and services, ICT enablement of business, improved quality of ICT service, stakeholder communication, trust between ICT, the business and citizens, lowering of costs, increased alignment of investment towards strategic goals, protection and management of the organisational and employee information.

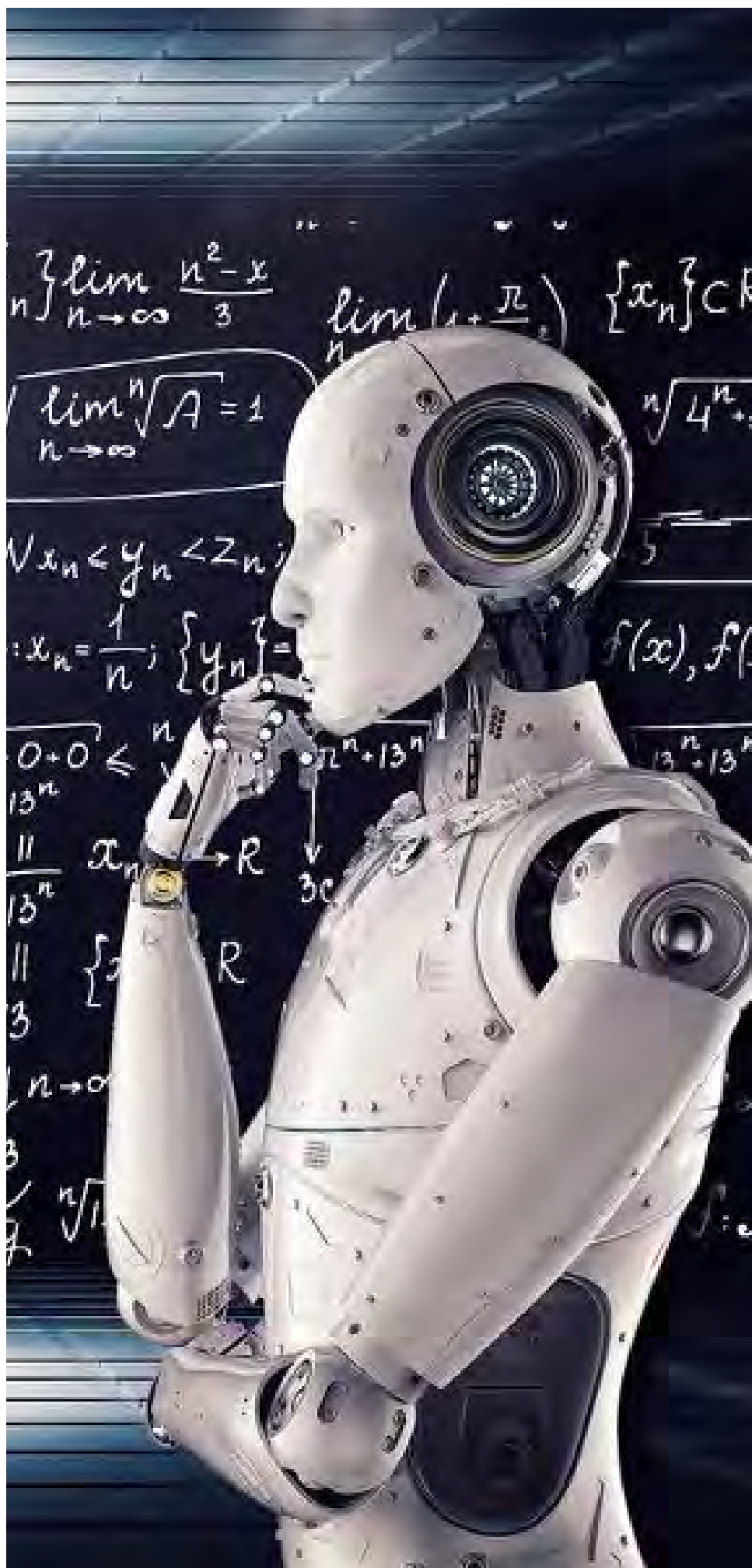
TABLE 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table



Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Efficient and effective governance	Minutes and attendance registers of the meetings	1.1.1. Number of Council and EXCO meetings convened	N/A	14	12	17	5	There were 4 additional special EXCO and 1 special Council meetings to closely monitor the 2020/2021 audit findings, as well as, planning for the inauguration of the 2021- 2025 Council.
	Approved quarterly performance report	1.1.2. Number of quarterly performance reports submitted to DBE	N/A	4	4	4	N/A	N/A
	Performance agreements and assessments	1.1.3 Percentage of employees assessed through the performance development system	N/A	52%	100%	100%	100%	N/A
	Report on trained employees.	1.1.4. Percentage of trained employees	N/A	-	30%	31%	1%	The implementation of POPIA resulted in the Council training more employees who are directly affected by the legislation, in the day-to-day running of their duties.
	Comprehensive report on the promotion and advocating of SACE core mandates	1.1.5. Number of SACE promotion and advocacy activities on the selected core mandates	N/A	1	4	4	N/A	N/A
	Acknowledgement from treasury	1.1.6. Percentage of invoices paid within 30 days	N/A	90,9%	100%	91%	9%	Not achieved due to delays in dispute resolution
	Signed-off Reports of Digitised Systems	1.1.7. Percentage of Digitised system in a year	N/A	1%	60%	40%	20%	Slow turnaround time of service providers

TABLE 3: Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (Province/District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Sub-Programme 1.5. Communication and Stakeholder Relations	Content Dissemination Plan	National	5 000 (Educators)	N/A	R500 000,00	R500 000,00	Promotion and Advocacy of the SACE core mandates	Increased awareness of the SACE core Mandates.



Narrative-Highlights for the 2021/22 Financial Year

The Council has introduced APP and AOP Balance Scorecard Guide to ensure more performance measures within in the organisational level . The balanced scorecard is a set of measures that gives top managers a fast but comprehensive view of the Council core mandate . Council introduced the Performance Verification and Validation Standard Operating Procedure 2022-2025 to clarify the processes to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned activities, output indicators and targets set in terms of the Annual Performance Plan (APP) and the Annual Operational Plan (AOP) Divisional Operational Plans (DOPs) and Provincial Operational Plans (POPs) in support to the council Planning, Monitoring & Evaluation, and Reporting Framework (the SACE PMER Framework).

The year under review media interactions were undertaken through radio interviews. These interviews were focused on the teachers' rights campaign in particular the SACE Safety and Security in South African Schools handbook. The Council received a fair media balance and manage to reach out to its target audience. As part of intensifying the teachers' rights campaign, media bulk buying was procured through 4 TV channels with prime-time news clock adverts. These were preceded by issuing of three media statements, thus increasing the visibility of SACE to the public. More initiatives of the Council were communicated using other platforms which included posts on the SACE website, internal communication posts to staff members, and production of video a clipping on the Safety and Security handbook.

In maintaining good stakeholder relations and improving visibility in provinces, the Council had a series of bilateral meetings with all its stakeholders within the North West province. The meetings reported on the progress of the Council and cemented the working relations between the SACE and its provincial stakeholders. Presentations were conducted during the sessions, which focused teachers' safety and security in school, code of ethics, and professional development. More than 400 educators attended these sessions, and the desired objectives were achieved. SACE also continued to be committed at promoting the work of council through advocacy and clear communication to its stakeholders. Increasing communication on the core mandates of SACE is essential as educators need to understand the services Council renders. Through the collaborations with stakeholders, Council increased its visibility in the profession through participations at the 21st National Teaching Awards, world Teachers Month celebrations and the Inaugural of female principals in leadership held in KwaZulu-Natal.

Social Media has become a vital way that SACE connects and engages with its constituents. Social media is an additional customer service channel. As teachers are increasingly comfortable transacting online, they expect the council to respond to teachers' queries in the social space, as they would do through a call centre or email. Some teachers have found that problems or questions on social media tend to be resolved more quickly. Some of the enquiries raised from social media are on registration requirements and online Registration. SACE had challenges dealing with Bogus Agents (Third Parties) claiming to be SACE Agents. The SACE call centre continued receiving calls and alerts of the Bogus Agents mis-using the SACE Corporate logo and defrauding educators. Through social media and Website, notice and alerts of scams continued to be shared with the public , for them to become aware of the fraudsters to avoid being victims. The Council reported the matter to the relevant authorities to investigate.

TABLE 4: Reporting on the Institutional Response to the COVID-19 Pandemic

Impact	Intervention
Stakeholder Meetings with Stakeholders were impacted because of the COVID-19 Pandemic.	Stakeholder Meetings were convened virtually as means to address challenges brought by COVID-19.
Disruption of Walk-ins at SACE Offices	SACE digital Platforms (Website, social media, and D6 Communicator) was used to issue notices relating to office closures, registration modes and interacting with stakeholders.

How the performance for programmes/activities/objectives has contributed to the achievement of the public entity's strategic outcomes-orientated goals.

All quarterly performance report target has been achieved for the year under review, Council submitted all Quarterly reports for 2021/2022 financial year. All programmes have been reporting against approved Annual Performance Plan and Annual Operational Plans 2021/2022 aligned with the Strategic Plan 2020–2025 to ensure all council objectives are met and compliance with reporting standards. Council also received a positive e-QPRS compliance feedback report with the reporting standards and requirements by National treasury (NT) and the Department of Planning Monitoring and Evaluation (DPME). The year under review , Annual Performance Plan 2022/2023 was tabled successfully in parliament to plan for the next financial year .The council-approved 2022/2023 Annual Performance Plan (APP) aligned its programmes with the SACE mandate and the budget programme structure .There are no changes from the number of six programmes that the council will be implementing through this APP 2022/2023 , however indicator title and new indicators were introduced. The Council amended PMER Policy Framework 2022–2024 for the next 3 financial year as per policy life cycle. The policy will be implemented as per date of approval. The Policy framework is supported by the Standard Operating Procedure as the business tool to support all technicalities of the policy framework process flow.

TABLE 5: Linking performance with budgets

Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	85 106	71 915	13 191	84 800	90 255	-4 964
Total	85 106	71 915	13 191	84 800	90 255	-4 964

3.2 Programme 2: Professional Registration

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

Sub-programme 2.1: Registration of Teachers

Purpose: To ensure registration of professionally qualified teachers and to create a sub-register for special categories of registration.

Sub-programme 2.2: Registration of student educators

Purpose: To ensure that student educators are registered and given exposure to teacher professionalisation processes.



TABLE 6: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Programme 2: Professional Registration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Fit-to-practice-registered educators and lecturers	Register of qualified educators	2.1.1 Number of educators registered	35 000	60 285	25 000	43 326	18326	In 2020/2021 the majority of newly qualified educators could not update their provisional registration accordingly due to cancellations in their graduations by higher education institutions, as well as the 2020 academic year that overlapped into the first quarter of 2021.
		2.1.2. Percentage of educators applying through the online system for professional Registration	N/A	17%	50%	28% (12310/43326x100)	-22%	The Online Registration system currently only accommodates first time applicants and most of the Professionally qualified applicants especially in the last quarter were those that were updating therefore they could not apply through the Online system.

Programme 2: Professional Registration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Register of student educators registered.	2.2. Creation of additional Specified categories for student educators.	N/A	N/A	Pilot five-year registration of first-year student educators with 12 Universities.	0	0	With the introduction of the POPI Act in July 2021, Council found itself in a position where it could not receive information (list of students) from Higher Education Institutions as they indicated that it prohibits them from sharing students' information with the Council without their consent and that they will have to seek legal advice as to the implications of sharing such data. It should be noted that this indicator was developed before the approval of the POPIA.
	Registration of designated teachers.	N/A	N/A	N/A	Development of Guidelines and requirements for designated teachers.	0	0	There was a need for deeper consultation and engagement with the sector before implementation and to create awareness about this process..

TABLE 7: Originally tabled APP 2021/22

Programme 2: Professional Registration									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Fit-to practice-registered educators and lecturers	Register of student educators registered.	2.2. Creation of additional Specified categories for student educators.	N/A	N/A	Pilot five-year registration of first year student educators with 12 Universities	0	0	N/A	The indicator was removed from the APP from Quarter 3-4.
Fit-to practice-registered educators and lecturers	Registration of designated teachers.	N/A	N/A	N/A	Development of Guidelines and requirements for designated teachers	0	N/A	N/A	The indicator was removed from the APP, from Quarter 3-4.

TABLE 8: Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (Province/District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2. Professional Registration	Created online and via email to assist educators to apply without visiting the office.	Gauteng	Registered educators	- Professionally qualified teachers - Student Teachers - Teachers registered under a special category and those that are academically qualified but professionally unqualified	R0.00	R0.00	Educators registered with the Council	Target met
	Held Virtual meetings	Gauteng	7 (excluding internal staff)	REGCO members	R500 x7 x4	R14 000	Approval of registration documents, policies and registration requirements	Target met
	Held virtual information-sharing sessions with Higher Education Institutions (HEIs)	Gauteng		Student teachers within the HEIs	R0.00	R0.00	Student teachers registered	Target met

Narrative-Highlights for the 2021/22 Financial Year

For the year under review, Council attended to 86 467 applicants, Out of 86 467 transactions 43 326 were professionally qualified educators 474 TVET lecturers, 6 493 ECD practitioners with Level 4 & 5 ECD qualifications, 32 634 were student teachers who are still studying towards a professional teaching qualification and the 4 014 were those registered in other categories of registration. All these applicants were screened for fitness to teach. Table 1 below shows the number of educators, TVET lecturers, student teachers and other applicants that were screened for fitness to practice and registered with Council.

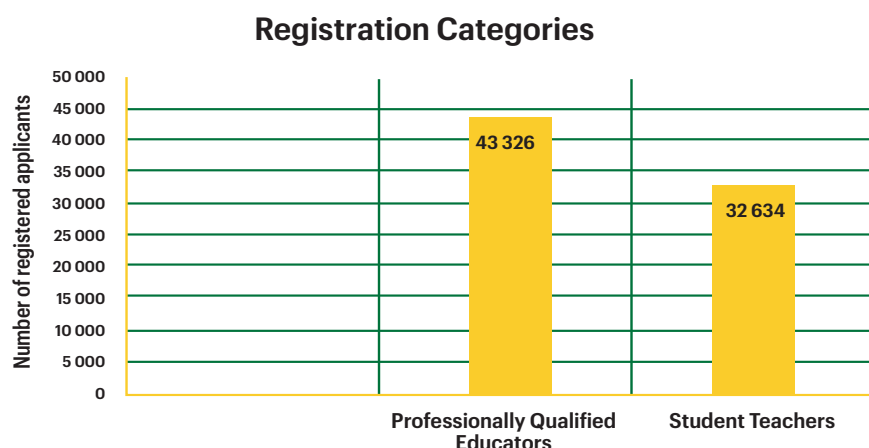
TABLE 9: Registrants between April 2021 to March 2022

Registration Categories	
Professionally Qualified Educators	43 326
Total 1: Number of educators registered (Educators and lecturers screened for fitness to practice)	
OTHER Categories of registration	
Student Teachers (Provisional Registration)	
Provisional Registration- Student Educators	32634
Academically qualified but professionally Unqualified	
Academically Qualified Applicants (Conditional)	3270
Special Category of registration (Operational/Technical/Vocational/Specialists)	
TVET	474
ECD Level 4	3541
ECD Level 5	2952
Abet	172
Others	
Religious Educators	44
Montessori	50
Waldorf	4
Grand Total	86 467

**The grand total is inclusive of all categories, whilst the performance table only reports on the professionally qualified educators.

The figure below is a representation of professionally qualified teachers and student teachers that were registered by Council.

FIGURE 4: REGISTRATION CATEGORIES



Council had 10 692 more professionally qualified applicants who were registered this reporting term as compared to student teachers. The willingness of applicants to register with the Council, submission of complete documents and relaxed lockdown levels may have contributed to the increased numbers.



It should be noted that Council took a decision to register specialists practicing in schools and these specialists are not professional educators. These Specialists predominantly occupy the vocational, occupational, and technical streams. During this reporting period, Council registered 7 139 Operational/Technical/Vocational specialists.

In addition, Council offered student teachers an opportunity to be registered with Council for a smooth onboarding process into the education profession. Registration of Student teachers affords them to be informed about the Council's mandate and the importance of adherence to the code of professional ethics when in schools during practice teaching. Council registered 32 634 student teachers between April 2021 to March 2022.

The total number of applicants who submitted applications for registration with the Council between April 2021 and March 2022 was 86 467 and this number includes 3 270 academically qualified but professionally unqualified applicants who are registered with a conditional that they must study towards a professional teaching qualification and become professionally qualified within a period of three years.

Table 2: Professionally Qualified Educators registered –Online and– Walk-in/ Email April 2021 to March 2022

Number of Professionally Qualified Educators	
Online registration	12 310
Walk-in/ Email	74 157
Total	86 467

Table 2 shows the number of educators applying through the online system and those who prefer to applying through face to face (walk-in) and via email. Out of 43 326 only 28% (12 310) used the online registration portal to submit their applications. It should be noted that the current Online registration portal only accommodates first time applicants, which majority are student teachers applying for provisional registration with the Council and only a limited number of professionally qualified teacher use the portal to submit their applications because most of them are already registered with the Council and are updating their registration.

Presentation of Registration statistics for April 2021 to March 2022

Registered Educators	Q1	Q2	Q3	Q4	Total
Number of Professionally qualified educators	7 687	6985	9631	19 023	43 326
Provisional registration: student teachers	10 211	5969	8379	8075	32 634
Total	17 898	12 954	18 010	27 098	75 960

Table 3: Registrations for April 2021 to March 2022 (Professionally qualified and Student teachers)



Graph: Registrations for April 2021 to March 2022 (Professionally qualified and Student teachers)



Types of offences received for this reporting term- April 2021 to March 2022

Types of offence	Total
Theft/Shoplifting shoplifting	24
Negligent driving	7
Assault	6
Fraud/ Corruptioncorruption	2
Crime injuria	1
Malicious damage to property	1
Drinking and driving	8
Culpable homicide	1
Public indecency	2
Possession of firearm	1
Drugs (possession of Marijuana)	5
Housebreaking	1
Total	59

Table 4: Types of offences received for this reporting term- April 2021 to March 2022

Out of 86 467 registrants, only 59 applicants presented with criminal offences during registration and were given an opportunity to be registered with Council. The above applicants submitted Police Clearance certificates and Afiswitch Clearance Certificates with offences. Out of all registrants who presented with criminal offences only one was Professionally qualified, three student teachers and the other one fall within other registration categories. All 31 applicant's matters were resolved through Council Legal processes and were given an opportunity to register with Council.

