

WESTERN CAPE PROVINCIAL PARLIAMENT



STANDING COMMITTEE ON EDUCATION'S REPORT ON THE PUBLIC SERVICE COMMISSION INVESTIGATIVE REPORTS ON THE FOLLOWING:

- (i) ASSESSMENT OF THE WESTERN CAPE EDUCATION DEPARTMENT'S RESPONSE TO EMERGENCY REPAIRS AT SCHOOLS.
- (ii) INVESTIGATIVE REPORT: COMPLAINT CASE 9920200731161606 / 1920/02/28/003: DEPARTMENT OF EDUCATION: CHERE BOTHA SCHOOL
- (iii) INVESTIGATIVE REPORT: NATIONAL ANTI-CORRUPTION HOTLINE CASE 9920171026112601: DEPARTMENT OF EDUCATION; RHODES HIGH SCHOOL

24 August 2021

REPORT

The Standing Committee on Education having deliberated on the Assessment of the Western Cape Education Department's response to emergency repairs at schools, Investigative report: complaint case 9920200731161606 / 1920/02/28/003: Western Cape Education Department: Chere Botha School, and the Investigative Report: National Anti-Corruption Hotline Case 9920171026112601: Department of Education; Rhodes High School submitted by the Public Service Commission (PSC), referred to the Committee in accordance with Standing Rule 92, reports as follows:

Introduction

The Standing Committee on Education invited the Public Service Commission (PSC) to brief the Committee on the above mentioned three investigative reports on 24 August 2021. The Western Cape Education Department (WCED) was also invited to provide further input and an update on the investigative reports.

Overview and the legislative mandate of the Public Service Commission (PSC)

The PSC is an independent institution established in terms of Chapter 10 of the Constitution. It derives its mandate from Section 195 and 196 of the Constitution, 1996, which set out the values and principles governing public administration, which should be promoted by the PSC, as well as the powers and functions of the PSC. The PSC is required by the Constitution to exercise its powers and to perform its functions without fear, favour or prejudice. The Constitution links the PSC's independence firmly with its impartiality and no organ of state may interfere with the functioning of the PSC.

The PSC is vested with custodial oversight responsibilities for the Public Service and monitors, evaluates and investigates public administration practices. It also has the power to issue directions regarding compliance with personnel procedures relating to recruitment, transfers, promotions and dismissals. The PSC is accountable to the National Assembly and to Provincial Legislatures and must report annually on its activities and performance to these two institutions.

The PSC is a constitutional oversight body, established in 1996, primarily to promote "a high standard of professional ethics in the public service". The PSC operates in terms of the PSC Act, 1997 (Act 47 of 1997).

1. Briefing on an Assessment of the Western Cape Education Department's response to emergency repairs at schools report

Mr L Goosen, the Public Service Commission (hereafter the PSC): Commissioner, briefed the Committee on the Assessment of the Western Cape Education Department's response to emergency repairs at schools. He stated that the PSC undertook this investigation after there had been numerous media reports about the lack of routine maintenance of infrastructure at schools in the Western Cape. There were a number of incidents in the news where complaints were logged about the poor response to emergency repairs had resulted in either injury or loss of life.

The PSC conducted a study targeting 82 schools that had logged at least three requests for emergency repairs and had at least one of them approved. The sample was spread across the province and included both high and primary schools in the urban and rural areas. From the 82 surveys conducted, 58 schools responded.

The PSC found that 20 out of 58 school principals in the Western Cape were not familiar with the Standard Operating Procedures (SOP) for emergency maintenance. Approximately half of the principals interviewed stated that some of the emergency repairs requested were as a result of maintenance not being done in the first place.

The Western Cape Education Department's (hereafter the WCED) data set from September 2017 to September 2019 shows that there were 2 344 requests for emergency repairs logged on the CEMIS system by 809 schools. Of those, only 880 requests were evaluated, approved and closed.

He stated that the PSC found that 81.8% of the respondents indicated that they had not been contacted within two days of logging an emergency request, despite the SOP for emergency maintenance classifying the response time for two of the highest levels of emergency repairs to be 12 and 72 hours, respectively.