Information sharing sessions (virtual meetings)

During the month of April, Council had a meeting with the Department of Higher Education and Training (DHET) and the Department of Education (DBE), regarding registration of ECD practitioners with Educare qualification. The purpose of this meeting was to clarify the relevant qualifications recognised for employment for grade R teachers. DHET clarified that the qualifications recognised for Grade - R teaching as per the Minimum Requirements for Teacher Education Qualifications (MRTEQ) are as follows:

- Diploma in Grade R teaching (with 360 credits)
- B.Ed. in Foundation Phase (with 480 credits)

Council also met with Human Resource department from the Department of Basic Education (DBE) to clarify the different types of SACE registration and the meaning of the registration validity date on all registration documents. The purpose of this meeting was to capacitate the departmental officials to be able to understand the meaning of different categories of SACE registration documents and the validity period attached to each document. As per the divisional Annual Operational Plan, which requires the division hold one Registration Committee (REGCO) meeting for the reporting quarter, a virtual meeting was held on the 10 May 2021. The purpose of this meeting was to give Committee members detailed report of the divisional on registration matters.

Information Sharing Sessions:

Council met with the Department of Correctional Services to discuss possible collaboration. Correctional Services have indicated that they have over 560 professional educators employed by the correctional services. They mentioned that only SACE registered educators are employed at their facilities. The department of Arts and Music at UNISA invited Council to present a Higher Certificate in Music that would create access to B.Mus degree for students who did

not meet the requirements for direct access to the degree. Council appreciated the effort made by the University to support students to gain entry to study B.Mus. Council advised the University that applicants with a complete B.Mus qualification may apply for registration with SACE under the special category. The University made it clear that the Higher Certificate in Music does not include modules that speak directly to education or teaching methodology.

Council met with STADIO and discussion was focused on possibilities of collaboration, and change of name from Embury to STADIO. The management from STADIO highlighted the need for the Council to capacitate their student teachers on the SACE Code of Professional Ethics. Council will explore the matter further and give REGCO feedback. Council was invited to present to UMALUSI and to give clarity on registration-related matters which assist them with their accreditation process of independent schools. The session took care of matters around the provision made by Council to allow academically qualified applicants to register for PGCE.

UMALUSI raised an issue of student teachers employed within schools while the Country had unemployed qualified educators. This matter was regarded as an urgent matter to be resolved by the sector. There is a need to profile all graduates to see if the skill set, they present with fits the needs in schools.

Collaboration with Department of Basic Education and Provincial Departments

The Council is working closely with the Provincial Department of Education to assist them in the process of making sure that only qualified and SACE registered teachers are employed in their schools. The Council shared the registration requirements and registration processes with the department to assist those educators who wish to register with SACE and clarified the different SACE registration requirements. Council shared with the department challenges that are created by employment of unqualified and unregistered teachers and the implications of employing them.

Supporting Foreign National Applicants

Council realised that most non-SA citizens applying for registration submitted fraudulent work permits to the Council in the past and to mitigate this risk Council introduced the process of verification of all permits with the Department of Home Affairs (DHA) to confirm authenticity. Council and DHA immigration division met to work out the best plan to use in addressing the matter of verification.

Registration Outreach Programmes

The Council was invited by the South African Democratic Teachers' Union (SADTU) Western Cape Province to assist teachers with registration. There were three sessions, divided into three weekends. In the three weekends, Council managed to assist and register 734 teachers. The Council was also invited to assist teachers in Eastern Cape (Umthatha) to assist teachers with registration. 21 teachers were assisted and issued with registration certificates. The Council went to assist final year student teachers from the University of Limpopo with Online registration. Student teachers were taken through the process of submitting registration application via the Online registration portal and after submitting, their registration was finalised on the spot and student teachers were advised to access the portal to print their provisional registration letters. We managed to assist 69 student teachers.

The Council was invited to presentation on the registration requirements to student teachers at Fort Hare University East London campus. Equipping final year student teachers with information on registration requirements, as well as creating the envisaged partnership and awareness of registration requirements to all student teachers. Council was requested to make face-to-face presentation on registration requirements to lecturers to B. ED and PGCE student teachers and their lecturer at Rhodes University. This session was meant to equip final year student teachers with information on registration requirements and inform them on the importance of registering with SACE.

Information sharing sessions

Council was invited to support the district officials at Tshwane North district and to capacitate them with regards to the SACE registration requirements and different registration categories. The session was meant to help them understand the importance of employing SACE registered teachers and that those who are not yet registered will be given an opportunity to register. Council wanted to support the district on the CED function shift and to give support in the process of registering ECD practitioners. Council was invited to participate in the UMALUSI accreditation forum Award Ceremony on In line with UMALUSI's 20-year celebration, the theme of the forum was "Two Decades of Assuring Quality Education in South Africa". UMALUSI requested the Council to make a presentation on SACE Registration

requirements and provide clarity on different registration categories, registration of non-SA citizens and registration of student teachers.

The South African Qualifications Authority (SAQA) invited the Council staff members for training on their verification process. The purpose of this training was to capacitate the staff members on the process for submitting qualifications to SAQA for verification purposes.

Linking performance with budgets

		2020/2021			2021/2022	
Programme/activity/objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional Registration	1 000	511	489	1 000	796	204
Total	1 000	511	489	1 000	796	204

3.3 Programme 3: Ethical Standards

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

Sub-programme 3.1: Investigations

Purpose: To effectively conduct investigations into allegations of misconduct.

Sub-programme 3.2: Disciplinary Hearings

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

Sub-programme 3.3: Sanctioning

Purpose: To improve ethical behaviour in the teaching profession

TABLE 16: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements



Programme 3: Ethical Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Maintained ethical standards	Register of reported cases	3.1.1. Percentage of investigations on new cases finalised	-	0.9%	80%	44.4% (339/764x100)	-35.6%	This indicator depends largely on availability of learners who are the dominant witnesses to obtain information regarding each filed case of misconduct against teachers. Due to closure of schools for a greater part of the year, very little could be done during that period. This is also owing to the focus placed on roll-over cases in indicator 3.1.2.
		3.1.2. Percentage of investigations on rollover cases finalised	-	13.1%	80%	49% (275/563x100)	-31%	This indicator depends largely on availability of learners who are the dominant witnesses to obtain information regarding each filed case of misconduct against teachers. Due to closure of schools for a greater part of the year, very little could be done during that period. This is also owing to the focus placed on roll-over cases in indicator 3.1.2.

Programme 3: Ethical Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Maintained ethical standards	Report on disciplinary hearings finalised	3.2.1 Percentage of disciplinary hearings on new cases finalized	-	0.6%	50%	24% (40/162x100)	-26%	Every case which gets finalised depends on substantive evidence obtained to secure a conviction. Much of the evidence required by Council is the sworn testimony of child witnesses. They remained unavailable to Council as schools remained closed, whereat children and the accused educators can only be secured to dispense with cases. On that basis this drastically affected what Council could achieve despite having started the year with hope of closing as many cases as possible and even revising them drastically owing to the changes in the new normal environment did not help to finalise more cases.
	Registration of designated teachers.	3.2.2. Percentage of disciplinary hearings on roll-over cases finalised	-	11%	60%	78% (68/87x100)	+18%	SACE makes use of panelists to conduct disciplinary hearings. These panelists are employed elsewhere and in other capacities, however, they have made available to SACE their limited time which cumulatively, assisted the SACE to overachieve on this target. SACE focused on processing to finality, older cases first to ensure that it did not lose as many witnesses as it would have lost, had it started with newer cases. More focus and emphasis were on the processing of older cases first.

Programme 3: Ethical Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Moni- toring reports on sanctions	3.3.1. Number of monitor- ing reports produced on sanctioned educators	-	1	2	5	+3	ETHCOM had 5 meetings instead of 4 and with each ratification, a sanctioning report was produced.

Narrative-Highlights for the 2021/22 Financial Year

Register of Complaints received and how they were processed

In the year under review the Council received 764 cases of misconduct against educators which are broken down as follows:

In the past financial year, namely, 2020/2021, SACE received a total of 430 cases of misconduct. This means that in the current financial year, namely 2021/22, SACE received 334 cases more than in the past financial year. This huge difference was a result of the Covid 19 interruptions on our normal lives. The real comparison can therefore be made between the financial years 2019/20 and 2021/22. The real increase in the number of cases between these two financial years which were operating almost normally. The 2021/22 financial year still had the Covid 19 remnants, however the year operated almost normally. Therefore, comparatively speaking; in 2019/20, SACE received a total of 550 cases and 764 cases in 2021/22. This is an increase of 214 cases more than in 2019/2020.

The cases received are broken down as it appears below:

TABLE 17: Register of Complaints – Per Province

Province	Sexual Misconduct/Rape/Indecent assault/ Sexual Assault	Assault/ Corporal Punishment	Verbal Abuse/ Victimization/ Harassment/Intimidation/Humiliation/Defamation of Character	Mismanagement/ Maladministration/ Fraud/Theft/Em- ployment of unreg- istered and unquali- fied educators	Racism	Improper conduct/ Use of Improper Language/Alcohol related/Absentee- ism/Insubordina- tion	Threaten- ing to Kill/ Murder	Negli- gence/ Incite- ment	Other	Total
Gauteng	41	35	43	12	8	6	1	5	6	157
North-West	7	11	10	3	0	1	0	3	1	36
Free State	29	53	9	4	0	1	0	0	1	97
Limpopo	11	17	6	11	0	6	0	0	13	64
Mpumalanga	18	8	5	1	0	2	1	0	3	38
Eastern Cape	20	19	14	10	0	7	0	1	5	76
Western Cape	25	85	12	28	1	8	0	8	11	178
Northern Cape	5	3	5	2	0	0	0	0	0	15
KwaZulu Natal	35	17	23	4	1	13	0	6	4	103
Total	191	248	127	75	10	44	2	23	44	764

In the first quarter, namely April to June 2021, SACE received a total of 256 new complaints. Council observed with concern the nature of the cases received 86 of them were of assault of learners, 64 were for sexual misconduct and 8 were for assault of colleagues by colleagues which is another worrying trend. The balance for other forms of unprofessional conduct etc. It is worrying that corporal punishment of learners still takes centre stage and seems to still lead the pack. In the second quarter, namely July to September 2021, SACE received a total of 105 new complaints. The highest form of misconduct registered against educators was assault of learners with 66 cases reported, followed by sexual abuse with 52 cases reported, and assault of colleagues with 5 cases reported. The balance of the cases was for other forms of unprofessional conduct, etc. Again, assault of learners still took centre stage in this quarter.

In the third quarter, namely October to December 2021, Council received a total of 233 new complaints. The highest forms of misconduct registered against educators was Sexual abuse with 40 cases reported, followed by Assault of learners with 29 cases reported and assault of educators with eleven cases reported. It is worth noting further that verbal abuse and humiliation of colleagues also continued to rear its ugly head. This is also a worrying trend. In the fourth quarter, namely January to March 2022, Council received a total of 170 new complaints. The highest form of misconduct registered against educators was assault of learners, followed by sexual abuse, and assault of colleagues remained a problem even in this quarter. The balance of the cases was for other forms of unprofessional conduct, etc. Again, assault of learners still took centre stage in this quarter. It is worth noting further that assault of colleagues by colleagues, victimisation and humiliation of colleagues by colleagues is a very worrying trend and Council will be addressing this type of behavior in its advocacy campaigns moving forward. This will be an effort to try and curb the occurrence of such unprofessional behavior.

The table below highlights the cases that were processed by Council and finalised in other forms other than a disciplinary hearing. These are processes that may not be on the Annual performance plan. They are processes implemented by Council to assist it to finalise its cases. It is not all cases that are reported to Council that end up in a disciplinary process or that must follow the disciplinary hearing route. The table clearly shows the total number of cases that were finalised and how they were finalised, over and above those that are in the Annual Performance Plan. The processes undertaken are clearly explained below this table.

TABLE 18: Narrative on cases which some may not be on the APP but the work was done by Council.

Activity	Finalised cases that were rolled over from the previous financial years	2021/22 cases
Advisory letters sent out and files closed	-	-
Cases referred back to schools or other institutions and files closed	-	-
Finalised Mediations and files closed by Council		
Finalised Disciplinary hearings	78	23
Cases that were closed on the instruction of the Council);, these are Recommendations for closure with reasons or initial assessment of complaints and cases that were investigations but recommended to be closed with reasons.	Recommendations 95 Investigations 74	58 88
TOTAL NUMBER OF CASES FINALISED AND FILES CLOSED IN 2021/22 AND RATIFIED BY ETHCOM (All Recommendations, investigations including disciplinary hearings)	192	163
TOTAL NUMBER OF CASES THAT WERE PHYSICALLY INVESTIGATED IN THE YEAR 2021/22. THESE CASES INCLUDE ROLLED ROLLED-OVER OR OLD CASES	282	253
OTHER COUNCIL PROCESSES		
Fit to teach or fit to practice hearings for applicants who were found guilty of criminal offenses by a court or charged with misconduct by other tribunals		51
Fit to teach applications assessed by the division for a decision in instances where the convictions were of a minor nature and where some had to be referred to appear before a Fit to teach fit-to-teach committee by the division.	-	33
Reinstatement applications in respect of educators whose names were removed from the register of educators by Council for breaching the Code of Ethics in the past.	-	3
Appeal hearings processed	-	6

Processing of cases

Council processes all its cases on a First-In-First-Out (FIFO) basis. This means that cases that are lodged first are processed first. There is however an exception at times. Complaints of serious breaches of the code of professional ethics such as sexual offences and severe assault cases among others do receive preference and are to be processed sooner than they would have been had the normal process been followed. This means that the Council processes rolled over or older cases from the previous calendar year to ensure that they are finalised while also processing newly reported cases. More emphasis gets placed on older cases as learners and witnesses usually move if the case is not promptly dealt with. The process leading to the finalisation of a case starts with the conduct of preliminary screening of a case as soon as it is reported. The screened case may lead to an investigation. Flowing from the investigation, a disciplinary hearing may ensue, or a case may be closed, depending on the evidence.

Initial Consideration of complaint (or Recommendations for closure of complaints and or directive by Ethics Committee)

Initial Consideration is aimed at establishing whether a case exist in terms of the evidence furnished at the lodgement of such case. Upon receipt of a complaint, such a complaint is first screened to establish if it falls within the jurisdiction of the Council. This process must be conducted because the Council receives many complaints including ones against learners, labour related complaints, complaints against higher education institutions, complaints against schools for refusing to admit or enroll learners in a school of choice, refusal by schools to release progress reports owing to failure by parents to pay school fees, refusals by schools to release progress reports owing to lost textbooks, complaints against schools for practicing and sticking to certain types of religions etc. Such complaints are not within the ambit or jurisdiction of SACE as there are other forums and avenues to deal with those. Such complaints get referred to the relevant structures or forums by SACE.

Complainants get advised timeously and promptly by SACE on the next course of action and the correct platform to go to. Labour related complaints are within the jurisdiction of the employer, and they are not for SACE to handle. Misconduct that gets committed by learners does not fall within the SACE jurisdiction, it gets referred to the school to be dealt with by the School Governing Body (SGB), the school and its management for handling. SACE only processes cases that pertain to breaches of the Code of Professional Ethics by educators and TVET lecturers. However, Council continues to receive many complaints and cases that are outside its jurisdiction. If a file had already been opened and allocated a case number, such a file can only be closed by the Council upon receipt of a written recommendation and reasons as to why the file should be closed.

Investigations

The year under review the Council managed to conduct and finalise 253 physical investigations on new cases and 147 Physical investigations on old or rolled over cases wherein some files were closed for want of substantive evidence to proceed therewith, while many resulted in charges being preferred against accused educators. Though the total cases investigated may have been 253 on newly reported cases and 147 on old or rolled over cases, in some of the files, there is more than one teacher. This means that more than one teacher may be jointly investigated or even charged for the same misconduct.

Mediations

The Council did not conduct any mediations in the year under review.

Disciplinary Hearings

Council's disciplinary hearing processes, like with other processes such as the ELRC hearings occur under the cloud of adversarial resistance by accused educators. The resistance is caused by these accused educators who anticipate that they may lose their livelihood and would therefore do whatever it takes to frustrate Council's disciplinary processes. Like with all other hearing processes in the country, Council also makes use or follows the adversarial system. This system is competitive, and it involves the use of tactics to win cases at all costs. This is a system applicable in common law countries like the United Kingdom, United States of America and South Africa. Litigants seeks to outwit each other. Council operates under an adversarial system where accused educators attempt to evade responsibility for their actions. In that light, educators do all that is in their power to avoid attending to hearings for fear of losing their teaching licence.

In that light they attempt to use sickness, postponement owing to need for more time to prepare among other delay tactics. Council however continues to conduct hearings to determine the verdict in each case. In this light, Council attempted to use virtual systems for hearings and in each case, educators gave so many excuses such as lack of resources such as gadgets and data to appear before SACE. In the year under discussion a total of 23 disciplinary hearings were conducted and finalised on new cases received in the current financial year. A total of 78 disciplinary hearings were conducted and finalised on old or rolled over cases which emanate from the previous financial years. These disciplinary hearings resulted in the sanctions as they shall appear in a table below. Council continues to experience usual challenges of postponements, and lack of cooperation with witnesses in other instances but making all the efforts to curb these and general finality to cases.

Strategies to overcome under performance and non-finalisation of cases

In the fourth quarter, Council trained 28 panellists to increase its pool to mitigate against areas of poor performance. These panelists volunteer their time and make themselves available to Council as and when they find the time to assist as they are employed elsewhere, and some are self-employed. The use of the panelists resulted in an increased number of investigations in the 4th quarter. Some of the investigations culminated or translated into disciplinary hearings which will be conducted in the coming financial year. Council will be training an additional pool of panelists around the country in the next financial year to ensure that more cases than before are processed and finalised.

Sanctions

The Council managed to produce 5 sanction reports and the sanctions are broken down below. In terms of Section 5 of the SACE Act, three types of sanctions exist that may be imposed on teachers. These sanctions were amplified with the development of the SACE Mandatory Sanctions Policy.

The first type is an indefinite removal from the register of practicing educators is the harshest sanction meted out to teachers. This implies such a teacher has no reasonable prospect of practicing the teaching the children as they shall have lost their licence to teach indefinitely. Some of the educators whose names are removed from the register end up with their names being entered onto the register of persons declared unfit to work with children. This register is held by the Department of Social Development (DSD). These are educators who would have committed serious offences the examples of which include sexual misconduct – rape, impregnating a learner and sexual relations with learners broadly, and severe assault of learners. Second type is the finite removal from the register of educators. This means that the name of an educator gets removed from the register for a certain specified period, e.g., removal of a name from the register for a period of 5 years or more, with or without conditions.

The third type are sanctions where certain conditions are attached to the sanction imposed upon an educator, such as conditional removals in terms of which educators may be removed from the register of practicing educators for a given period ranging 5, 10, 15 years at the end, depending largely on the gravity of the breach of the code of professional ethics, of which they may apply for reinstatement and unblocking from the register of practicing educators. In other instances, the 5, 10, 15 years removals may be suspended and replaced with a fine ranging between R5000, R10000, R15000, R20000 or simply one month's salary payable within 12 months as the Act so stipulates. In the year under consideration Council imposed sanctions against educators of which were indefinite removals as shown in table 5 and 57 were conditional removals and fines as shown in table 6 below

TABLE 19: Cases Closed

All cases closed or finalised in other forms other than a disciplinary hearing. These are recommendations for closure of files and investigations with recommendations for closure of files only	Old or rolled over cases	Current cases / 2021/22
TOTAL	169	141

TABLE 20: Cases Withdrawn and Educators not Found Guilty

	Old or rolled over cases	Current cases / 2021/22
Total number of cases withdrawn.	05	00
Total number of educators found not guilty.	06	05
EDUCATORS FOUND GUILTY AFTER A DISCIPLINARY HEARING AND THE BREAKDOWN OF SANCTIONS METED OUT TO THEM AFTER BEING FOUND GUILTY		

Total number of educators whose names have been removed off indefinitely:	15	04
Total number of educators whose names have been removed for a specified period.	03	02
Total number of educators whose names have been removed for a certain period, but the removal is suspended for a certain period, including fines:	52	10
Total number of disciplinary hearings with guilty findings	81	21

TABLE 21: Total Number of all Cases

Total number of all cases processed, finalised, and closed between 01 April 2021 and 31 March 2022 including recommendations, investigations, and disciplinary hearings	Old or rolled over cases	Current cases /2021/22	TOTAL
	250	162	412

Situational Analysis of the division

SACE endeavours to close gaps referred to above by constantly imploring on parents to help save the profession and the children by lending support to the SACE and the victims who are their children in this regard. This is done using radio platforms. In the past, SACE used platforms such as churches to reach out to parents as stakeholders to spread this message far and wide, until this type of intervention was interrupted severely by Covid 19. Council will be picking up and continuing with the program now that Covid 19 restrictions have been lifted and there is a greater level of normality. This program was aimed at seeking cooperation, implementing awareness programmes and encouraging the community to help in enforcing the code of professional ethics, as well as inspiring a credible teaching profession.

SACE also partners with other institutions such as the Commission for Gender Equality (CGE) to reach out to communities to address issues already referred to above and to educate parents on the importance of supporting and cooperating with the SACE processes. The implementation of police clearance by SACE ensures that only fit to teach educators are registered and admitted into the teaching profession. The vetting of educators against the National Register of Sexual Offenders (NRSO) also ensures that only fit to teach educators are admitted into the teaching profession.

Strategies to overcome the above challenges

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TABLE 22 Linking performance with budgets

		2020/2021			2021/2022	
	R'000	R'000	R'000	R'000	R'000	R'000
Code of Ethics	2 500	2 636	-136	4 000	4 284	-284
Total	2 500	2 636	-136	4 000	4 284	-284

3.4. Programme 4: Professional Development

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

Sub-programme 4.1: Continuing Professional Teacher Development Management System

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

Sub-programme 4.2: Member Support

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

Sub-programme 4.3: Quality Management

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





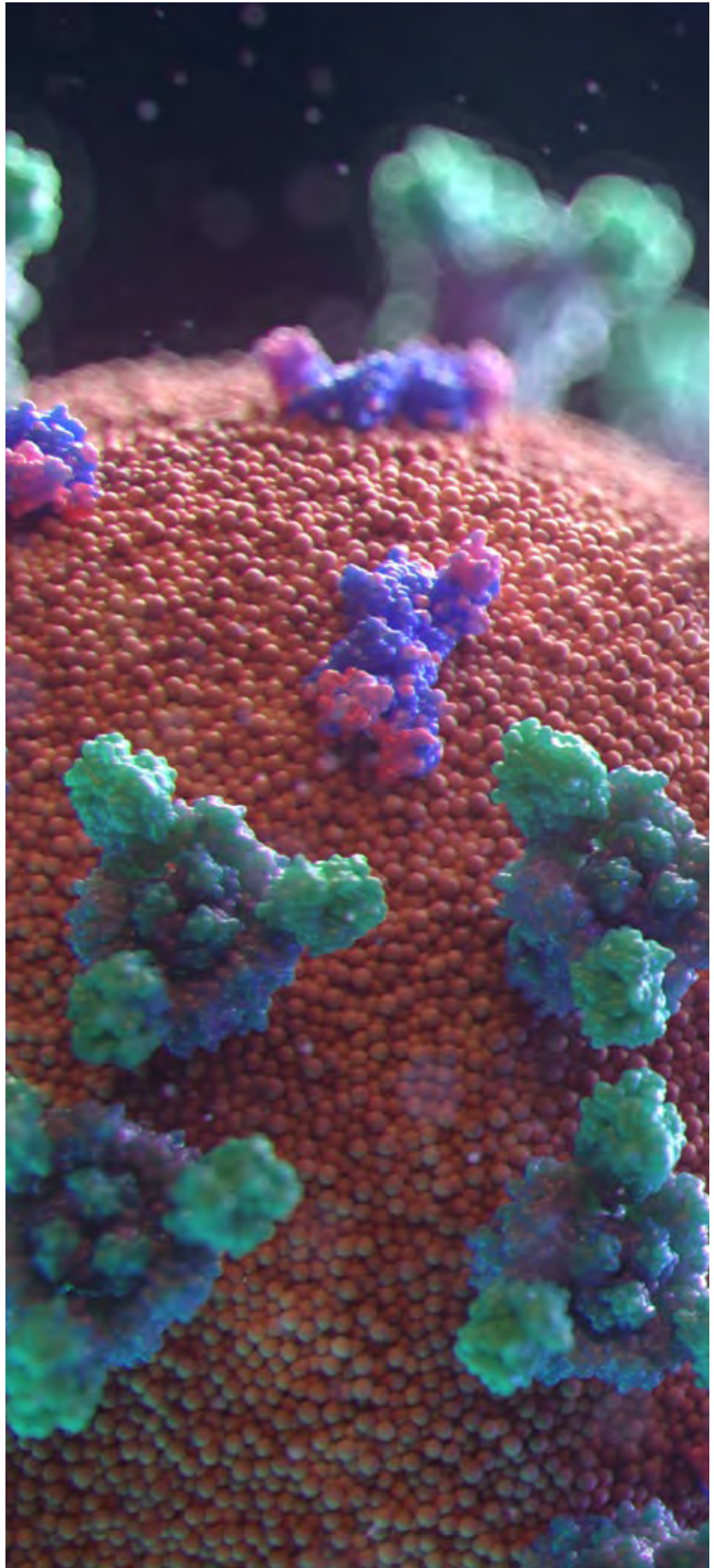
TABLE 23: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Programme 4: Professional Development								
Out-come	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved teacher competence	Professional development activities captured on the CPTD information system	4.1.1. Percentage of selected practicing signed-up educators verified for the continuing professional development uptake	-	7.36%	30%	11% (2,288/20 908 x100)	-19%	During the 2021-2022 Financial year many of the providers moved away from face to face to online activities, therefore given prevailing inequalities in various schools and communities educators could not access the system due to data and connectivity problems.
	CPTD Management system report of signed-up final year students	4.1.2. Percentage of signed-up final-year initial teacher education students	-	25.7%	55%	0%	-55%	The request was made to universities, unfortunately responses were not coming through from some universities and in terms of TDI the denominator should be drawn in total population of final year students. The Council is currently engaging all relevant structures to allay fears surrounding the data sharing.

Programme 4: Professional Development								
Out-come	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Attendance registers of type of support that educators were provided with	4.2.1. Number of educators supported on professional matters	10 000	5029	20 000	26 804	+ 6 804	The multistakeholder approach of collaborating with provincial, district teacher development structures and teacher unions, as well as the Mondays and Wednesday webinars have seen an increased in number of educators supported.
	Approved providers and endorsed activities list	4.3.1. Percentage of professional development providers approved	-	100%	75%	100% (64/64x100)	+25%	The quarterly advertisement on the newspapers has attracted more providers applying for approval. The provider forums had created enough platform for advocacy and capacity building of providers.
		4.3.2. Percentage of professional development activities endorsed	-	100%	85%	100% (1062/1062x100)	+15%	The quarterly advertisement on the newspapers has attracted more providers applying and submitting more PD programmes for endorsement. The provider forums had created enough platform for advocacy and capacity building of providers.
		4.3.3. Percentage of endorsed activities monitored	-	100%	10%	100% 50/50x 100	+90%	More advocacy and communication activities were held through the provider forums, to heighten quality management process.

TABLE 24: Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (Province/District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 4: Professional Development	Webinars instead of face to face session were conducted when the pandemic was rife.	4000	4000	Teachers were invited to join the seminars	None	None	Webinars contributed to the indicators that had to do with educator support	More Educators supported on professional development activities



Narrative-Highlights for the 2021/22 Financial Year

The Council as the protector of the teaching profession is working tirelessly to ensure that the profession preserves the dignity expected by South African and international communities. It does this by ensuring that teachers in and outside the system upholds high ethical and moral standards. The Council, in line with its Act of Parliament (SACE Act No.31 of 2000) is committed in ensuring that teachers comply with ethical and professional teaching standards, participate in meaningful and fit for purpose professional development activities and most importantly are fit to teach. The SACE Act, requires that the Council finds ways to ensure that teachers are involved in professional development that will make them to remain compliant to the pledge of the profession, whilst ensuring that they are exposed to providers that are approved and activities that are endorsed by the Council. It is because of this commitment given by legislative frameworks that the Council is investing on Educator Support and Quality Management of providers and PD activities, furthermore, putting teachers in the driver's seat of their own professional development. The annual report aims to present the performance of the Council in implementing the Professional Development Indicators as found in South African Council for Educators (SACE) Annual Performance Plan (APP) 2021/22, which covers the two critical areas above, as such the focus is on the analysis of progress made in the:

- Number of educators verified to be reporting their participation as part of their continuing professional development uptake.
- Number of final year student teachers signed up
- Number of educators supported with their SACE based professional development activities.
- Quality Management: Number of providers, number of activities endorsed and number of training sessions monitored.

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 mitigate for risk identified going forward.

Educator Support

The Council has supported 26 804 educators across the provinces, who are part of the 5% of educators that are given extra dosage of support in reporting their participation in the Continuing Professional Teacher Development Management System (CPTD MS). The advocacy and support have resulted into 2,284 educators reporting their activities in the CPTD-IS. The provinces which had invested mostly in the support of the 5% cohort are: KwaZulu Natal (which is having three coordinators) = 619, Gauteng with only one coordinator = 449 and Mpumalanga = 217. The remaining provinces contributed minimally to the total output. It is worth noting that provinces that are rural and semi-rural are struggling to provide the necessary support (Eastern Cape = 143, Free State = 148, Limpopo = 16. This state of affairs has led the Council to consider face to face support as part of balancing the support given to urban and rural educators. As part of Council programme in preparing student teachers from Higher Education Institutions, the Council is continuously orientating and signing up the final year student teachers in the CPTD Information System, coupled with the orientation into the system the student teachers are taken through the Code of Ethics (CoE).

The advocacy in relation to the institutionalization of the support of the CPTD MS, has led to an increase of demand for collaboration from stakeholders. The demand came largely from schools, teacher unions and provincial education departments, largely the invite came from those who are from deep rural areas as the Council is taking its services to such areas, targeting newly appointed educators and School Management Teams (SMTs). The stakeholders are beginning to warm up to the role of the Council in relation to the Code of Ethics (CoE) and the implementation of the Continuing Professional Teacher Development Management System (CPTD MS).

The coordinators in provinces are hard at work in ensuring that the profession is supported on Council mandates

Eastern Cape

Most of the principals are trained on reporting and recording, as part of institutionalising the support of the implementation of the CPTD MS. Schools are beginning to show an interest in the province in all SACE programs. This is evident based on the high volume of the invitations received by the office for the trainings and there is improvement in reporting of their PD activities.

Free State

The province advocated for webinars that were facilitated by Council national office, which focused on Safety and Security in South African Schools and CoE. It had conducted a webinar on Dedicated CPTD Support to educators that were selected. Most of the work done was the verification and calling of educators.

The province had been able to engage the following stakeholders:

- Virtual Prestige Research Seminar conducted by CUT.
- Meeting with the CEO for ETDPSSETA
- SADTU and SACE Collaboration Workshop for two days

Gauteng Province

The province had been able to support 883 educators on professional matters. The Council has provided support and has collaborate with a number of districts.

KwaZulu - Natal

The province focused on capacitating the in Harry Gwala and Pinetown principals, as part of institutionalising the support of CPTD MS implementation. The key areas were CPTD Theory of Change (TOC), recording and reporting of Professional Development (PD) activities. Principals are showing interest in CPTD because they now know what and how to monitor in their respective schools as part of their role to give support and monitor whether educators are participating on Professional Development.

As part of monitoring and support: 28 schools have been visited in Harry Gwala district to monitor CPTD implementation and to give support in terms of signing educators that are not signed up and updating details of educators. 16 newly appointed educators were signed up. The number of signed educators is an indication that most educators in the system are already signed, and the focus of the Council is now on updating data (as part of data cleansing), recording and reporting PD activities. The Council participated and presented the CPTD MS, CoE and School Safety and Security in SA schools, at the two-day Umlazi District reflective session. In attendance were 130 District officials. As part of the output of the training session was the sharing and orientation of officials on SACE monitoring instrument which is meant to assist in monitoring CPTD implementation in schools as a collaborative initiative. Refresher session for newly appointed CES-TD in KZN province was conducted highlighting and clarifying the theory of change and the 5% randomly selected educators for intensive CPTD and PDP support, the session was attended 36 Provincial Education Department (PEDs) officials.

Limpopo

The province had been able to support Educators, and the targeted group that were supported were: principals, school CPTD coordinators and Schools' Management Teams (SMTs) as part of ensuring school-based support of the implementation of the CPTD MS. The following sessions were successfully held:

- Waterberg Principals and Newly Appointed Educators.
- Mopani West: School principals, Schools CPTD Coordinators and Newly Appointed Educators.
- Limpopo Independent Schools Association (LISA) Principals
- Capricorn North District (Konekwena, Sekgosesa and Polokwane Cluster: School Principals).
- ICT educators (Coding and Robotics training)
- Schools Sessions: Malemati PS, Sebotsi Comb School,

As part of stakeholder mobilisation, the Council worked closely in the province with:

- South African Democratic Teachers Union (SADTU) - Western Region, Waterberg Region, Sekhukhune Region and Capricorn Region.
 - South African Principals Association (SAPA) for Vhembe West principals.
 - Professional Educators Union (PEU) – Provincial Executive Committee (PEC) session
 - PEDs Sessions:
 - Mopani West: Circuit managers and Curriculum Advisors.
 - Limpopo Districts Curriculum Heads (Advisors)
 - Mogalakwena District: Circuit Managers and Curriculum Advisors
- Foundation Phase Curriculum Advisors

Mpumalanga Province

The Council had been able to support a number of educators in the province, which has seen 381 Educators supported on the CoE covering the following:

- Bullying (Physical, emotional, psychological, Cyber-bullying, Sexual bullying, etc.)
- Corporal punishment
- Xenophobia
- Homophobia
- Gang related violence
- Verbal abuse
- Submission of fraudulent documents
- Insubordination
- Undermining of colleagues
- Absenteeism
- Late coming
- Racism

The Council working closely with the provincial Education Development Centre managers had been hard at work which resulted in the following findings which necessitated that the Council conduct CoE, in particular:

- Submission of fraudulent documents
- Insubordination
- Undermining of colleagues
- Absenteeism
- Late coming
- Racism

Percentage of professional development providers approved

There were 64 credible professional development providers approved by the Council to increase the pool of quality providers who will participate in developing SACE registered educators. These were from Western Cape Province and majority from Gauteng provinces.

Percentage of endorsed activities monitored

This indicator entails the monitoring of compliance in the delivery of quality-based activities approved and endorsed by the Council. The virtual site visit instrument has been developed to conduct virtual site visits and solicit feedback from the participants attending the training being conducted. The feedback is consolidated into a spreadsheet of information showing who has been part of the training and how they found the training.