He said that 54.1% of the approved emergency maintenance requests had resulted in the contractor starting the repair work within two months of approval and that 31% of the principals were completely dissatisfied with the quality of the work. The principals were also dissatisfied with the fact that there was no number they could call to get assurance about the maintenance request but had to rely on a digitised system. They had also indicated that they had the capacity to undertake their own emergency repairs with the support of their School Governing Bodies (SGBs).

1.1. The PSC recommendations in the survey conducted

After the survey, the PSC recommended the following to the WCED:

- 1.1.1. The definition of emergency repairs needs to be more detailed and a specific criteria needs to be communicated to principals. The risk professionals should be engaged to produce a workable non-professional's assessment tool that allows for principals to objectively assess the emergency repair situation at their schools.
- 1.1.2. The stipulated timeframe to undertake site inspections should be adhered to, but most importantly, they should also be monitored for performance.
- 1.1.3. There needs to be a specific and intentional role assigned to the principal during delivery of infrastructure. This role should include the ability of the principal to oversee the repair work, to interact with the contractor, to raise issues of concern with the project manager, and very importantly, to be able to finally express levels of satisfaction with the repair work that has a material impact as to whether the contractor is paid or not paid.
- 1.1.4. For the sake of accountability, principals are to be informed of the repair specifications before work commences, as well as the full value of the repair contract.

1.1.5. The WCED must have a system that guarantees first contact with principals once an emergency repair has been logged, irrespective of the nature, extent and severity of the repair required.

1.2. Amongst others the WCED's responses to the PSC's recommendations were as follows:

1.2.1. The WCED agreed that its improvement actions will include:

1.2.1.1. Providing a clearer definition of what constitutes an emergency request, including the description of risk or impact in standard terms.

1.2.1.2. There needs to be a specific and intentional role assigned to the principal during delivery of infrastructure.

1.2.2. The WCED will clarify the role and responsibilities for principals as facility managers and support the principle.

1.2.3. The productivity of the department's works inspector unit will be strengthened with more effective communication tools and training so that it may discharge its responsibility to better keep the principal and all other school stakeholders (including governors, teachers, learners and community) informed of progress of decisions and works approved to proceed, but not as a pre-requisite for works to commence.

1.2.4. Works inspectors will retain the responsibility and also be strengthened to deliver on its responsibility to communicate the findings of site inspections and work assessments, direct the project manager and contractors on the scope and sign-off of works.

1.2.5. Financial information on the full value of repair contracts will not be made available, as this requires further contextualisation around procurement arrangements in place by the implementing agent.

1.2.6. That an alternative delivery model (SGB-managed repair work) be considered by the WCED and the Department of Transport and Public Works (DTPW) as part of their differentiation in delivering repair work in the most efficient and effective manner. To this end, the PSC proposes that the WCED, based on existing data in respect of the functionality of schools, the functionality of SGBs, the financial reports submitted to the WCED, and any other relevant data which speaks to the competence of the governance of a school be used in assessing the accreditation of an SGB for the specific purpose of infrastructure delivery.

1.2.7. For minor corrective works below a defined financial expenditure threshold, schools are already expected to hire contractors and effect repair works using school maintenance funds, and therefore hold some competence as regards procurement and contractor management.

1.2.8. The proposal to implement a solution that includes SGBs within the delivery model for larger infrastructure repairs will be evaluated within the framework for Infrastructure delivery in the province, which is governed by a cabinet decision and provincial treasury instruction.

1.2.9. The sheer volume of emergency requests will necessitate a reflection on the extent to which the WCED's central monitoring oversight capacity might need to be expanded to support this proposal.

1.2.10. The major considerations for schools being assigned the responsibility to effect corrective maintenance with funding allocated for this purpose by the WCED, are expected to include: (1) The classification of the emergency request, (2) the urgency to repair facilities and (3) an assessment of local school operating circumstances in terms of strength of general management and governance, as validated by the District.