TABLE 25: Linking performance with budgets

		2020/2021			2021/2022	
Programme/ activity/objective	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	16 715	12 951	3 764	21 749	19 076	2 672
Total	16 715	12 951	3 764	21 749	19 076	2 672

3.5. Programme 5: Professional Teaching Standards

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

Sub-programme 5.1: Initial Teacher Education

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

Sub-programme 5.2: Newly Qualified Educators

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

Sub-programme 5.3: Practising Educators

Purpose: To ensure that practising educators adhere to professional standards

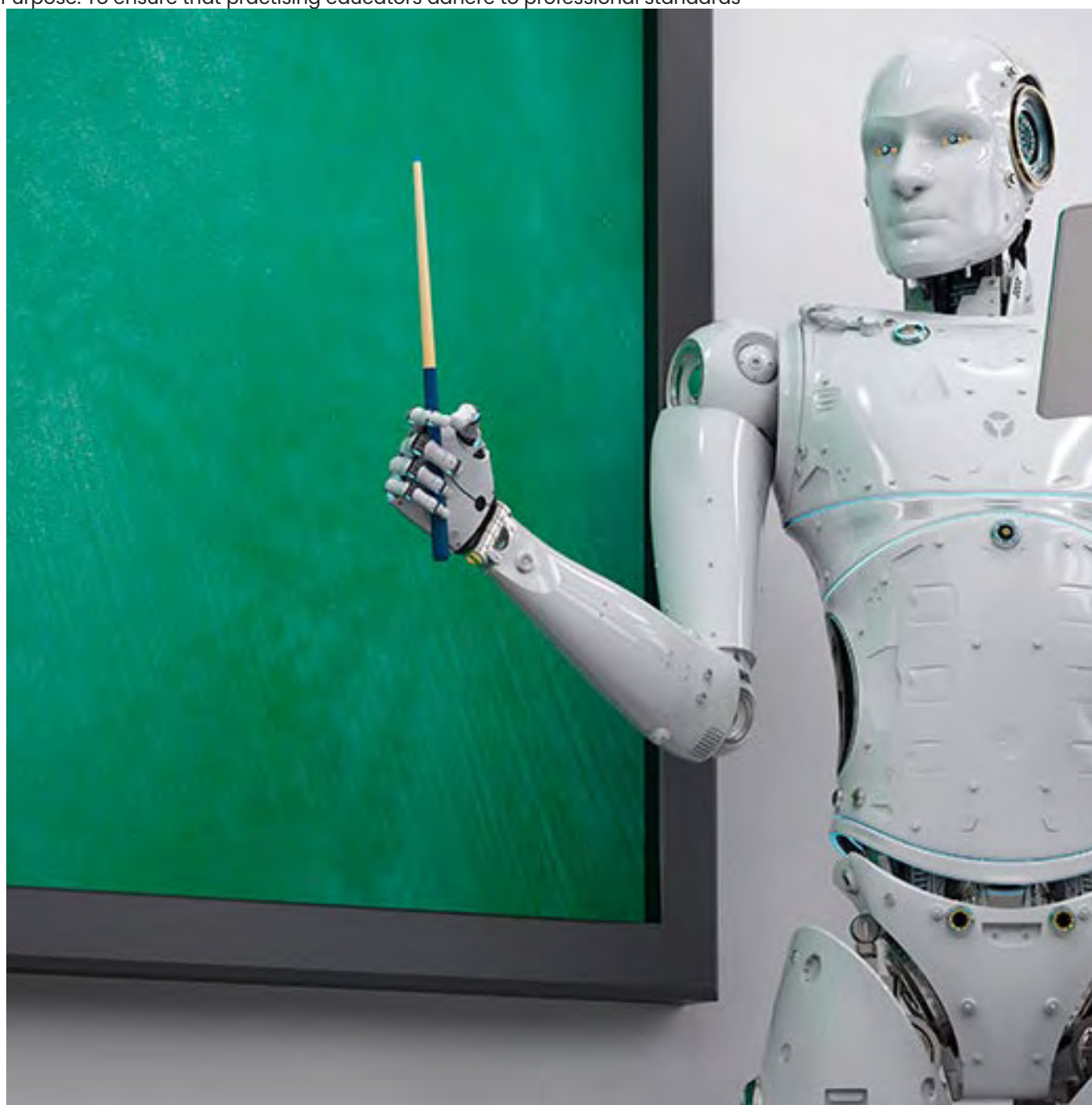
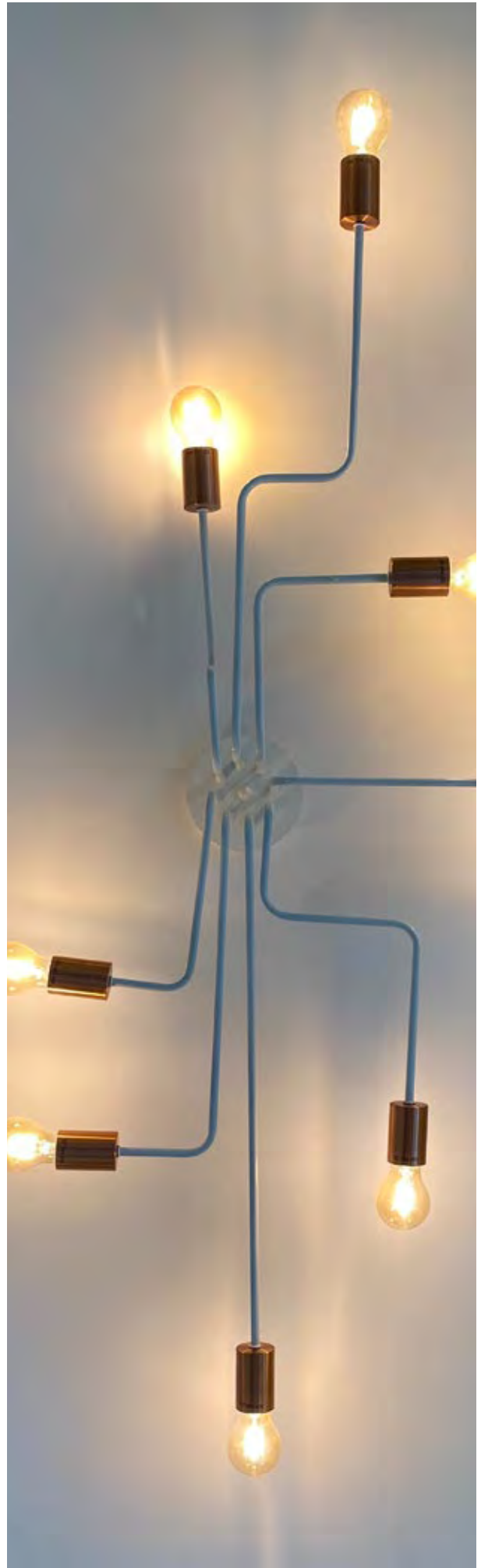


TABLE 26: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 5: Professional Teaching Standards								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved teacher professionalism	Teacher professionalisation policy	5.1.1. Development of the teacher professionalisation policy	-	Draft policy of teacher professionalisation was produced	Approved Teacher Professionalisation policy	Approved Policy	N/A	N/A
	Policy framework	5.1.2. Policy framework registering student educators from year one	-	Draft policy framework for registering student educators from year one is available	Approved policy framework registering student educators from first year of study	Approved Policy	N/A	N/A
	Professional certification framework and policy	5.2.1. Development of a Professional Certification Framework and Policy for educators registering with Council	-	Draft Research Report on Professional Certification	Draft professional certification framework and policy consulted on	Draft framework and policy Consultation reports	N/A	N/A
	Teacher designation	5.2.2. Development of the teacher designation	-	Draft teacher designation available	Teacher Designation Communication Strategy and Plans implemented	Report on teacher designation communication strategy implementation	N/A	N/A
	Re-certification framework	5.3.1. Development of recertification framework	-	Draft Framework developed	Extensive consultation	Consultation report	N/A	N/A

TABLE 27: Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (Province/District/local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 5: Professional Teaching Standards	Webinars on creating awareness on PTS	GP	7000	Teachers and student teachers	0	0	Council managed to create awareness about the PTS using electronic platforms	Participants know the 10 approved PTS
	Virtual consultation on recertification	GP	300	Student Teachers and professionally qualified Educators	0	0	Council embarked on professionalisation of the sector and during times when face to face session were not allowed Council used the virtual platforms to reach out to student teachers and teachers.	Consultation report



Narrative-Highlights for the 2021/2022 Financial Year

The Professional Teaching Standards had five outputs indicators and the Council had responded effectively to the targets albeit the challenges of the Covid-19 pandemic. Under the circumstances the Council strived to respond to the call of duty as the status remain challenging however it urged the Council to strive for greatness. For the output indicator 5.1.1 the Teacher Professionalisation policy was developed and approved internally. Broader consultation with commence on the policy. In as far as output indicator 5.1.2 The policy framework for registering student Educators from first year of study was developed. Initial consultation was done, and the policy was approved internally. The policy will be taken through external broad consultation.

In relation to sub-programme newly qualified educators, the professional teaching standards had two output indicators which the Council strived to achieve without alterations. The Professional Certification Framework policy and educators registering with the Council, the output indicator produced a report on the consultation. The report on consultation was produced during quarter three and quarter four. The report was predominantly done through online survey forms. From the online survey forms, the Council was able to gather data and analyse the data. Thus, the report had several factors and knowledge unearthed through the analysis of the received data.

The output indicator 5.2.2, the teacher designation consultation report was produced through survey forms. Central to the survey forms was the participation of the walk-inns applicants. The applicants who participated in the survey were sampled from the walk-inns applicants and participation was voluntary. The issues of anonymity and confidentiality were shared with the participants. No contact details, as well as names of participants, were shared or requested from the participants. The reports on the teacher designation were developed in quarter three and quarter four respectively.

The Professional Teaching Standards sub programme 5.3.1 which is practising educators saw the Council going from one province to another doing consultation on re-certification framework. The Council was able to conduct sessions through virtual webinars, workshops and seminars. The Council engaged teacher, school management teams, senior education specialist, deputy chief education specialists as well as chief education specialist in Mpumalanga, Gauteng, North West, Western Cape and Eastern Cape. Other provinces were engaged through virtual platforms. In Eastern Cape the Council engaged teachers from 15 schools, in the western Cape the Council conducted seminars with the South African Democratic Teachers Union, in North West Council had a workshop with a school Ikatisong High School and in Gauteng the seminars were conducted with 8 schools and in Mpumalanga the session was conducted with Deputy Chief Education Specialist and Chief Education Specialist. The Council was able to develop the consultation report on the re-certification framework. The Council was able to develop a consultation report which included all the sessions from the first quarter to the fourth quarter.

TABLE 28: Linking performance with budgets

		2020/2021			2021/2022	
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional Teaching Standards	1000	137	863	600	603	3
Total	1000	137	863	600	603	3

3.6. PROGRAMME 6: Research

Purpose: To enhance research coordination within SACE in order to strengthen its advisory role and service that is informed by policy, research, and consultative processes. This programme also aims to promote research on professional matters and any other educational matter relevant to SACE and the educational landscape.

Sub-programme 6.1: Research Reports

Purpose: To produce research reports in line with the SACE research agenda

Sub-programme 6.2: Data Management

Purpose: To ensure that periodical statistical status reports are published on fit to practice registered educators and lecturers. Council will keep both a manual and an online database providing access to up-to-date information on SACE registered educators

Sub-programme 6.3: Research Dissemination

Purpose: To improve and support practitioner-based research in the teaching profession in order to maximise the benefit of research outputs

Sub-programme 6.4: SACE Virtual Library

Purpose: To ensure that SACE registered educators have access to an online library portal for their professional development.



TABLE 29: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The introduction of the SACE virtual library in collaboration with VVOB was an initiative aimed at supporting the presidential and ministerial campaign on reading but also came at an opportune time when the world was faced with the pandemic. The virtual library made it possible for the profession to access reading material on digital platforms in line with the 4IR. This intervention proved to be a success for Council as it managed to achieve its set target. This was a first for SACE and will ensure that in the next coming years it focuses on strategies to increase advocacy on the virtual platform so that more teachers are not only aware of it but are able to utilise it for their professional development.

Programme 6: Research								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved advisory role	Research conducted	6.1.1. Number of Research reports produced	N/A	2	3	3	N/A	N/A
Fit-to-practise-registered educators and lecturers	Educator statistical data	6.2.1. Number of statistical reports produced on the status of the profession	N/A	N/A	2	2	N/A	N/A
Improved practitioner based-research	SACE Journal Magazine	6.3.1. Number of SACE journal Magazines produced	N/A	N/A	2	2	N/A	N/A
Improved reading among registered educators	Virtual library system	6.4.1. Percentage of visits by educators to the virtual library	N/A	N/A	10%	11%	+1%	N/A

TABLE 30: Progress on Institutional Response to the COVID-19 Pandemic

Programme	Intervention	Geographic location (Province/ District/lo- cal municipality)	No. of benefi- ciaries	Disaggrega- tion of Bene- ficiaries	Total budget allocation per intervention (R'000)	Budget spent per interven- tion	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 6: Research	Creating a platform for teachers to access books	SACE Virtual Library	All provinces	SACE registered educators and stakeholders	-	-	-	Percentage of educators visiting the virtual library

Narrative-Highlights for the 2021/2022 Financial Year

The Council continues to play its role in enhancing research coordination within SACE to strengthen its advisory role and service that is informed by policy, research, and consultative processes. The Council managed to achieve its set targets for the Research programme for the financial year reporting. The four indicators set were pivotal in support of the SACE mandate and its strategic goals. The research study on the uptake of the endorsed professional development activities by teachers and their relevance and effectiveness in schools sort to review endorsed activities and provide recommendations. The Continuing Professional Teacher Development (CPTD) System policy introduced a new system for CPTD, which includes a new process of quality assurance, provider approval and endorsement of programmes and activities made available to teachers, new systems of management and recording of teachers' professional development activities, and a set of principles guiding the system aimed at the on-going revitalization of the teaching profession. Given the number of the SACE endorsed professional development programmes and activities in the last 6 - 7 years, the Council conducted a research study to review the uptake of the endorsed professional development activities by teachers and their relevance and effectiveness in schools.

These activities were randomly selected and reviewed accordingly. The findings from this report which include the imbalance in the participation of activities across provinces showed that information concerning professional development programmes was not cascaded evenly across provinces. The recommendations from this report will be closely analysed and implemented by Council. Another research report produced by Council which looked at the role of SACE in regulating the teaching profession, set to investigate SACE's enforcement regulatory role in Gauteng. The findings from this report revealed complexities in the Council's regulation of the teaching profession. Furthermore, the findings and conclusions will contribute to addressing the knowledge gap and can broadly inform theory and practice in the field of regulation, particularly regarding professional regulation.

The Council also conducted an analysis of sexual misconduct cases received in the 2020/2021 financial year and an analysis of the randomly sampled educators who are signed up in the CPTD information system and would be further supported in their professional development journey and in utilising the system. For both analyses gaps were identified in the data capturing processes of Council, which could not provide a clear picture of the state of the profession. Strategies will be put in place to close these gaps and ensure better data capturing processes. In its quest to improve practitioner-based research, two research publications were produced which included narratives from teachers. These focused on teacher reflections on resilience during the pandemic and on leadership and management which are pivotal in the teaching and learning environment.

The introduction of the SACE virtual library in collaboration with VVOB was an initiative aimed at supporting the presidential and ministerial campaign on reading but also came at an opportune time when the world was faced with the pandemic. The target set out on the number of teachers visiting the virtual library was achieved. With daily sign up and book requests, the Council is noting that most educators utilising the virtual library are predominantly requesting for CAPS related material which shows the need for these materials but also is encouraging to see that Council can close provide this virtual platform to close the gap. The handbook on Teachers' safety and security in South African schools continues to make a positive impact in the teaching profession. In addition to the handbook, a facilitator guide and participant workbook have been produced and are available for educators to utilize. In addition, the online course on the handbook is also available and will also enable educators to earn CPTD points in their professional development journey.



TABLE 31: Linking performance with budgets

		2020/2021			2021/2022	
Programme/ activity /objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research				1 000	615	385

4. REVENUE COLLECTION

The table below depicts the revenue collection of SACE for the 2021/22 financial year.

TABLE 32: Revenue collection

	2020/2021			2021/2022		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	4 806	9 195	4 389	9 000	11 949	2 949
Interest received	3 500	2 003	-1 497	1 800	1 679	-123
Government grant	16 715	12 951	- 3 764	21 748	19 216	-2 532
Levies	80 100	79 465	-635	80 100	84 986	4 886
Fines	200	641	441		772	772
Other income		29	29		269	269
Total	105 321	104 284	1 037	113 149	118 972	5 824

The main source of Council funding is educator membership fees determined by Council from time to time. In consultation with the teaching profession the Council took a decision to adjust the Annual membership fee from R180 to R198 per educator effective from 01st April 2021. The Council has over collected the estimated revenue of R 113 million by 4,8% .Of the total revenue of R 119 million R22 million was received from the fiscal as a grant for the management of the Continuous Professional Teacher Development of which 13% remained unspent and accounted for as deferred government grant.

The registration administration fee collectable from registering educators is R 400 for foreign educators and R200 for South Africans.

5. CAPITAL INVESTMENT

The Council has been operating from own properties situated at No. 240 in Centurion ; No 25 Rhodesdrift Office Park in Polokwane , 180 Mahatma Gandhi Road in Durban. During the year Council acquired its planned provincial administrative properties situated at No. 33 Bonza Bay Drive in East London; No.2 Genius Loci Park in Bloemfontein and No 38 Wale Street Chambers in Cape Town.



PART C

GOVERNANCE

1. INTRODUCTION

The South African Council for Educators is regulated in terms of SACE Act No. 31 of 2000 as amended by the Basic Education Laws Amendment Act (No. 15 of 2011). SACE is a statutory and Self-Regulating body for the Teaching Profession. Its powers and duties are defined and explained in Chapter two of the SACE Act. 31 of 2000.

1.1. The role of Council in relation to Registration

- The Council determine the minimum criteria and procedures for Registration or Provisional Registration
- Consider and decide on any application for Registration or Provisional Registration
- Keep a register of the names of all persons who are registered or provisionally registered
- Determine the form and content of the registers and certificates to be kept, maintained or issued in term of the Act.

1.2. The Role of Council in Promotion and Development of the education and training in the Profession

- The Council must Promote, Develop and Maintain a professional image
- Advise the Minister on matters relating to the education and training of educators
- Research and Develop professional development policy
- Develop resource materials to initiate and run training programmes, workshops, seminars and consultations with employers to enhance the Profession and
- Manage a system for the promotion of the Continuous Professional Development System for educators

1.3. The role of Council with regard to Professional Ethics

- Compile, maintain and review from time to time the code of Professional Ethics for educators who are registered or provisionally registered with the Council
- Conduct Disciplinary procedures against educators who transgressed the code of conduct

2. PORTFOLIO COMMITTEE (PC)

Date	Topic	Matters raised	How the Department addressed the matters raised.
07 May 2021	Umalusi and SACE 2021/22 Annual Performance Plan	• Which provinces still do not have physical offices available? On the development of educators, the PC Chairperson asked whether SACE could incentivise teachers to build on their qualifications. • The process of amending the BELA Bill was set to begin and to determine whether its complete redrafting was required. What plans is SACE making to accommodate the move of Early Childhood Development (ECD) from the Department of Social Development (DSD) to DBE? The PC member asked what accreditation is available for unqualified ECD practitioners with extensive experience. • There are repeated cases of misconduct amongst educators. The PC member asked which cases qualified to be handled internally compared to cases which are referred to law enforcement.	• SACE has five provincial offices. They are in Limpopo, the Eastern Cape, Western Cape, Free State and KwaZulu-Natal. The Council will investigate what will happen in the remaining provinces under the five-year strategic plan. Regarding registration, COVID-19 impacted the quantity of applications, especially during the first two quarters of the year. This resulted in a backlog which is still in the process of being cleared. • BELA Bill, when the fifth administration handed over to the sixth, the Minister of Higher Education and Training indicated to the DBE that the DHET should separate from it. SACE requested the deepening of separation from DHET. The intention was to separate the Council. SACE requested that the DBE put the process of separation on hold. • SACE indicated that reports of sexual misconduct amount to roughly 100 cases. During the pandemic where physical interaction was limited, the Council still received 58 cases. Council prioritised cases of misconduct to prevent the roll-over of cases and to ensure the protection of children. SACE, DBE and the Education Labour Resource Council (ELRC) are formally working together to prevent the migration of charged offenders. Once a formal sanction has been issued, it will be sent to all nine provinces to ensure that the offenders are prevented from teaching.

17 August 2021	DBE on: Gender Responsive Planning, Monitoring, Evaluation and Auditing Framework; GBV programmes; Misconduct by Educators / Officials in respect of GBV; with Deputy Minister	• How many teachers have been struck off the role in the past two years? What are the processes of investigation when teachers are found to have contravened the Teachers' Professional Code of Conduct? • Are the cases being reported declining? Is there an improvement in respect of reporting because of the measures that are put in place, including in the education sector? • Why is it that after so many years with a clear and urgent need does SACE not have offices in every province, despite the fact that the Department of Basic Education has offices in every province? Why has SACE failed to follow the Department's footprint and be everywhere? Lastly, what communication campaigns has SACE put in place to promote its work and services as an organisation?	• Names are sent to the six Provincial Education Departments (PEDs), as well as the National Department of Basic Education, to make sure that they are blocked against persal as indicated. Also, that gives SACE an opportunity to check if they are still with the employer or not. It was indicated that it is often possible to find one or two, but the majority would be blocked. In the case that one or two are identified, SACE would need to inform the Department for assistance in ensuring that these teachers are blocked. • SACE indicated that it was difficult to respond to whether there has been a decrease or increase in the reported cases. However, there can be said to be an increase mainly because of the awareness that is being raised across the entire sector. As a result, parents, communities and everyone else involved are becoming increasingly aware that reporting has to be done for such cases. • Unfortunately, SACE does not have the same resources as the government, the Department and Provincial Departments. The other entities have resources appropriated by Parliament to help set up structures and human resources across the entire country to be able to deliver services accordingly. On the contrary, SACE largely depends on the R15 per month currently coming in from educators, and it will not be possible just to have the nine provinces fully staffed at a go.
23 November 2021	Umalusi & SACE 2020/21 Annual Report	• With cases not finalised by SACE, Members sought a detailed report on the number of cases not finalised, the category of cases, costs of investigation and reasons why these cases could not be finalised. • Where targets were not being met, members queried whether officials were being held accountable. • Members queried when and how educators needed to be registered with SACE-Was this a once-off registration or annual process. How often did educators have to register? • What research had been conducted by SACE regarding the abuse of learners by educators and how was SACE managing to do the necessary forecasts on such matters? • The SACE salary bill was around 60 per cent and members were of the view that SACE employed too many personnel. It was noted that SACE had no persons with disabilities employed and members queried the reasons for this. • Regarding the AG findings, members noted the approved remedial action to be taken by SACE, but members were of the view that SACE was lacking in its cooperation and focus on genuine actions to mitigate the findings. SACE seemingly did not take this matter seriously.	• SACE was looking to assess and explore virtual processes and engagements going forward. The Council would ensure a written response on the specifics pertaining to the remedial plan of action. Further to this, the Council would ensure a detailed breakdown of the cases not finalised as requested by members. • SACE was implementing a zero-tolerance approach to holding staff accountable for submitting reports. The remedial actions were in place and were being implemented with regular meetings of the Exco and Council with quarterly reports to be submitted. • Educator registration was a once-off process. However, there were instances where educators applied for promotional posts and needed to re request registration certificates again. • SACE was looking to commission research in respect of profiling abusers as well as interventions to deal with issues of sexual misconduct. The findings of the research study would be made available to the Portfolio Committee. • Regarding staff with disabilities, SACE ensured that with all posts being advertised, there was an indication that all persons with disabilities were welcome to apply. • SACE was engaged with the findings of the AG and was being addressed through the approved remedial actions. SACE was implementing a zero-tolerance approach to holding staff accountable for submitting reports. The remedial actions were in place and were being implemented with regular meetings of the Exco and Council with quarterly reports to be submitted. SACE was also engaging with Umalusi to learn some of their best-practices toward a clean audit outcome. SACE was also strengthening its Planning, Monitoring and Oversight unit with assistance and support from the Department of Basic Education to address findings.

22 March 2022	Umalusi & SACE 2022/23 Annual Performance Plans with Deputy Minister	• In respect of unresolved cases due to the nonavailability of witnesses, members queried steps in place by SACE to address this challenge to ultimately finalise and resolve cases. • Members also noted the gaps in the quality and qualification of teachers in the critical subjects and queried how SACE was able to utilise its educator register to assist in informing the supply and demand of these educators within the system. Was this register also shared with the Department of Basic Education to assist with filling skills gaps? • Although there was appreciation for the SACE offices opening in provinces, members queried whether SACE had considered other alternative ways for them to connect with their constituents e.g. virtually/online etc. This could also be a cost-saving alternative. Members also queried whether there was any legal mandate on entities purchasing/building offices and who owned the building, the entity, department or the state.	• In respect to cases unresolved, the Council explained in detail the processes, procedures and legal framework governing such cases. Most cases in their nature involved parents, learners, teachers and communities and there was a need for a holistic approach to dealing with them. SACE needed to ensure a dedicated advocacy and engagement process in respect of learner/parent consent for being part of any investigation. • In respect of gaps in the quality of educators, the Council would produce a report on the educators in the system and address issues of supply and demand for educators. The increase in GBV cases needed further attention through the utilisation of profiles of sex offenders in the teaching profession. SACE advertised throughout the country on many platforms and used current and previous statistics to gauge teacher numbers for the year ahead. The Council also advertised further training and professional development programmes for educators depending on the needs. The caseload of SACE had almost tripled and had gone beyond the budget of the Council. • The Council also gave a breakdown of the approved budget allocation which was divided into two components i.e. Self-Funding and Grants from the Fiscus. A detailed explanation was offered for the acquiring/building of office space in provinces. The Council preferred to utilise buildings owned by the department or government as this was easier to access and process. As per Treasury Regulations, any material asset needed the approval of the National Department. Buildings remained the property of the Department but were maintained by SACE.
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3. EXECUTIVE AUTHORITY

The PFMA, Treasury Regulation 26.1 and Section 4.4 of the Framework of Strategic Plans and APPs, prescribe that the Accounting Authority is to submit Quarterly Performance Reports to the Executive Authority within 30 days after the end of each quarter, with reference to monitoring delivery against quarterly performance targets.

During the 2021/22 financial year, the Council was fully compliant with the above-mentioned compliant reporting requirement. Accordingly, the Council's Quarterly Performance Reports which outlined SACE's performance against the 2021/22 APP, the Council's financial performance and position as well as the state of the Council's governance environment, were prepared and approved by the Council and submitted to the Executive Authority of DBE and DPME as follows:

- 30 July 2021 (2020/21 first-quarter reporting),
- 30 October 2020 (2020/21-second quarter reporting),
- 31 January 2021 (2020/21 third-quarter reporting),
- and 30 April 2021 (2020/21 fourth-quarter reporting).

4. THE ACCOUNTING AUTHORITY/COUNCIL

The Council is established in terms of the SACE Act no. 31 of 2000 as amended. The Council is the Accounting Authority of the South African Council for Educators (SACE) as a public entity. Thus, the Council constitutes a fundamental base for applying corporate governance principles in the public entity. According to the PFMA, all public entities should be headed by and controlled by an effective and efficient Board (Council), comprising of the appropriate mix of members representing the necessary skills to guide the public entity strategically.

The Council has responsibility for the public entity's performance and is fully accountable to the public entity for such performance. The Council should also give strategic direction to the public entity. Section 6 of the SACE Act establishes the Council by stating that it shall govern SACE. The Council is the Accounting Authority of SACE as defined by Section 49 (2)(a) of the PFMA. The Council has adopted the King IV Report on Corporate Governance as a guiding

tool to adhere to good corporate governance principles.

The Council shall establish an annual work plan for each year to ensure that all relevant matters are covered by meetings held during the year; and draw matters within its mandate to the attention of the Executive Authority, National Treasury and the Portfolio Committee on Basic Education as occasion requires. The 2017–2021 Council term of office came to an end on the 31st of July 2021. As such, the Executive Committee held its last meeting for the 2017–2021 term of office on the 28th of July 2021 and Council was dissolved accordingly in its final meeting on the 29th of July 2021. Following the nomination of the prospective Council members by the SACE constituencies, the Minister of Basic Education appointed 29 new people members to serve as SACE Council members for the 2021– 2025 term of office. As a result, the 2021– 2025 Council was formally constituted in its first meeting held on the 18th of August 2021. Equally, the constituted Council was inaugurated by the Minister on the same day as its formal constitution. In terms of the PFMA, the Council is the Accounting Authority of SACE with the primary responsibility of governing SACE. In addition, the Council has established Committees in terms of Section 5 of the SACE Act to assist it to execute its mandate. The following are the established and functioning Council Committees:

6.4.1. Executive Committee (EXCO): The executive committee of the Council consists of the chairperson of the Council, who is the chairperson of the committee; six other members appointed by the Council of whom at least one is a member referred to in section 6 (1) (c); and the chief executive officer. (2) The Council must, subject to the SACE Act and determine the functions of the executive committee. A decision of the executive committee is regarded as a decision of the Council unless the Council revokes the decision at its next meeting. Anything that was done in implementing the executive committee’s decision before the Council revokes it, is invalid because the Council subsequently revokes the decision.

(a) Registration committee (REGCO): The registration committee of the Council consists of the chairperson, who is a member of and appointed by, the Council; four other members appointed by the Council; and the chief executive officer. Subject to Chapter 3 of the SACE Act, the registration committee must consider and make recommendations to the Council on minimum criteria and procedures for the registration or provisional registration of educators; consider and make recommendations to the Council on any application for registration or provisional registration; recommend the period of validity of the registration of an educator to the Council, and exercise or perform any other power or duty delegated or assigned to it by the Council. The registration committee must keep a record of its proceedings.

(b) Professional development committee (PRODCO): The professional development committee of the Council consists of the chairperson, who is a member of and appointed by the Council; four other members appointed by the Council, of whom at least one must be a member referred to in section 6 (1) (c) of the SACE Act; and the chief executive officer. The professional development committee must subject to the SACE Act, consider and make recommendations to the Council in relation to powers and duties contemplated in section 5

(b); and exercise or perform any other power or duty delegated or assigned to it by the Council. The professional development committee must keep a record of its proceedings.

(c) Ethics Committee (ETHCOM) According to the SACE Act, it is referred to as a “disciplinary committee”; it consists of the deputy chairperson of the Council, who is the chairperson of the committee. Four other members are appointed by the Council, of whom at least one must be a member referred to in section 6 (1) (c), and the chief executive officer. The disciplinary committee must compose, maintain and from time to time review a code of professional ethics; ensure that an alleged breach of the code of professional ethics is investigated; establish panels to investigate and hear complaints against educators; ensure that a fair hearing, by the procedure determined by the Council in terms of section 5 (c) (ii), is conducted; based on a recommendation of the relevant panel, recommend a finding and appropriate action, if any, to the Council; and exercise or perform any other power or duty delegated or assigned to it by the Council. A relevant panel must make a recommendation to the disciplinary committee regarding a finding and, if any, disciplinary action concerning a complaint referred to it. For the purposes of the investigation and hearing, a panel may summon any person who may be able to give information of material importance concerning the subject of the investigation or hearing; or has possession, custody or control of or over any book, document or object which may have a bearing on the matter, to appear before the panel and to produce the book, document or object, if

any. The summons must be in a form prescribed by the Council and be signed by the chairperson of the disciplinary committee or the chief executive officer and be served on a person by way of-

- (a) delivery by hand;
- (b) telefax;
- (c) or registered post.

The date on which the summons is served is regarded as, in a case of-

- (a) service by hand, the date of delivery;
- (b) service by telefax, the dispatching date reflected on the telefax; and
- (c) service by registered post, the date on which the letter was signed for, in the absence of proof to the contrary.

The disciplinary committee and a panel must keep a record of the proceedings of every investigation and disciplinary hearing.

(d) Risk and Audit Committee (R & Com): Reviews the effectiveness of the Internal Audit Function and, along with Internal and External Auditors, reviews the quarterly and Annual Financial Statements, risk tolerance and its controls in the organisation. The Internal Audit Function provides assurance to the R & Com that internal controls are appropriate and effective. This is performed using an independent, objective appraisal and evaluation of risk factors, management processes, internal controls and governance processes;

(e) Staffing Committee (STAFFCO): Exercises oversight, advice, and makes recommendations to the Council on implementing the human resources strategy of SACE. Disciplinary and remuneration matters related to the staff are considered and recommended to the Council for approval. In particular, the focus of STAFFCO is on the in-depth areas affecting employees, CPDT Coordinators, reviewing appointments, conduct, and ethical and disciplinary challenges.

(f) Finance Committee (FINCO): Provide oversight to ensure SACE promotes a supply chain management system that is fair, equitable, transparent, competitive and cost-effective; consistent with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and with the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) and minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices. The committee advises Council on SACE's finances, ICT, and Infrastructure. Reviews and makes recommendations about the SACE budget and revenue.

(g) Advocacy and Communication Committee (ADVOCCO): This committee deals with the SACE outreach and communications to all stakeholders at various levels; repositioning, maintaining and managing the corporate image of SACE; and forging and identifying strategic partners through effective stakeholder management. The committee advises Council on communication, advocacy, publications, and international relations.

(g) Teacher Professionalisation Committee (TEPCO): Advises Council on the professionalisation of the teaching profession and its five pillars as follows: Professional teaching standards, the recognition of SACE as a professional body by SAQA, Initial Teacher Education, Newly Qualified Educators, and Practising Educators.

5. COUNCIL AND COMMITTEES

During the 2021/22 financial year, Council meetings were held as follows:

TABLE 33: NUMBER OF 2021/22 COUNCIL MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	3
Special	1
Total	4

TABLE 34: COUNCIL MEMBERSHIP FOR THE 2021/22 FINANCIAL YEAR

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Meetings attended
Mr Lucky Goodman Mabuho Cele	Chairperson	01 st of August 2017	N/A	Secondary Teachers' Diploma, Diploma in Labour Law, Certificate in Project Management, Advance Certificate in Education-Professional Development and Bed. Honours- Education Management, Master's degree in Education Leadership and Management.	Education and Organised Labour	Africa Federation of Teaching Regulatory Authorities, Old Mutual Education Trust, South African Democratic Teacher Union SACCO, and Education Labour Relations Council Deputy Chairperson	EXCO Ex-office in all Committees	5 COUNCIL 10 EXCO
Ms Veronica Hofmeester	Chairperson of PRODCO	01 st of August 2021	N/A	BA; B. Ed; M. Ed	Education and Organised Labour		Professional Development Committee	6 EXCO 2 PRODCO 4 COUNCIL
Dr Louis Swanepoel	Chairperson of TEPCO	01 st of August 2017	N/A	B. Comm, HED, B. Comm (Honours - Economics), M. Comm (Economics), Ph. D. (Educational Management)	Education and School Leadership		Ethics, Teacher Professionalisation Executive Committee	5 COUNCIL 9 EXCO ETHCOM 1 TEPCO
Mr Elphus Maseko	Member	01 st of August 2017	N/A	BSC	Strategic Management		Registration, Advocacy and Communications Committee	4 REGCO 4 ADVOCO 5 COUNCIL
Dr Hendrik Jaco Deacon	Member	01 st of August 2017	N/A	LLB (University of Orange Free State); LLM (University of Orange Free State); LL.D (University of Orange Free State)	Education & Labour Law		Ethics Committee	6 ETHCOM 5 COUNCIL
Mr John William Bester	Member	01 st of August 2017	N/A	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 and National Alliance of Independent Schools	Professional Development Committee	3 PRODCO 5 COUNCIL
Prof. Lesley Le Grange	Member	01 st of August 2021	N/A	PhD in Science/Environment Education, M.Ed. in Science Education, B.Ed.	Education		Teacher Professionalisation Committee	4 COUNCIL 2 TEPCO
Dr Jenny Joshua	Member	01 st of August 2021	N/A	D.Ed., M.Ed. in Orthopedagogics, MA in English Language Teaching, B.Ed., BA Education Diploma.	Education		Professional Development and Registration Committee	4 COUNCIL 2 REGCO
Ms Gaylin Wendy Bowles	Chairperson: Registration Committee	01 st of August 2017		H.Dip Ed. Bachelor of Arts FDE – CAE Advanced Certificate in Education – Leadership, and Management	Education and School Leadership	Provincial Vice President NAPTOGA Gauteng Member of the National Executive Committee-NAPTOSA	Registration Committee and Executive Committee	4 REGCO 10 EXCO 5 COUNCIL

Adv. Puseletso Loselo	Member	01 st of August 2021	N/A	B. Juris LLB LLM-International Law	Law		Ethics Committee	3 COUNCIL 3 ETHCOM
Ms Nolitha Mboniswa	Member	01 st of October 2021	N/A	Advanced Programme in Human Resource Management, Certificate in Sports Management, Project Management, Higher Diploma in Education. BA	Education and Management		Advocacy and Communications, Ethics Committees	3 ETHCOM 2 COUNCIL
Ms Agnes Nhlapo	Member	01 st of August 2021	N/A	Diploma in Education Advanced certificate in Education	Education		Registration Teacher and Professionalisation Committees	2 REGCO 2 TEPCO 4 COUNCIL
Ms Agnes Nhlapo	Member	01 st of August 2021	N/A	Diploma in Education Advanced Certificate in Education	Education		Registration Teacher and Professionalisation Committees	2 REGCO 2 TEPCO 4 COUNCIL
Mr Tseliso Ledimo	Member	01 st of August 2017	N/A	BA Education; Hon BA Psychology; Project management; Cert in Financial & Accounting Principles for Public Entities; Labour Law in Education	Education and Organised Labour		Advocacy and Communications	3 ADVOCO 3 COUNCIL
Mr Thabile Kunene	Member	01 st of August 2017	N/A	Higher Certificate in Economic Development; Project Management; Senior Teachers Dip; Case Handling & Grievance Procedure	Education and Organised Labour		Advocacy and Communications, Registration Committee	5 COUNCIL 4 ADVOCO 4 REGCO
Ms Lindiwe Motshwane	Member	01 st of August 2017	N/A	Senior Teachers Diploma, ACE; Postgraduate Diploma in Public Management	Education and Organised Labour		Finance Committees	7 FINCO 5 COUNCIL
Ms Nomarashiya Caluza	Member	01 st of August 2017	N/A	SPTD; Advanced Dip in Practical Labour Law; ACE	Education and Organised Labour		Registration and Teacher Professionalisation Committees	5 COUNCIL 4 REGCO 2 TEPCO
Mr Nkosiphendule Ntantala	Chairperson: Advocacy and Communications Committee (2017-2021) Chairperson Ethics Committee (2021-2025)	01 st of August 2017	N/A	BA (Ed)	Education and Organized Labour		Advocacy and Communications Ethics Committee, Finance Committee and Executive Committee	1 ADVOCO 2 ETHCOM 5 COUNCIL 7 FINCO 8 EXCO
Mr Mokholoane Samuel Moloi	Member	01 st of August 2017	N/A	STD(Tech); FDE	Education and Organised Labour		Staffing Committee	4 COUNCIL 2 STAFFCO
Mr Walter Hlase	Chairperson: Staffing Committee	01 st of August 2017	N/A	Secondary Education Dip; ACE; Hon BA; Advanced Cert in Labour Law	Education and Organised Labour	Non Executive Director: SADTU Savings and Credit Cooperative Bank; Non Executive Director Public Investment Corporation	Staffing Committee; Registration Committee and Early Childhood Development Ad hoc Committee and Executive Committee	2 REGCO 6 STAFFCO 5 COUNCIL 9 EXCO