1.2.11. Furthermore, implementing an incentive and reward mechanism in which schools are rewarded with being entrusted with infrastructure delivery on the basis of successfully completing works projects and proving competences with corrective maintenance will be explored.

1.2.12. WCED to support, on the basis that this is continuously being improved and evidence of such contact being retained.

- 1.2.13. The stipulated timeframe to undertake site inspections should be adhered to, but importantly should also be monitored for performance.
- 1.2.14. WCED to support, under the strict condition that the Chief Programme Manager for Maintenance (recently appointed in the WCED and with full delegated authority by the Director: Infrastructure Delivery) leads the discussion with district, school and community stakeholders, and that the sharing of the assessment reports will be accessible via a registration and download process.

2. Response by the WCED on the Assessment of the Western Cape Education Department's response to emergency repairs at schools report

Ms L McGlenatendolf, Chief Director: Physical Resources, WCED, welcomed the presentation by the PSC, She informed the Committee that it was an accurate representation of the events that took place. She informed the Committee that the Central Education Management System (CEMIS) was for logging in required emergency maintenance for schools. The CEMIS provides feedback to the school principals on the status of the logged emergency. The WCED tried as much as possible to follow up with the school principals either by email or phone call, although this was not always the case due to a low number of WCED officials as opposed to the number of reported cases. The WCED was working to improve on this and ensure that it provides better communication between itself and the school principals, but the CEMIS was efficient enough to deal with the emergency maintenance logs.

Ms McGlenatendolf stated that the principals who were not satisfied with the CEMIS were mostly those who expected any problem they logged into the system to be attended to immediately even if the cases were not regarded as an emergency. The WCED had a limited budget for making the repairs and could not fix all the cases logged into the system. An SOP document was sent to all the principals to be used to determine what could be classified as an emergency.

Ms McGlenatendolf further stated that the contract for effecting the required repairs was between the Department of Transport and Public Works and the contractors. There was no contract between the contractor and the principals of the school. There were no funds being directed from the Department of Transport and Public Works to the school or its principal. However, the WCED was collaborating with the Provincial Treasury to empower those schools that had the capacity to do their own emergency maintenance repairs.

Ms McGlenatendolf informed the Committee that the WCED was always working towards improving its response time to emergencies. It aimed at getting an official to inspect the damage to prevent further damage or likely injury to anybody on the premises. She recommended the implementation of feedback between the WCED and the PSC for reporting on what needed to be improved in the overall system and for particularly improving the WCED's response time to emergencies.

3. Briefing on the Investigative report: complaint case 9920200731161606 / 1920/02/28/003: Western Cape Education Department: Chere Botha School

Mr L Goosen briefed the Committee on the findings of the PSC regarding the alleged corruption/fraud and/ or maladministration at Chere Botha School. He informed the Committee that the allegations were anonymously reported on 20 February 2020 and were found to be substantiated. The allegation was that an amount of R26 000 was paid into the incorrect bank account over a period of five years was substantiated and the PSC was satisfied with the disciplinary action the Department took against the principal. There was however no evidence of a disciplinary action taken against the Financial Officer of the school as recommended by the PSC.

In addition, the following allegations were made:

- (i) Service providers, with links to the school were utilized.
- (ii) Preference was given to certain service providers.
- (iii) No full disclosure of financial affairs.
- (iv) High staff turnover.
- (v) Employment Equity was not applied when making appointments.
- (vi) Union representatives were involved in short-listing of interviewed candidates, as opposed to only observing.
- (vii) During short-listing and interview processes, Western Cape Education Department (WCED) representative forms part of the deliberation process, as opposed to only observing.
- (viii) Intimidation of staff by the principal.
- (ix) Disciplinary hearings were held without the knowledge of the School Governing Body (SGB).
- (x) A post level 1 educator was given preference above experienced Heads of Department (HODs) to act as a Deputy Principal.

Methodology used by Chere Botha School: Interviews were conducted with the principal, chairperson of the SGB, the parent component members of the SGB and randomly selected staff members at the school. The PSC obtained documentary evidence based on the allegations. Transactions were sampled and tested against financial policy.