Mr Jonovan Rustin	Member	01 st of August 2017	N/A	Senior Primary Teachers Diploma Further Diploma in Education-School Management	Education and Organised Labour		Ethics, Early Childhood Development and Risk and Audit Committees	5 ETHCOM 3 ECDA 5 R&A 5 COUNCIL
Mr Paul Sauer	Member	01 st of August 2017	31 st of July 2021	B.Sc.; Hon B.Sc.; Dip in Business Management	Education and Organised Labour		Finance Committee and Advocacy and Communications Committee	1 FINCO 2 ADVOCO 1 COUNCIL
Dr Moses Simelane	Member	01 st of March 2017	31 st of July 2021	BA, B.Ed.; D.Ed.	Inclusive Education		Registration, Advocacy and Communications Committees	2 REGCO 2 ADVOCO 1 COUNCIL
Mr Sello Sethusha	Member	01 st of August 2017	N/A	Dip in Education; BA; B.Ed.; BTech in Human Resources Management			Registration and Professional Development	4 REGCO 4 PRODCO 5 COUNCIL
Mr Toto Geza	Member	01 st of August 2017	31 st of July 2021	B Juris.; MBA-General Post Graduate Diploma in Labour Law	Education and Organised Labour		Ethics Committee, Early Childhood Development Ad hoc Committee Staffing Committee	2 Ethcom 1 ECDA 2 STAFFCO 1 COUNCIL
Mr Enoch T Rabotapi	Chairperson: Professional Development Committee	01 st of August 2017	31 st of July 2021	BED (HONS): Assessment & Quality Assurance; Advanced Diploma in Labour Law and Bachelor of Science in Education BA; BA Hon; B.Ed. HonsMEd	Education and Leadership		Professional Development Committee; Finance Committee Executive Committee	4 FINCO 2 EXCO 2 PRODCO 1 COUNCIL
Prof. Salome Human-Vogel	Member	01 st of August 2017	31 st of July 2021		Education		Professional Development	1 COUNCIL 1 PRODCO
Ms Cheryl Weston	Member	01 st of August 2017	N/A	B.Ed. Hon. (ICT) in Education; ACE; Higher Diploma in Education; Diploma in Education	Education		Professional Development, Advocacy and Communication Teacher Professionalisation Committee	2 PRODCO 4 ADVOCO 2 TEPCO 5 COUNCIL
Ms Ella Mokgdane	Chief Executive Officer	01 st of August 2017	N/A	BPrimEd; B.Ed. Hon., Post-Grad Diploma in Education, Human Resource Management Diploma, Postgraduate Diploma in Management, Master of Management in Public policy; Cert. Financial Accounting Principles for Public Entities	Education, research and policy		All Committees	5 ETHCOM 5 COUNCIL 4 REGCO 5 R&A 10 EXCO 5 FINCO 1 STAFFCO 4 ADVOCO
Ms Faseega Solomon	Member	01 st of November 2019	N/A	Diploma in Education, Senior Primary Education, Bachelor of Education, Higher education Diploma, Bachelor of Arts	Education	Education- and Organised Labour	Professional Development Teacher Professionalisation, Early Childhood Development Ad hoc Committees	4 PRODCO 2 TEPCO 3 ECDA 5 COUNCIL
Ms Brenda Mbatha	Chairperson of ADVOCO	01 st of July 2019	N/A	Junior Primary Teachers Diploma, Higher Diploma in Education, Bed Honours, Diploma in Human Resource Management	Education		Staffing Committee and Advocacy and Communications Committee Executive Committee	5 STAFFCO 4 ADVOCO 6 EXCO 5 COUNCIL

Prof. Sarah Gravett	Member	01 st of November 2019	N/A	Diploma in Education, Master's in Public Entities, Diploma in Human Resource Management and Development. Master of Education in Educational Leadership and Development (Current)	Education Leadership		Professional Development, Teacher Professionalisation Committees	2 PRODCO 2 TEPCO 5 COUNCIL
Mr George Themba	Chairperson for FINCO	01 st of August 2018	N/A	University Diploma in Education (Secondary), National Higher Diploma in Education Management, Bed Honours, Project Management in Education, ACE in School Leadership, E-school Law for Educators, Certificate - Finance for Non-Managers Programme	Education		Audit Committee and Finance, Committee Executive Committee	2 R&A 6 FINCO 9 EXCO 5 COUNCIL
Ms Esther Mokoale	Member	01 st of October 2019	31 st of July 2021	Secondary Teachers Diploma, Higher Diploma in Education, Certificate in Labour Relations Management, Certificate in Humana Resource Management, Advanced Certification in Education, BED Honours, Certificate in Leading and Managing Trade Unions	Education and Labour relations		Ethics Committee	2 FINCO 2 Ethcom 1 COUNCIL
Mr Mkhusele Dubula	Member	1 st of August 2019	N/A	BA in Education, Certificate in Labour Law in Education	Education and Organised Labour		Professional Development Committee and Ethics Committee	2 PRODCO 2 Ethcom 3 COUNCIL
Mr Senzo Mpalala	Member	1 st of August 2019	N/A	Secondary Teachers Diploma in Education, Advance Certificate in Education, Certificate in Project Management, Higher Certificate in Economic Development, BED Honours (current)	Education and Organized Labour		Staffing Committee	6 STAFFCO 4 COUNCIL

5.1 EXECUTIVE COMMITTEE (EXCO)

During the 2021/22 financial year, EXCO meetings were held as follows:

TABLE 35: NUMBER OF 2021/22 EXCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	9
Special	4
Total	13

5.2 REGISTRATION COMMITTEE (REGCO)

During the 2021/22 financial year, REGCO meetings were held as follows:

TABLE 36: NUMBER OF 2021/22 REGCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	1
Total	5

5.3 PROFESSIONAL DEVELOPMENT COMMITTEE (PRODCO)

During the 2021/22 financial year, PRODCO meetings were held as follows:

TABLE 37: NUMBER OF 2021/22 PRODCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	2
Total	6

5.4 FINANCE COMMITTEE (FINCO)

During the 2021/22 financial year, FINCO meetings were held as follows:

TABLE 38: NUMBER OF 2021/22 FINCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	3
Total	7

5.5 STAFFING COMMITTEE (STAFFCO)

During the 2021/22 financial year, STAFFCO meetings were held as follows:

TABLE 39: NUMBER OF 2021/22 STAFFCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	2
Total	6

5.6 RISK AND AUDIT COMMITTEE (R&A)

During the 2021/22 financial year, R&A meetings were held as follows:

TABLE 40: NUMBER OF 2021/22 R&A MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	3
Total	7

5.7 TEACHER PROFESSIONALISATION COMMITTEE (TEPCO)

During the 2021/22 financial year, TEPCO meetings were held as follows:

TABLE 41: NUMBER OF 2021/22 TEPCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	2
Total	2

5.8 ADVOCACY AND COMMUNICATION COMMITTEE (ADVOCCO)

During the 2021/22 financial year, ADVOCCO meetings were held as follows:

TABLE 42: NUMBER OF 2021/22 ADVOCCO MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	4
Total	8

5.9 ETHICS COMMITTEE (ETHCOM)

During the 2021/22 financial year, ETHCOM meetings were held as follows:

TABLE 43: NUMBER OF 2021/22 ETHCOM MEETINGS CONVENED

TYPE OF MEETING	NUMBER OF MEETINGS
Ordinary	4
Special	1
Total	5

6. 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 public entity-(a) must ensure that public entity has and maintains –

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

(ii) A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; In line with best practice, the governance structures are in place to ensure effective management of risk management at both strategic and operational level. Management has designed and implemented a risk management system. The system is documented in the SACE Enterprise Risk Management Policy. The policy has been developed to achieve maximum integration of the risk management

process in the normal business process. Risk management has been into the performance management system of the Council as well as quarterly reporting to the Audit and Risk Management Committee.

During the period under review, management reviewed and recommend approval of Enterprise Risk Management Policy in line with their commitment to ensure risk management is integrated into the normal business processes of the entity. A detailed strategic and operational risk assessment for organisation was conducted and the risk register updated accordingly. The purpose of risk assessment was to identify business risks related to SACE. The risks were measured and rated in terms of impact and likelihood of occurrence. The top risk identified by Risk Owners are prioritised in terms of their importance and are being managed and reported accordingly. Key controls and mitigation strategies/plans have been identified and are being implemented for both strategic and operational risks to ensure that risks are kept within the councils' risk appetite. The risk management process informed the three-year rolling audit plan to ensure that high risks area is audited and improve the management of risks.

7. INTERNAL CONTROL UNIT

Internal control is a process, effected by the Council, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives strategic and operational. The Council established a system of internal control and regularly reviewing its effectiveness and relevance. The control environment enhances the tone of risk management and provides the necessary discipline and structure. It is the foundation for all other components of risk management. The control environment includes factors such as integrity, ethical values, organisational culture, the competence of people, management philosophy and operating style, a delegation of authority and responsibility, the way in which people are organised and developed as well as the intention and direction provided by the council. Management is further responsible for the establishment and maintenance of an effective system of internal control. The objective of a system of internal control is, inter alia, to provide management with reasonable but not absolute, assurance that:

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

8. INTERNAL AUDIT AND AUDIT COMMITTEES

8.1. Internal Audit

The internal audit operates within the framework of the Institute of Internal Auditors (IIA) under the direction of the Audit and Risk Committee, which approved the Internal Audit Charter, Three 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 realisation 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 Risk and Audit Committee and administratively to the Chief Executive Officer (CEO). Internal audit is responsible for the overall preparation and execution of the riskbased audit plan and for coordinating the internal audit service. It therefore, evaluates and contributes to the improvement of risk management, internal control and governance systems within SACE. The SACE Management is ultimately accountable for the Council's system of internal controls. These controls are designed to provide reasonable assurance regarding the achievement of the Council's objectives concerning the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Findings by the internal audit are reported to the Risk and 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.

8.2. Risk and Audit Committee

The Risk and Audit Committee of the SACE is independent and fulfils a vital role in corporate governance 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 Risk and Audit Committee is an advisory committee of the Council operating with an independent and objective stance.

The Risk and 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, an internal audit provides the Risk and 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.

8.3. Risk and Audit Committee members and attendance

The table below discloses relevant information on the audit committee members

TABLE 44: Members of the Audit Committee

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr G Bengel (Chairperson)	Grade 12, PTD 3	External	N/A	18 August 2021	N/A	5
Mr N Maluleka	Grade 12, Higher Education Diploma, Secondary Teachers Diploma, National Diploma in Public Finance	External	N/A	18 August 2021	N/A	5
Mr J Rustin	BA(UWC) Financial Management for Non-Financial Managers (UNISA) Labour (NMMU)	External	N/A	18 August 2021	N/A	5
Mr P Sauer	B.Sc.Hon., B.Sc. Dip. in Business Management	External	N/A	18 August 2021	N/A	0
Mr G Themba	Grade 12, National Higher Diploma in Education, B.ED Honors Project Man In Education	External	N/A	18 August 2021	N/A	5
Mr P White	Grade 12 Diploma in Financial Management, Certificate in public finance	External	N/A		31 August 2021	3

9. COMPLIANCE WITH LAWS AND REGULATIONS

The council establishment is in terms of its founding legislation of the SACE Act No. 31 of 2000. For its functioning and delivery of mandatory responsibilities, the Council delegated different roles to committees.

The committees in place are:

- Executive Committee which makes decisions in between Council meetings on recommendations of all Council Sub-Committees to ensure smooth delivery of mandatory functions. Its decisions are implementable unless overturned by Council.
- Finance Committee; Registration Committee; Professional Development Committee, Ethics Committee; Advocacy Committee and Risk and Audit Committee. These Committees formulate policies and keep track of regulatory frameworks to update policies which guide the operations, as well as play an oversight role in the implementation of approved policies. The Sub-Committees make recommendations on policy amendments to the Executive Committee which approves and recommends to Council for final approval. The policies of council are reviewed annually to ensure relevance to current regulations and legislation.

10. FRAUD AND CORRUPTION

The Council has a fraud prevention policy which underwent a review during the financial year. The Finance Committee is responsible for the oversight of the implementation of the content of this policy. A risk policy has also been reviewed and the risk register was compiled in line with this policy. The necessary internal controls were reviewed by management under the oversight of various Sub-Committees of Council to mitigate the identified risk as per the risk register. It is through this process that SACE improved fraud risk management and control environment which ultimately enhanced SACE's performance and reputation to a reasonable extent

11. MINIMISING CONFLICT OF INTEREST

The council has developed a conflict-of-interest policy to manage conflict of interest at all levels consistent to the supply chain management policy. All members of governance are required to declare conflict of interest with council activities in addition to the continual declaration of interest in each committee meeting. Any conflicted member is recused from the discussion of the conflicted agenda items. In line with the supply chain management policy and guidelines, all SACE personnel are compelled to annually declare conflict of interest or remunerative work outside of their employment. As part of effective internal control, proper segregation of responsibilities amongst personnel and structures as well as a delegation of powers were implemented in terms of the SCM policy. During the year under review, two personnel were identified to be involved in doing business with other state entities and the matter is being investigated.

12. CODE OF CONDUCT

The council has reviewed the code of conduct of its personnel within the HR policy. In addition to that a code of conduct of the governance members was developed during the financial year. The two sets of codes of conduct were circulated internally. No violation was noticed on the part of governance while corrective actions were taken against several personnel who violated the policies of council and governing regulatory frameworks.

13. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In line with the Occupational Health and Safety Act 85 of 1993 as amended, SACE is expected to comply with regulations on Occupational Health and Safety measures. The Council has established relevant Committee and representatives that ensure compliance with the regulations. Occupational Health and Safety Plans are drawn in line with the regulations to ensure a safe and healthy working environment for employees and people visiting SACE Offices. The Plan is reviewed from time to time to ensure its compliance with prevailing circumstances. The country experienced the COVID-19 pandemic around March 2020 to date. The Council established a separate task team to assist with matters related to creating safety measures and protocols to mitigate the impact of COVID-19 on employees and the Organisation. The task team assisted in advising management on matters related to COVID-19 and procedures to be followed under various lockdown measures. Remote working arrangements, reduced staff compliments and staff rotations were amongst other means that the Council conducted to comply with COVID-19 measures.

14. COUNCIL SECRETARY

N/A

15. SOCIAL RESPONSIBILITY

The Council is aware of the role it needs to play in contributing to its social responsibility. Therefore, the Council is developing a policy on social responsibility which will be adopted by the Advocacy and Communication Committee in the 2022/23 financial year.

16. RISK AND AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

16.1. Risk and Audit Committee Responsibility

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

16.2. The effectiveness of internal control

The system of internal controls applied by the council over financial and risk management is effective, efficient, and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From various reports of the Internal Auditors, the audit report on the annual financial 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 thereof. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective, with the exception of deficiencies reported by external auditors. The quality of the quarterly management reports was submitted in terms of the PFMA. The Risk and Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the members of the council during the year under review. Our review of the findings of the Internal Audit work, which was based on the risk assessment conducted in the public entity revealed certain weaknesses, that were addressed with management. The following internal audit work was completed during the year under review:

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

16.3. 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 councillors;
- Reviewed the External Auditors' management report and management's response thereto;
- Reviewed and approved changes in accounting policies in line with the Standards of Generally Recognized Accounting Practice (GRAP);
- Reviewed the entity's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit.

16.4. Internal audit

The Risk and Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the council and its audits. The audit committee has also continued with its review of the progress with respect to the ICT Governance in line with the ICT Framework approved by council. There will be a continued increase in the oversight in the coming financial year to the committees and management.

16.5. Auditor's Report

The Risk and Audit Committee concur with and accept the External Auditor's 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.



Mr George Bengell
Chairperson of the Risk and Audit Committee
28 July 2022

17. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

TABLE 45: B-BBEE Compliance Performance Information

Criteria	Response	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	N/A
Developing and implementing a preferential procurement policy	Yes	Revised the SCM policy Preferential procurement implemented on all acquisitions above thirty thousand
Determining qualification criteria for the sale of state-owned enterprises	No	N/A
Developing criteria for entering into partnerships with the private sector	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	No	N/A





PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The South African Council of Educators is responsible for enhancing the teaching Profession through the registration of educators, adherence to the ethical Code of Conduct and professionalisation of the teaching sector. The Corporate Service is responsible for managing the Human Resource Management with the intention to provide adequate Human Resources that will deliver the core mandates of the Council as espoused in the South African Council for Educators Act 31 of 2000.

Human Resource Management focuses on the provision of necessary Personnel to deliver the Core Mandate of the Council, People Management, and Training and Development of the employees amongst other things. The HRM is responsible for the following aspects amongst others: -

- Recruitment and selection of potential candidates
- Workforce Planning Framework and Key Strategies to attract, recruit and train the employees to deliver SACE Core Mandate
- Talent Management, Training and Development and Employee Performance Management Framework
- Create Organisational Culture and introduce new incumbents into that culture during the On-Boarding Process
- Maintenance of Labour Relations in order to ensure a peaceful working environment conducive to delivering the SACE Core Mandates

1.1. Human Resource Provisioning

The filling of the Key Strategic and Administration Posts remains the strategic focus area of Human Resource Management. It is with great pleasure to report that all the Senior Management Posts as identified in the Job Evaluation process conducted in 2018, have been filled and this enabled the Council to have a complete Executive Staff complement to discharge the responsibility of driving the Strategic Vision of the Council during the period under review.

Senior Management is composed of the Chief Executive Officer who is the overall Accounting Officer and reports to the Council day-to-day activities to Executive Committee that is reporting to the Council on a quarterly basis. The Chief Finance Officer oversees Council Resources and safekeeping the funds to enable the Administration to deliver its responsibilities and report frequently to Finance Committee, that also reports financial activities to Executive Committee. The Senior Manager for Registration and Teacher Professionalisation oversees the registration processes and management of the Teacher Professionalisation section. The Ethics, Legal and Professional Developments oversee the functions of the ethics and legal unit to ensure adherence to the Code of Conduct and manage the Professional Development Unit responsible for the development of the teaching profession.

The Council has appointed a Project Manager for the Repositioning and review of SACE, with the intention to review the mandate and position of the Council in the anticipated future based on the new dynamics in the profession and the looming 4th Industrial Revolution. Administration Posts are filled in guided by the SACE Workforce Plans and adopted Council Organogram from time to time through the Selection and Recruitment guidelines adopted by Council Structures.

1.2. Employee Performance Management Framework

The Council manages Employee Performance through a collective agreement on Performance Evaluation System Guidelines that direct and guide employee evaluation. This is a management tool/instrument that is used to measure the Individual and collective contributions towards the strategic achievement of SACE objectives as espoused in the Strategic Plans, Mission and Vision towards 2025. The Vision is based on eight principles being, Service Oriented, Quality, Respect, Dignity, Responsibility, Tolerance, Transparency and Accountability. The Evaluation of Employees is conducted on an annual basis wherein the formal evaluation is conducted in the last quarter of each year. It is again, a great pleasure to report that all SACE employees were evaluated during the period under review. The Evaluation Guidelines are under review and consultations with labour representatives to address a few of the inadequacies of the instrument and further strengthen the guidelines.

1.3. Employment Equity

The Council manages employee performance through a collective agreement on Performance Evaluation System Guidelines that direct and guide employee evaluation. This is a management tool/instrument that is used to measure the individual and collective contributions towards the Strategic achievement of SACE objectives as espoused in the Strategic Plans, Mission and Vision towards 2025. The vision is based on eight principles being, Service Oriented, Quality, Respect, Dignity, Responsibility, Tolerance, Transparency and Accountability. The Evaluation of Employees is conducted on an annual basis

wherein the formal evaluation is conducted in the last quarter of each year. It is again, a great pleasure to report that all SACE employees were evaluated during the period under review. The Evaluation Guidelines are under review and consultations with labour representatives to address a few of the inadequacies of the instrument and further strengthen the guidelines.

1.4. Internship Programme

The Council continue to offer internships to several undergraduates as part of its Social Responsibility and contribution to the upliftment of skills and addressing skills shortages in the country. Approximately 24 internship posts were offered to the graduates during the period under review, who were placed at both Head-Office and Provincial Offices. Most of the interns who obtained their experiential learning from SACE managed to be employed. We believe the knowledge and values obtained from the Council will help them in their new employment endeavours.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

TABLE 46: Personnel Cost by programme/activity/objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Executive, Finance, Internal Audit, Corporate	97 105	34 642	84%	61	568
Planning, M&E, Reporting and Research	915	2 253	0.53%	4	563
Registration and TP	1 399	7 322	1.21%	15	488
Professional Development, CPTD, Legal and Ethics	15 974	18 485	13.66%	31	596
Communications	687	5 469	0.59%	12	455
TOTAL	115 599	68 172	99.99%	123	554
Internship programme/Stamps		1 670	0.01	26	64
TOTAL				26	64
Total including Interns/Temps	115 599	69 842	100%	149	469

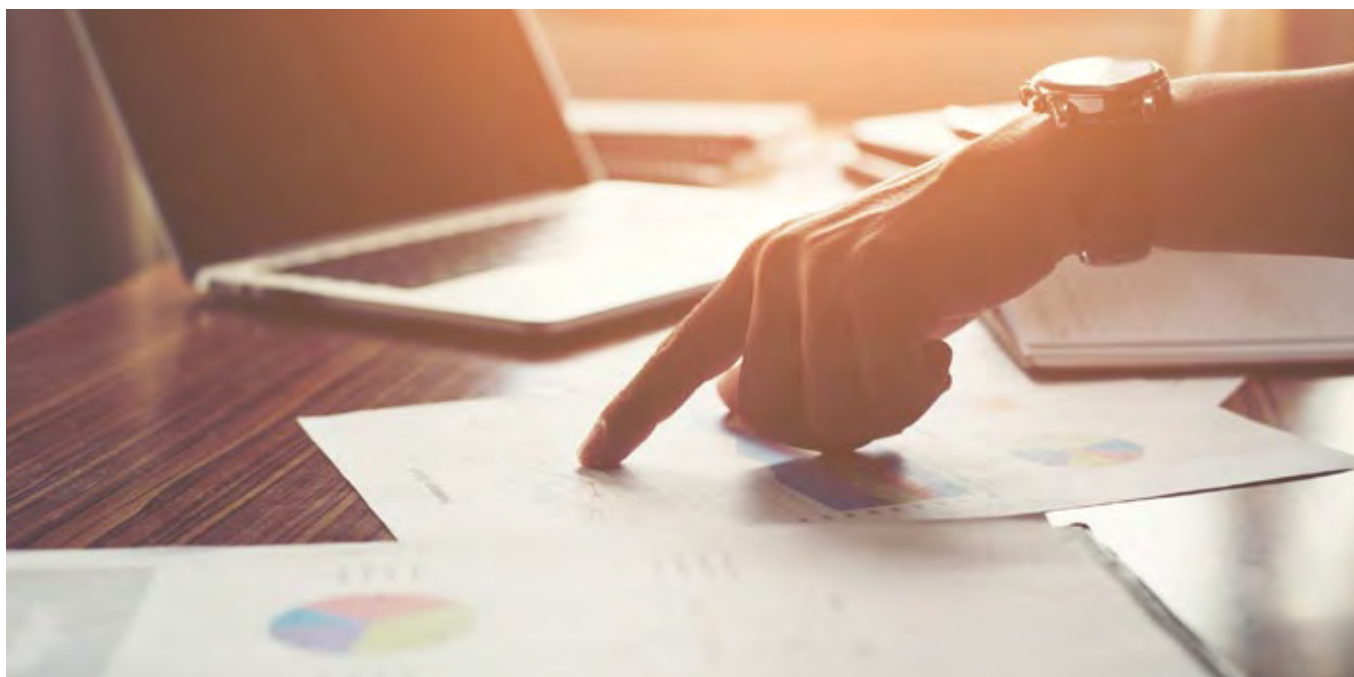


TABLE 47: Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	7 209	10.32%	03	2403
Senior Management	11 476	16.43%	12	956
Professional qualified	18 055	25.85%	27	669
Skilled	15 712	22.49%	29	542
Semi-skilled	13 401	19.19%	43	312
Unskilled	2 319	3.32%	9	258
TOTAL	68 172	97.6%	123	554
Internship programme/Temps	1 674	2.40%	26	64
Total	1674	2.40%	26	64
Total including Interns/Temps	69 846	100%	149	469

TABLE 48: Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	7 209	0%
Senior Management	0	11 476	0%
Professional qualified	0	18 055	0%
Skilled	0	15 712	0%
Semi-skilled	0	13 401	0%
Unskilled	0	2 319	0%
Intern/ Programme/ Temps	0	1 674	0%
TOTAL	0	69 846	0%

TABLE 49: Training Costs

Programme/ activity/objective	Personnel Expenditure (R'000)	Training Expenditure	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg. training cost per employee
(R'000)	9 468	0	0	0	0
Corporate Services	29 132	122	0.41%	4	30
Internal Audit	1 588	0	0	0	0
Finance	5 962	60	1%	3	20
Registration	5 295	0	0	0	0
Legal & Ethics	6 101	26	0.43%	3	9
Teacher Professionalisation	1 573	0	0	0	0

Professional Development	3 484	16	0.46%	1	16
Planning, Monitoring & Evaluation and Research	2 113	16	0.76%	1	16
Communications	5 130	0	0	2	0
Total:	69 846	239	0.34%	14	20

TABLE 50: Employment and vacancies

Programme/activity/objective	2020/2021	Training Expenditure	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg. training cost per employee
Top Management	No. of Employees	2021/2022 Approved Posts	2021/2022	1	33.33 %
Senior Management	No. of Employees	2021/2022 Vacancies	% of vacancies	1	8%
Professional Qualified	25	32	27	5	18.51%
Skilled	31	34	29	5	17.24%
Semi-skilled	45	51	43	8	18.60%
Unskilled	10	10	9	1	11%
Total	125	144	123	21	17.07%
Internship Programme / Temporary Staff	6	26	26	-	-
Total					
Total including Interns/ Temps	131	170	149	21	14.09%

TABLE 51: Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	04	0	1	3
Senior Management	10	3	1	12
Professional qualified	25	3	1	27
Skilled	31	1	3	29
Semi-skilled	45	1	3	43
Unskilled	10	0	1	9
Total	125	8	10	123
Internship Programme\ Temps	6	26	6	26
Grand Total Including Interns and Temps	131	34	16	149

TABLE 53: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	1%
Resignation	5	3%
Dismissal	2	1%
Retirement	1	1 %
Ill-health	1	1%
Expiry of contract	4	3%
Other		
Total	14	10%

TABLE 54: Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal warning	0
Written warning	3
Final written warning	0
Dismissal	2
Total:	5

TABLE 55: Equity Target and Employment Equity Status (Male)

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	01	0	0	0	0	0	0	0
Senior Management	08	0						1
Professional qualified	14	0	0	1	0	0	0	0
Skilled	3	1	0	2	0	2	0	1
Semi-skilled	7	2	0	1	0	2	0	1
Unskilled	3	2	1	1	0	1	0	1
TOTAL	36	0	1	0	0	0	0	0
Internship Programme/Temps	1	0	0	0	0	0	0	0
Total	1	0	0	0	0	0	0	0
Total including Interns and Temps	37		1	5			0	4

TABLE 56: Equity Target and Employment Equity Status (Female) TABLE 56: Equity Target and Employment Equity Status (Female)

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	1	0	0	0	0
Senior Management	4	0	0	1	0	1	0	1
Professional qualified	15	0	0	1	0	1	1	1
Skilled	27	0	2	1	1	1	2	1
Semi-skilled	28	0	0	0	0	1	0	0
Unskilled	5	0	0	2	0	1	0	1
TOTAL	81		2		1		3	
Internship Programme/Temps	23	0	0	0	0	0	0	0
Total	23	0		6				4
Total including Interns and Temps	104	0	2	6	2		3	4

TABLE 57: Equity Target and Employment Equity Status (Disability)

Levels	African		Coloured	
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	1
Senior Management	0	0	0	1
Professional qualified	0	0	0	0
Skilled	0	1	0	0
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
TOTAL	0	1	0	3





PART E

FINANCIAL INFORMATION

South African Council For Educators Annual Financial Statements for the year ended 31 March 2022

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 is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for the period that ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were 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 acknowledges that they are ultimately responsible for the system of internal financial control established by the Council and places considerable importance on maintaining a strong control environment. To enable the members 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 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 has reviewed the Council's cash flow forecast and in the light of this review and the current financial position, is satisfied that it has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Council's annual financial statements. The annual financial statements have been examined by the Council's external auditors and their report is presented on pages 7 - 13.

The annual financial statements set out on pages 14 - 52, which have been prepared on a going concern basis, were approved by the members on 28 July 2022 and were signed on its behalf by:



Mr Mabutho Lucky Cele
Council Chairperson



Ms Mapula Ella Mokgalane
Chief Executive Officer



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 043 460 9844
 Info.pta@a2akopano.co.za
 147 Marais Street,
 Brooklyn Pretoria, 0181
 P.O. Box 342,
 Groenkloof 0027

INDEPENDENT AUDITOR'S REPORT

To the parliament on South African Council for Educators

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of the South African Council for Educators set out on pages 95 to 131, which comprise the statement of financial position as at 31 March 2022, 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 that ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. 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 2022, and its financial performance and cash flows for the year that ended in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa (Act No.1 of 1999) (PFMA).

Basis for opinion

1. 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 of the audit of the financial statements section of our report.
2. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

IRBA. NO. 901944-0007 • Co. Reg. No.: 1998/014078/21

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

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

Website: www.a2akopano.co.za

Emphasis of matter

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

Material impairments – receivables from non-exchange transactions

5. As disclosed in note 6 to the financial statements, the entity incurred material impairments of R1 476 909 (2021: R2 519 568) as a result of the impairment of statutory receivables.

Responsibilities of the council for the financial statements

6. The council is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act, 1 of 1999 (PFMA) and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the council is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.
9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the performance information against predetermined objectives for selected programmes presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.

11. Our procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the public entity enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year, or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.
12. We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 4 – Professional Development	44 - 51

13. 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.
14. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 4 – Professional Development

15. Indicator 4.2.1 Number of educators supported on professional matters

The achievement of 26 804 was reported against the target of 20 000 in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 22 772 which materially differed from the reported achievement.

16. Various indicators

The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator Description	Reported Achievement
4.3.1 Percentage of Professional Development providers approved	100%
4.3.2 Percentage of professional development activities endorsed	100%

Other matters

17. We draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 20 to 60 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) 10 - 14 of this report.

Adjustment of material misstatements

19. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 4: Professional Development as management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

We did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

21. The council 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 and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

22. 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 on it.

23. 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.

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

Internal control deficiencies

25. We considered internal control relevant to our audit of the financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report included in this report.
26. Management did not in all instances prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information

A2A Kopano Inc.

A2A Kopano Incorporated
Registered Auditors
Director: TA Maenzanise
Pretoria
29 July 2022

Annexure – Auditor's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. We communicated 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 identify during our audit.
4. We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

	Note(s)	2022	2021
Assets			
Current Assets			
Other Receivables	4	410 916	-
Receivables from exchange transactions	5	1 856 327	996 568
Receivables from non-exchange transactions	6	403 513	354 159
Cash and cash equivalents	7	105 534 224	105 626 344
		108 204 980	106 977 071
Non-Current Assets			
Property, plant and equipment	2	94 696 438	77 636 387
Intangible assets	3	3 035 353	2 660 676
		97 731 791	80 297 063
Total Assets		205 936 771	187 274 134
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	27 051 250	10 800 245
Unspent CPTD grant	8	2 839 984	3 763 639
		29 891 234	14 563 884
Total Liabilities		29 891 234	14 563 884
Net Assets		176 045 537	172 710 250
Accumulated surplus		176 045 537	172 710 250

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

	Note(s)	2022	2021
Revenue			
Revenue from exchange transactions			
Registration, reprints and membership reinstatements fee	10	15 687 603	9 195 207
Rental income		257 948	-
Recoveries	12	11 443	19 755
Other income	12	102 120	9 318
Interest received	13	1 676 811	2 003 222
Total revenue from exchange transactions		17 735 925	11 227 502
Revenue from non-exchange transactions			
Transfer revenue			
Government grants	14	18 908 655	12 951 193
Membership fees	15	81 193 102	79 464 717
Fines	11	772 439	640 616
Total revenue from non-exchange transactions		100 874 196	93 056 526
Total revenue		118 610 121	104 284 028
Expenditure			
Employee benefit costs	16	(70 141 393)	(58 435 915)
Depreciation and amortisation	17	(4 241 026)	(3 077 915)
Lease rentals on operating lease		(1 456 714)	(1 462 524)
Debt Impairment	18	(491 319)	(584 983)
Loss on disposal of assets and liabilities		(20 847)	(862)
Operating Expenses	19	(38 923 535)	(24 667 939)
Total expenditure		(115 274 834)	(88 230 138)
Surplus for the year		3 335 287	16 053 890

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Balance at 01 April 2020	156 656 360	156 656 360
Changes in net assets		
Surplus for the year	16 053 890	16 053 890
Total changes	16 053 890	16 053 890
Balance at 01 April 2021	172 710 250	172 710 250
Changes in net assets		
Surplus for the year	3 335 287	3 335 287
Total changes	3 335 287	3 335 287
Balance at 31 March 2022	176 045 537	176 045 537

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Cash Flow Statement

	Note(s)	2022	2021
Cash flows from operating activities			
Receipts			
Membership, registration, reprints and other receipts		96 761 905	88 862 509
Grants		17 985 000	12 878 000
Interest received		1 676 811	2 003 222
		116 423 716	103 743 731
Payments			
Employee costs		(61 053 729)	(56 671 907)
Payment suppliers and others		(33 354 589)	(31 637 628)
		(94 408 318)	(88 309 535)
Net cash flows from operating activities	20	22 015 398	15 434 196
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(20 686 279)	(16 629 261)
Proceeds from sale of property, plant and equipment	2	169 495	-
Purchase of intangible assets	3	(1 245 088)	(1 072 781)
Proceeds from sale of other intangible assets	3	65 270	-
Movement in deposits held in trust		(410 916)	-
Net cash flows used in investing activities		(22 107 518)	(17 702 042)
Net increase in cash and cash equivalents		(92 120)	(2 267 846)
Cash and cash equivalents at the beginning of the year		105 626 344	107 894 193
Cash and cash equivalents at the end of the year	7	105 534 224	105 626 347

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

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
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Revenue	5 500 000	3 500 000	9 000 000	15 687 603	6 687 603	28.1
Rental income	-	-	-	257 948	257 948	
Recoveries	-	-	-	11 443	11 443	
Other income	300 000	200 000	500 000	102 120	(397 880)	
Interest received	2 000 000	(200 000)	1 800 000	1 676 811	(123 189)	28.3
Total revenue from exchange transactions	7 800 000	3 500 000	11 300 000	17 735 925	6 435 925	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants	18 466 000	3 282 639	21 748 639	18 908 655	(2 839 984)	28.4
Levies	80 100 000	-	80 100 000	81 193 102	1 093 102	28.10
Fines, Penalties and Forfeits	-	-	-	772 439	772 439	28.2
Total revenue from non-exchange transactions	98 566 000	3 282 639	101 848 639	100 874 196	(974 443)	
Total revenue	106 366 000	6 782 639	113 148 639	118 610 121	5 461 482	
Expenditure						
Personnel	(63 121 000)	(1 950 000)	(65 071 000)	(70 141 393)	(5 070 393)	28.5
Depreciation and amortisation	(3 500 000)	-	(3 500 000)	(4 241 026)	(741 026)	28.6
Lease rentals on operating lease	(500 000)	(1 000 000)	(1 500 000)	(1 456 714)	43 286	
Debt Impairment	-	-	-	(491 319)	(491 319)	28.7
General Expenses	(39 245 000)	(3 832 639)	(43 077 639)	(38 923 535)	4 154 104	28.8
Total expenditure	(106 366 000)	(6 782 639)	(113 148 639)	(115 253 987)	(2 105 348)	
Operating surplus	-	-	-	3 356 134	3 356 134	
Loss on disposal of assets	-	-	-	(20 847)	(20 847)	
Surplus	-	-	-	3 335 287	3 335 287	
Actual Amount on Comparable Basis as Presented in the Budget and Actual	-	-	-	3 335 287	3 335 287	

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

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

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

These accounting policies are consistent with the previous period, except for the changes set out in note 6 Changes in accounting policy. The council implemented the change in the employee benefit cost that affected the leave accrual expense.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

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

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

1.4 Significant judgements and sources of estimation uncertainty

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

Impairment testing

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

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provisions

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

Allowance for doubtful debts

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

Depreciation

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

1.5 Property, plant and equipment

Property, plant 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, equipment and leasehold improvements is recognised as an asset when:

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

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

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

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

Item	Depreciation and Amortisation method	Average useful life
Land	Straight line	indefinite
Buildings	Straight line	40 years
Motor vehicles	Straight line	5-10 years
Office equipment, furniture and fittings	Straight line	5-30 years
IT equipment	Straight line	3 to 14 years
Leasehold improvements	Straight line	lease term

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

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.