3.1. Findings obtained by the PSC

- 3.1.1. The allegation that an amount of R26000 being paid into the incorrect bank account over a period of 5 years is substantiated. The PSC is satisfied with the disciplinary action taken by the department against the principal. There is no evidence that the school or the department took disciplinary action against the financial officer, as “*capturer*” for her role in the transgression. The PSC recommended that the financial officer be disciplined.
- 3.1.2. The allegation that service providers with links to the school are utilized is not substantiated.
- 3.1.3. The allegation related to the fact that preference is given to certain service providers is not substantiated.
- 3.1.4. The allegation of no full disclosure of financial affairs is substantiated as the principal only informs the SGB about financial matters after the fact.
- 3.1.5. The allegation of high staff turnover is found to be substantiated, however, it cannot conclusively be stated that the reasons for the turnover is poor working conditions at the school.
- 3.1.6. The allegation that employment equity is not applied in appointments is substantiated and the school is encouraged to put in place a plan to ensure transformation of staff as regards to race in particular.
- 3.1.7. The allegation that union representatives be involved in short-listing of interview candidates, as opposed to only observing, is found to be substantiated.
- 3.1.8. The allegation that WCED representatives are involved in the selection of staff is unsubstantiated.
- 3.1.9. The allegation that disciplinary hearings are held without the knowledge of the SGB is substantiated.
- 3.1.10. The process followed by the principal in the appointment of a level 1 educator to act as deputy principal was procedurally correct. However, the PSC concluded that the provisions in WCED 0002/2018, Paragraphs 2.1 (d) was not intended to be used by schools in the manner that it was utilized by the principal at Chere Botha school. One would imagine that such a deviation is necessary in the case of no Head of the Department in the school being available due to illness, leave, incapacity, etc. It would be helpful for the Department to unpack the circumstances under which a deviation is valid.

3.2. The recommendations of the PSC to the WCED

The PSC recommended the following to the WCED:

- 3.2.1. The principal of Chere Botha School should be re-orientated regarding her role and function *viz* the role and function of the SGB. The Circuit Manager should oversee this process.
- 3.2.2. The principal and SGB must ensure that the financial control measures at the school are reviewed and that all financial transactions are governed by the appropriate authorities and delegations. The principal should also timeously inform the SGB of all financial matters.
- 3.2.3. The financial officer be disciplined. In addition, the amounts incorrectly paid to the administrative clerk must be recovered.
- 3.2.4. The principal must follow the normal procurement process in obtaining three quotations from service providers when goods and services are procured. It would be necessary to source entirely new service providers occasionally in order to promote competitiveness and openness.
- 3.2.5. The principal must pursue employment equity targets in new appointments at the school as a matter of principle and in accordance with policy.
- 3.2.6. The principal must inform the SGB when formal disciplinary action is being contemplated in accordance with the governance arrangements involving SGBs.
- 3.2.7. The WCED must clarify the circumstances under which a deviation is valid in terms of the provisions in WCED 002/208, Paragraph 2.1 (d).

3.3. The WCED's implementation of PSC recommendations

- 3.3.1 The Superintended General (SG) for the Western Cape Education Department, Mr B Schreuder, instructed the Metro East District to ensure that:
 - 3.3.1.1 The roles and responsibilities of the Principal and SGB are brought to their attention with emphasis on the following: (a) the normal procurement process in obtaining three quotations from service providers when goods and services are procured. It would be necessary to source entirely new service providers on occasion in order to promote competitiveness and openness.
 - 3.3.1.2 The Principal pursues and applies the employment equity targets in new appointments at the School as a matter of principle in accordance with relevant policies. The Recruitment and Selection Minute 0004/2018 and the Employment Equity Plan, 01 April 2018 to 31 March 2023 will be brought to the attention of the Principal and SGB.
 - 3.3.1.3 The roles and responsibilities of the Principal and SGB are brought to their attention with emphasis on the following: (a) the Principal should inform the SGB when formal disciplinary actions is being taken in accordance with governance arrangements involving SGBs.
- 3.3.2 The SG for the WCED instructed the Chief Directorate: People Management Practices to clarify the circumstances under when a deviation is valid in terms of the provisions in WCED minute 0002/2018 paragraph 2.1 (d).
- 3.3.3 The SG for the WCED wrote to the SGB requesting them to ensure the efficient and effective implementation of PSC recommendations.

4 Briefing on the Investigative Report: National Anti-Corruption Hotline Case 9920171026112601: Department of Education; Rhodes High School.

Mr L Goosen briefed the Committee on the findings of the PSC after its investigation into the allegations of maladministration and misappropriation of funds at Rhodes High School. The investigation was launched after an anonymous call was logged on the National Anti-Corruption hotline (NACH) on 26 October 2017. The anonymous caller alleged that:

- (i) Mr K Long, the Principal of Rhodes High School and Ms Le Walters, the Chairperson of the School Governing Body (SGB) were misappropriating schools funds and were responsible for appointment irregularities.
- (ii) The caller also alleged that Mr Hatting, a Superintendent of the Circuit, was requested to intervene in the matter. Mr J Daries was appointed to investigate the matter and he alerted Mr Long that there was going to be an investigation. Mr Daries and Mr Long Subsequently “cooked the books” before the investigation took place.

He informed the Committee that the PSC found that the principal’s son had been appointed as an IT Technician for the school despite having no formal qualifications in the related field. When the son vacated the post in 2015, a teacher at the school recommended the appointment of the principal’s friend as an IT Technician and was seconded. The SGB proceeded to unanimously accept the recommendation. During interviews, the SGB found that the principal’s friend had studied IT but never completed his second year of studies, but he was appointed to the position.

He said the school had established the Rhodes High School Trust in 1985 and the school principal, who served on the board of trustees, had received R546 025 in payment from the trust in the period 01/2012 to 12/2016 while the SGB chairperson had not received any payment from the trust account. The District office had confirmed to the PSC that the trust account did exist and was being administered by the school.

He stated that the minutes of the trust meeting, dated 10 November 2015, and indicated that the Section 38A payments that were made available to the school were approved by the trustees. The SGB chairperson’s son was a learner at Rhodes High during the year 2015 and received a backdated exemption of R26 368.35 in respect of school years 2012 - 2014 and an exemption of R9 960.00 for the fees in 2015. During 2016, he received exemption to the amount of R10 956.00. The PSC recommended that the backdated exemption of R26 368.35 must be recovered from the previous chairperson of the SGB.

He said the investigation showed that a bursar of the school had received payments of R10 500 and R7 000 in respect of the 2013 and 2014 financial year directly from the trust account. Upon investigation there was documentation that authorised an annual allowance. However, it indicated that the bursar was authorised to receive R7 000 in respect of 2013 and R9 500 in respect of 2014 and the contract did not allow for receipt of other forms of allowance. The principal’s son had received an amount of R7 500.00 from the trust fund in respect of a raffle on 4 December 2012.

He reported that a criminal case, number 81/09/2020, had been opened at SAPS Mowbray and the case had since been transferred to the Commercial Crimes Unit. The SGB had recovered an amount of R81 730 from the bursar for theft and misappropriation of school funds for the period 2014 to 2017. The recommendations regarding taking further action against the principal had not been implemented because he retired on 31 December 2020.

4.1. The PSC’s investigation included the following:

- 4.1.1. All relevant persons were interviewed – complainants, principal, SGB members, financial officer, members of staff, and deputy principals.
- 4.1.2. The PSC consulted two previous Metro Central Education District Office reports on the matter.
- 4.1.3. The report was approved by the Commission on 2 December 2020.
- 4.1.4. The inordinate delay in concluding this investigation must be noted. The matter was reported in 2017. Commissioner Goosen impressed on the Department to expedite the investigation (during 2018 and 2019).