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1.5 Property, plant and equipment (continued)

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

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

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

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

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

1.6 Intangible assets

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

1.7 Financial instruments

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

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1.7 Financial instruments (continued)

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

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

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

A financial asset is:

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

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

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

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

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

Classification

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

Class

Other receivables
Cash and cash equivalents

Category

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

The 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

Trade and other payables

Category

Financial liability measured at amortised cost

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

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1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

1.8 Leases

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

Operating leases - lessee

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

1.9 Impairment of non-cash generating assets

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

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

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

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

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1.9 Impairment of non-cash generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is the period of time over which an asset is expected to be used by the council.

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

Designation

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

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

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

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

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

Identification

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

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP. After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

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1.9 Impairment of non-cash generating assets (continued)

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

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

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

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

Redesignation

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

1.10 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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

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1.10 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

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

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

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

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

1.11 Statutory Receivables (GRAP 108)

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

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

Initial Recognition

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

Initial Measurement

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

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

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

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1.11 Statutory Receivables (GRAP 108) (continued)

Gains and losses

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

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

Subsequent measurement

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

Impairment and uncollectibility of statutory receivables

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

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

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

Redesignation

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

1.12 Employee benefits

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

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

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

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

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

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

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

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

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

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1.12 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Termination benefits

The council recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The council is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

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1.13 Provisions

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating surplus.

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

1.14 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

1.15 Revenue from exchange transactions

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

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

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

Measurement

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

Revenue

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

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

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

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

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Accounting Policies

1.15 Revenue from exchange transactions (continued)

Interest received

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

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

Interest is recognised, in surplus or deficit.

1.16 Revenue from non-exchange transactions

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

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

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

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

Recognition

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

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

Measurement

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

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

Transfers

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

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

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

Membership fees and Fines

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

Government grants and receipts

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1.16 Revenue from non-exchange transactions (continued)

Government grants are recognised when there is reasonable assurance that::

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

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

1.17 Comparative figures

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

1.18 Fruitless and wasteful expenditure

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

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

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

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

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

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

1.19 Irregular expenditure

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

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

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

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

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

The alleged irregular expenditure is then investigated for confirmation.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

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Accounting Policies

1.19 Irregular expenditure (continued)

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

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

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

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

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

1.20 Contingent liabilities

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

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

1.21 Budget information

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

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

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

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

1.22 Related parties

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

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

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

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.22 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.

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

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

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

1.23 Events after reporting date

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

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

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

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

1.24 New Standards and interpretation

1.24.1 New standards and interpretation issued, but not yet effective

The council has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later.

	Expected impact
1. Amendment to GRAP 1	Unlikely there will be a material impact
2. Improvement to Standard of GRAP	Unlikely there will be material impact
3. Amended GRAP 104 Financial Instruments	Unlikely there will be material impact
3. Amended GRAP 25 ON Employee Benefits	Unlikely there will be material impact

1.25 Government grants

Government grants are recognised when there is reasonable assurance that:

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.25 Government grants (continued)

2. the grants will be received

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

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

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

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

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

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	23 327 559	-	23 327 559	21 816 913	-	21 816 913
Buildings	71 416 378	(6 287 122)	65 129 256	54 027 024	(4 780 747)	49 246 277
Motor vehicles	1 207 372	(493 770)	713 602	1 207 372	(372 411)	834 961
Office equipment, furniture and fittings	8 055 472	(4 283 682)	3 771 790	7 530 389	(3 556 613)	3 973 776
IT equipment	4 797 355	(3 043 124)	1 754 231	4 463 139	(2 902 135)	1 561 004
Leasehold improvements	-	-	-	895 885	(692 429)	203 456
Total	108 804 136	(14 107 698)	94 696 438	89 940 722	(12 304 335)	77 636 387

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	21 816 913	1 510 646	-	-	23 327 559
Buildings	49 246 277	17 389 355	-	(1 506 376)	65 129 256
Motor vehicles	834 961	-	-	(121 359)	713 602
Office equipment, furniture and fittings	3 973 776	724 582	(41 110)	(885 458)	3 771 790
IT equipment	1 561 004	1 061 696	(103 810)	(764 659)	1 754 231
Leasehold improvements	203 456	-	(45 422)	(158 034)	-
	77 636 387	20 686 279	(190 342)	(3 435 886)	94 696 438

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

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

Pledged as security

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

Expenditure incurred to repair and maintain property, plant and equipment

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

Contracted services	271 987	77 857
General expenses	431 547	233 072
	703 534	310 929

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2022 2021

3. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	8 205 109	(5 482 959)	2 722 150	6 966 421	(4 907 728)	2 058 693
Computer software	1 139 995	(826 792)	313 203	1 595 322	(993 339)	601 983
Total	9 345 104	(6 309 751)	3 035 353	8 561 743	(5 901 067)	2 660 676

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, internally generated	2 058 693	1 238 688	-	(575 231)	2 722 150
Computer software	601 983	6 400	(65 270)	(229 910)	313 203
	2 660 676	1 245 088	(65 270)	(805 141)	3 035 353

Reconciliation of intangible assets - 2021

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

Pledged as security

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

4. Other Receivables

At amortised cost

Deposit held in trust	144 827	-
Other receivables	266 089	-
	410 916	-

Current assets

At amortised cost	410 916	-
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SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
5. Receivables from exchange transactions		
Prepayments	847 345	110 965
Deposits	200 868	194 128
Staff loans	808 114	691 475
	1 856 327	996 568
6. Receivables from non-exchange transactions		
Statutory debtors	403 513	354 159
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Membership fees and Fines	1 972 680	2 969 065
Less: Refunds	(92 258)	(95 338)
Less: Provision for Impairment	(1 476 909)	(2 519 568)
	403 513	354 159
Total receivables from non-exchange transactions	403 513	354 159

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

2022 2021

6. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

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

Determination of transaction amount

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

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

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

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

Statutory receivables impaired

As of 31 March 2022, Statutory receivables of R491 319 (2021: R584 983) were impaired and provided for.

The amount of the provision was R(1 476 909) as of 31 March 2022 (2021: R(2 519 568)).

Factors the entity considered in assessing statutory receivables impaired

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

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

Reconciliation of provision for impairment for statutory receivables

Opening balance	2 519 568	3 669 781
Provision for impairment	491 319	584 983
Amounts written off as uncollectible	(1 533 978)	(1 735 196)
	1 476 909	2 519 568

Receivables from non-exchange transactions impaired

As of 31 March 2022, other receivables from non-exchange transactions of R 491 319 (2021: R 584 983) were impaired and provided for.

The amount of the provision was R 1 476 909 as of 31 March 2022 (2021: R 2 519 568).

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
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6. Receivables from non-exchange transactions (continued)

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	2 519 568	3 669 781
Provision for impairment	491 319	584 983
Amounts written off as uncollectible	(1 533 978)	(1 735 196)
	1 476 909	2 519 568

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors mentioned above. The council does not hold any collateral as security.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	25 691	31 136
Bank balances	85 138 016	85 978 289
Short-term deposits	20 370 517	19 616 919
	105 534 224	105 626 344

8. Unspent CPTD grant

Movement during the year

Balance at the beginning of the year	3 763 639	3 836 832
Additions during the year	17 985 000	12 878 000
Income recognition during the year	(18 908 655)	(12 951 193)
	2 839 984	3 763 639

The CPTD grant is recognised in the annual financial statements as revenue from non-exchange transaction when the conditions of the grant is met by the council.

When the conditions of the grant are not met, the council records the deferred grant on the statement of financial position as Non-current liabilities.

These amounts are not invested in a ring-fenced investment.

9. Payables from exchange transactions

Trade payables	6 814 739	1 156 609
Payments received in advanced	1 654 232	1 226 609
Payroll related payables	835 592	735 293
Accrued expense	17 746 687	7 681 734
	27 051 250	10 800 245

Accrued expenses has a significant increase due to the change in the council's annual leave policy. The council introduced a capped leave policy as at 31 March 2022 which is payable on retirement, resignation and termination.

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
10. Registration, reprints and reinstatements		
Registration fee	9 644 923	7 451 406
Reprints of certificates	2 307 080	1 743 801
Membership reinstatements fee	3 735 600	-
	15 687 603	9 195 207
11. Fines, Penalties and Forfeits		
Fines, Penalties and Forfeits	772 439	640 616
12. Other income		
Rental income - third party	257 948	-
Debt impairment recovered	11 443	19 755
Letter of good standing and ETDP SETA rebates	102 120	9 318
	371 511	29 073
13. Interest received		
Interest revenue		
Bank	1 652 099	1 958 470
Interest received - other	24 712	44 752
	1 676 811	2 003 222
14. Government grants		
Operating grants		
CPTD grant	18 908 655	12 951 193
15. Membership fees		
Membership fees	81 193 102	79 464 717

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
16. Employee benefit costs		
Basic salary	55 181 022	51 349 395
Compensation Commissioner	114 875	119 654
Leave accruals	8 543 611	968 511
	63 839 508	52 437 560
Remuneration of chief executive officer		
Annual Remuneration	1 247 722	1 210 847
Car Allowance	489 147	471 169
Annual Bonuses	103 977	100 895
Contributions to UIF, Medical and Pension Funds	242 898	235 247
	2 083 744	2 018 158
Remuneration of chief finance officer		
Annual Remuneration	1 080 268	1 048 097
Car Allowance	444 725	431 428
Annual Bonuses	90 007	87 332
Contributions to UIF, Medical and Pension Funds	185 715	179 961
	1 800 715	1 746 818
Remuneration of Senior Manager Professional Development and Ethics (Terminated 25 February 2022)		
Annual Remuneration	630 149	669 927
Car Allowance	116 451	123 727
Annual Bonuses	66 899	55 818
Contributions to UIF, Medical and Pension Funds	197 770	143 303
Housing	116 451	123 861
Leave pay	138 044	-
	1 265 764	1 116 636
Remuneration of Senior Manager Registration and Teacher Professionalisation		
Annual Remuneration	690 648	669 998
Housing Allowance	255 264	247 619
Annual Bonuses	57 554	55 824
Contributions to UIF, Medical and Pension Funds	148 196	143 302
	1 151 662	1 116 743
The council during the course of the financial year changed a policy on the payment of vacation leave on termination of employment. The council created a capped leave policy that included the previously unutilised leave days. The capped leave days are payable on termination of employment and are included in the leave accrual expenditure. The council had previously only had a policy to pay on termination of employment only 30 vacation leave days.		
17. Depreciation and amortisation		
Property, plant and equipment	3 435 885	2 520 680
Intangible assets	805 141	557 235
	4 241 026	3 077 915

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
18. Bad debt provision		
Contribution to debt impairment provision	491 319	584 983
19. Operating expenses		
Advertising	354 534	263 754
Auditors remuneration	429 134	558 870
Bank charges	815 310	594 308
Cleaning	178 235	142 549
Consulting and professional fees	4 500 469	2 809 957
Fines and penalties	16 264	2 144
Insurance	413 610	392 839
Motor vehicle expenses	6 540	2 792
Postage and courier	44 297	32 126
Printing and stationery	424 696	480 605
Project maintenance costs	3 785 350	2 412 740
Repairs and maintenance	703 534	462 800
Security	574 002	556 277
Staff welfare	43 572	34 688
Subscriptions and membership fees	879 505	2 196 166
Telephone and fax	1 013 332	797 482
Training	210 729	301 700
Travel - local	2 564 486	1 446 242
Utilities	3 789 088	2 203 951
Registration costs	794 180	511 277
Professional development	11 155 632	4 579 275
Code of conduct	4 241 146	2 635 462
Communications	494 694	474 820
Research	585 080	119 535
Teacher Professionalization	602 679	137 264
Chemicals	303 437	518 316
	38 923 535	24 667 939
20. Cash generated from operations		
Surplus	3 335 287	16 053 890
Adjustments for:		
Depreciation and amortisation	4 241 026	3 077 915
Gain/ losses on sale of property, plant and equipments	20 847	862
Changes in working capital:		
Receivables from exchange transactions	(859 759)	(408 352)
Other receivables from non-exchange transactions	(49 354)	20 282
Payables from exchange transactions	16 251 006	(3 237 208)
Unspent CPTD grant	(923 655)	(73 193)
	22 015 398	15 434 196

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
21. Financial instruments disclosure		
Categories of financial instruments		
2022		
Financial assets		
	At amortised cost	Total
Other receivables from exchange transactions	2 267 243	2 267 243
Cash and cash equivalents	105 534 224	105 534 224
	107 801 467	107 801 467
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	27 051 249	27 051 249
2021		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	996 568	996 568
Cash and cash equivalents	105 626 344	105 626 344
	106 622 912	106 622 912
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	10 800 245	10 800 245
22. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for		
• Operational expenditure	687 090	494 282
Total operational commitments		
Already contracted for but not provided for	687 090	-
This committed expenditure relates to already contracted open purchase orders at year end.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	-	494 282

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

23. Risk management

Financial risk management

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

Liquidity risk

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

Credit risk

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

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

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

Financial instrument	2022	2021
Bank A	105 534 224	105 626 344
Other	2 267 243	996 568

Market risk

Interest rate risk

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

24. Going concern

We draw attention to the fact that at 31 March 2022, the entity had an accumulated surplus of R 176 045 537 and that the council's total assets exceed its liability by R 176 045 537.

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

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

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

25. Fruitless and wasteful expenditure

Opening balance as previously reported	2 144	62 151
	2 144	62 151
Add: Expenditure identified - current	212 542	197 268
Less: Amounts recoverable - current	(196 282)	(195 124)
Less: Amount written off - prior period	-	(62 151)
Closing balance	18 404	2 144

Expenditure identified in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings		
Wrong products procure	The incument admitted to the error and agree to pay the council	190 000	-
Late payment penalty	The incument agreed to the transgression and agreed to refund the council	22 542	-
		212 542	-

Amounts recoverable

Late payment penalty	6 282	82 624
Wrong products procured	190 000	112 500
	196 282	195 124

Amounts written-off

	Treatment		
Late payment penalty	Recommendation to be sent to the condoning authority	16 260	2 144
Wrong products procured	Amount recovered	190 000	112 500
Late payment penalty	Amount recovered	6 282	82 624
		212 542	197 268

SOUTH AFRICAN COUNCIL FOR EDUCATORS

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

26. Irregular expenditure

Opening balance as previously reported	-	174 275
Opening balance as at 01 April 2020	-	174 275
Less: Amount written off - current	-	(174 275)
Closing balance	-	-

27. Contingent liabilities

Cash and cash equivalents	105 534 224	105 626 344
Add: Receivables	2 670 756	1 350 727
Less: Current liabilities	(29 891 233)	(14 563 884)
Less: Commitments	(687 090)	(494 282)
Surplus	77 626 657	91 918 905

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 77 626 657 has been classified as a contingent liability at 31 March 2022 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 2021/22 financial year had legal cases that have a potential of litigation against the council. The total estimated litigations amounts to R 945,641. The matter relates one employee whose contract ended with no option of renewal. The matters are subsequently before the labour court for review.

The council at the end of the 2021/22 financial year had legal cases that have a potential of litigation against the council. These cases have carried forward from the previous financial year and one new case from the current financial year. The total estimated litigations amounts to R 1 996 448 being the annual employee cost to company. The matter relates to 3 employees that were dismissed. The matters are subsequently before the Commission for Conciliation Mediation and Arbitration for review.

28. Material differences between budget and actual amounts

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

28.1 Revenue

The council has over-collected on registration fees and reinstatements fee. This was due to the increase in the number of new graduates entering the profession and the increased number of educators reentering the profession.

28.2 Other income

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

28.3 Interest income

Interest income is below the approved budget. The reason for this is the lower than expected increase in the repo rate by the reserve bank.

28.4 Government grant

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

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
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28. Material differences between budget and actual amounts (continued)

28.5 Personnel

Personnel related costs are above the budget due to the change in the leave policy that created a capped leave days payable on termination of employment.

28.6 Depreciation and amortizations

Depreciation and amortizations are above the budget due to the purchase of new buildings and the purchase of electronic equipments during the lockdown periods.

28.7 Debt impairment

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

28.8 General expenses

General expenses are below the budget due to underspending on CPTD and the effect of the COVID-19 on operations.

28.9

Levies/ Membership fees received are above the budget due to the new collection methods employed during the financial year.

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
29. Related parties		
Amounts owing from related parties		
South African Post Office	6 902	1 471 818
South African Revenue Service	-	839
Amounts owing to related parties		
State Information Technology Agency Proprietary Limited	(199 347)	-
National Treasury	(3 444 307)	(3 763 639)
Compensation fund	(5 248)	(2 213)
Telkom	(127 393)	-
South African Post Office	(11 266)	-
South African Revenue Service	(16 268)	-
Grants received from related parties		
National Treasury	17 985 000	12 951 193
Amounts provided as doubtful debt		
South African Post office	-	1 456 178
Amounts written-off as bad debt		
South African Post Office	1 480 613	-
Amount of transactions from related parties		
South African Post Office	90 216	24 012
National Treasury	722 764	142 450
State Information Technology Agency Proprietary Limited	3 374 112	3 811 114
Telkom	578 758	274 134
South African Revenue Service	10 564 591	9 821 657
Compensation fund	114 875	119 654
South African Broadcasting Corporation	625 761	-
	31 739 763	26 307 197

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

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

Relationships

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

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022	2021
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29. Related parties (continued)

South African Broadcasting Corporation	The SABC provides advertising services for the council.
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Key management personnel have been disclosed under note 15 of the financial statements.

30. Change in estimates

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

In prior periods, management had estimated the useful lives of computer equipment to be 3-14 years, furniture and fittings to be 5 to 30 years, office equipments to be 10 to 25 years and software to be 12 years. These assets were assessed with specific reference to each asset and the condition of the asset.

As at 31 March 2022, the council reviewed the useful lives of Computer equipment from 3-11 years to 3-13 years and the review resulted in increase in the carrying amounts of this class of asset by R 174 938, some class of furniture and fittings changed from 25 to 30 and 10 to 15 years and this resulted in the increase of the carrying amount of this class of asset by R 16 342, office equipments were reviewed and resulted in the increase in the carrying amount of this class of asset by R 2 588..

As at 31 March 2022, the council reviewed the useful lives of intangible assets and the review resulted in increase in the carrying amounts of this class of asset by R 228 341.

The effect of this revision has reduced the depreciation and amortization charges for the current and future periods by R 435 799. The effect of this revision has increased surplus for the year by R 435 799.



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Towards Excellence in Education



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