4.1.5. The PSC and Western Cape Education Department conducted a joint investigation during August and September 2020.

4.2. Findings and recommendations

Allegation	Findings and recommendations	PSC assessment of findings and recommendations
<p>The principal's son was appointed as IT Technician and later as Security Officer of the school.</p> <p>The principal's friend was appointed as IT Technician when he vacated the post.</p>	<p>(a) Principal's son was appointed by the SGB as IT technician. He had no formal qualifications but were able to do the job.</p> <p>(b) During 2015 the SGB decided to appoint a full time security officer at the school. At SGB meeting on 14/09/2015 Ms X (Teacher) proposed the principal's son for the position. It was seconded by Ms Y and unanimously accepted by the SGB.</p> <p>(c) At SGB meeting on 16/11/2015 the appointment of Mr Z (friend) IT maintenance person for the school was endorsed (by the SGB). Mr Z was interviewed - he studied IT but never completed his second year of studies. He was employed for 5 hours per day. Agreement between Mr Z and the school was authorised by the principal and witnessed by staff members.</p> <p>Principal's son was then appointed as Security and Safety Officer.</p>	<p>The PSC agrees with the recommendation under (d) regarding the SGB reviewing its recruitment and selection policies.</p> <p>The PSC agrees with the recommendation under (e) regarding more stringent evaluations being conducted.</p> <p>The PSC agrees with the recommendation under (f) that the SGB chairperson should sign all employment contracts.</p> <p>The investigation does not give any sanction whether a warning or advice or comment on the desirability of principals employing their own family members.</p> <p>The PSC is of the opinion that it is undesirable for principals to appoint family members and this matter needs to be addressed when setting policy.</p>
<p>The school established a trust, Rhodes High School Trust (the Trust), in 1985 and continues to manage the Trust to date.</p> <p>The principal is unduly benefitting from the Trust Fund (he is being paid a management fee that was never approved by the SGB).</p>	<p>(a) The District Office verified that the Trust Account does exist and that it is administered by the school.</p> <p>(b) The report clearly advises that the Trust Account be closed with immediate effect.</p> <p>(c) The school operates a current account, a call account and a trust account.</p> <p>(d) The principal, who serves on the board of trustees for the school, received R546 025.00 in payment from the Trust for the period 01/2012 until 12/2016.</p> <p>(e) In terms of the section 38A approval the principal was permitted to receive R178 750.00 during 2016.</p> <p>(f) The school obtained approval for Section 38A payments for the years 2012, 2013 and 2015.</p> <p>(g) The SGB Chairperson, has not received any payments from the Trust Account.</p> <p>The prescribed budgeting and Section 38A procedure must be strictly adhered to and implemented.</p>	<p>The District Office and PSC investigation in August established that the Trust account was dormant and that is not operational any longer. The Section 38A payments relate to the SGB making payment to the principal for additional duties. This is approved by the Department. It would appear that the source of the funds was from the trust account and not from the school's bank account. What is important was that the Section 38A process was followed. The investigation reveals that the year 2014 Section 38A approval is absent in the documentation.</p> <p>The minutes of the Trust Meeting of 10 November 2015 indicates that the Section 38A payments were approved by the trustees. In an interview with the principal he confirmed that the payments for his additional duties was made via the trust account.</p> <p>The PSC agrees with the recommendation in (f) that Section 38A approval process needs to be strictly adhered to</p>

Allegation	Findings and recommendations	PSC assessment of findings and recommendations
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<p>The chairman of the SGB is unduly benefitting from the trust fund whether monetary or not payment school fees for the past few years.</p>	<p>(a) Chairperson' son was a learner at Rhodes High and during the school year 2015. The Chairperson received backdated exemption of R26 368.35 in respect of school years 2012 - 2014 and exemption of R9 960.00 for year 2015's school fees. During 2016 he received exemption to the amount of R10 956.00.</p> <p>It was recommended that the backdated exemption of R26 368.35 in respect of school years 2012-2014 must be recovered from the previous Chairperson.</p>	<p>In an interview conducted with the principal (18 November 2020) he explained that the previous Chairperson's account at the school was running in arrears over a few years. During 2015 the SGB made a decision to write off the amount of R26 385.35 (this was the arrears amount). The SGB assessed that this debt would not be recovered and therefore made the decision to write this off. This is not an unusual practice as many other accounts of parents are also written off where this is deemed necessary. The principal was asked to produce evidence of this decision (minutes of a SGB or Finance Committee meeting). However, the principal could not provide documentary evidence by the time it was requested.</p> <p>The PSC agrees with the findings and recommendations in (b) only in the event that proof of the administrative decision is not forthcoming.</p>
<p>The bursar is unduly benefitting from the trust account as she is doing the payments and receiving compensation whether in salary increases and / or monthly/yearly payments. The principal's son is unduly benefitting from the trust as he was promoted without cause.</p>	<p>(a) The bursar received payments of R10 500 and R7 000 in respect of the 2013 and 2014 financial year directly from the trust account.</p> <p>(b) She produced documentation that authorised an annual allowance during the investigation. However, according to the documentation the Bursar was authorised to receive R7 000 in respect of 2013 and R9 500 in respect of 2014. The Bursar's contract does not allow for the receiving of other allowances.</p> <p>(c) It was recommended that the over payment of R3 500 to the Bursar be recovered.</p> <p>(d) Principal's son received an amount of R7 500.00 from the Trust Fund in respect of a raffle on 4 December 2012.</p>	<p>The Principal failed to provide documentary proof of Trustee minutes approving the payment to the Bursar by the time it was requested.</p> <p>The PSC agrees with the findings and recommendations in (b).</p> <p>The payment was for duties connected to his appointment as a safety officer. The PSC is satisfied with the finding.</p>

4.3. Overall findings

- 4.3.1. The Bursar committed fraud and theft whilst in the employ of Rhodes High School. The school fees of parents with learners at the school were stolen.
- 4.3.2. The principal was negligent in his supervisory duties in that he did not institute proper controls and detect any of the fraudulent activities over a number of years.
- 4.3.3. The SGB failed on their oversight duty to perform appropriate auditing of the finances of the school and to ensure that fraud and corruption is prevented.
- 4.3.4. The Principal and the SGB as a whole failed in their duty to investigate complaints about financial irregularities.
- 4.3.5. The WCED failed in their duty to investigate complaints about financial irregularities at Rhodes High School.

4.4. The recommendations from the PSC to the WCED

- 4.4.1. A case needs to be lodged with SAPS regarding fraud committed by the Bursar. The PSC has established that the case was lodged and the case number is 81/09/2020.
- 4.4.2. The PSC notes the resignation of the Bursar.
- 4.4.3. A full investigation needs to be taken by the SGB to determine the extent of fraud and theft committed by the Bursar over the past three years.
- 4.4.4. The Department needs to determine whether further action must be taken against the Principal for lack of oversight in financial matters, which resulted in a financial loss to the school.
- 4.4.5. A full forensic investigation needs to be conducted under the auspices of the WCED and the PFS spanning the tenure of the principal.

4.5. The PSC provided the following update on its recommendations

- 4.5.1. Case number 81/09/2020 opened at SAPS Mowbray. The case has since been transferred to the Commercial Crimes Unit.
- 4.5.2. The Bursar resigned.
- 4.5.3. The SGB recovered an amount of R81 730.00 from the Bursar for the theft and misappropriation of school funds for the period 2014 – 2017.
- 4.5.4. The recommendation regarding taking further action against the principal was not implemented as he retired on 31 December 2020.
- 4.5.5. The Department has requested Provincial Forensic Services (PFS) to perform a full forensic investigation spanning the tenure of the principal. The investigation is currently being conducted.

4.6. The PSC requested that the WCED scrutinizes the ethical issues and policy considerations

- 4.6.1. A competent and experienced SGB Treasurer is an invaluable resource to a school. Has the WCED scrutinized the competence of school Treasurers?
- 4.6.2. With regards to the Section 38A payments to principals, no proper regulatory framework and a free-for-all situation prevails.
- 4.6.3. Family members of principals employed at school and bursary awarded to a child of a principal creates ethical dilemmas.

4.7. The WCED input on the investigative report of Chere Botha School and Rhodes High School

Mr Redewan Larney, Deputy Director: Physical Resources, WCED, addressed the issues relating to the Chere Botha School, He informed the Committee that the WCED was grateful for the support it received from the PSC in terms of highlighting corrupt activities at schools. The WCED had implemented a few strategies for dealing with the issues raised. The first being the introduction of quarterly meetings between the Department and the Provincial Forensic Services to provide updates to both the WCED and the districts. The second, for highlighting potential risks and suggesting preventative measures that can be undertaken to avoid those risks.

In addition to the quarterly meetings, there were also bi-annual meetings being held between Forensic Services, Directorate Internal Control and district staff which were responsible for investigating financial mismanagement. The Department had informed the Forensic Services that its district officials were not forensic investigators and hence sometimes it was not easy for them to be able to detect financial mismanagement.

He stated that the Directorate for Internal Control was looking into the cases of financial mismanagement that had been detected and the WCED had vacant posts for handling financial mismanagement which were prioritised so that there could be available resourced staff to attend to schools and figure out what was going on in terms of financial misappropriation.

There had been a new SGB cohort among the schools which was elected in April 2021 and the WCED had been actively providing training to them on financial management and how to detect fraud and corruption within their schools. The management team of Chere Botha School had attended that training in May 2021 and an upcoming training session was scheduled for 9 September 2021. The training was designed to enable SGBs to be able to figure out what was “fraud, corruption and theft”. The WCED was also planning to implement continuous monitoring of the schools’ financial record officers and the Circuit Manager; however, it was noted to be of importance that there were annual financial statement reviews of the schools.

With reference to the Chere Botha School, the Circuit Manager developed a management plan to address all the recommendations that were made by the PSC. The management plan was on track although there had been delays associated with the election of the new SGB and the fact that schools had to close early as a result of the COVID-19 pandemic. The WCED hoped to implement all the key recommendations made by the PSC before the end of the year.

He informed the Committee that the Directorate Employee Relations of the WCED could not institute any disciplinary hearing for the implicated finance officer of Chere Botha School, as she was found to be a member of the SGB. The Circuit Manager was actively guiding the newly elected SGB in terms of what actions it could take against her.

The WCED has taken the following steps in respect of Rhodes High School to action the PSC recommendations, the district actioned the Interim PSC recommendations wherein the SGB was requested to determine the extent of the misappropriation of funds.

The action taken by school includes: The SGB holding back an amount of R81 730.00 from the bursar's pension. This amount was uncovered to have been mismanaged during the investigation by the District Office and the PSC. The SGB of Rhodes High School reported the financial mismanagement on the part of the bursar to SAPS, Mowbray. Case number: CAS 81/9/2020. Steps were being taken by the new SGB to change the school Auditors.

The action taken by the WCED includes those based on the PSC's recommendations and district findings, Provincial Forensic Services (PFS) was requested on 26 May 2021 to perform an investigation to determine the extent of fraud and theft committed by Ms Powell. This investigation is currently in progress. No further action could be taken against the principal as he resigned at the end of December 2020.

5. Request for information

Committee requested the following information:

- 5.1.** The WCED to provide a report on the fee increase at Rhodes High School from 2019 to 2021.
- 5.2.** The PSC to provide the National Anti-corruption and the PSC's maladministration hotline numbers.

6. Committees observations

The Committee noted the three reports submitted by the Public Service Commission, the committee also notes the responses and remedial actions implemented by the Western Cape Education Department. The Committee further wishes to encourage further cooperation between the PSC and the WCED.

7. Conclusion

The Committee successfully concluded its briefing and took cognisance of the work of the Public Service Commission.



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MS L BOTHA, MPP

**CHAIRPERSON OF THE STANDING COMMITTEE ON EDUCATION
WESTERN CAPE PROVINCIAL PARLIAMENT**

DATE: 30 November 2021