

# ANNUAL REPORT

2018/19

Providing developmental programmes to enhance competence and performance for effective learning in schools



*Matthew Goniwe*  
SCHOOL OF LEADERSHIP & GOVERNANCE

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## **SECTION 1** ABOUT US

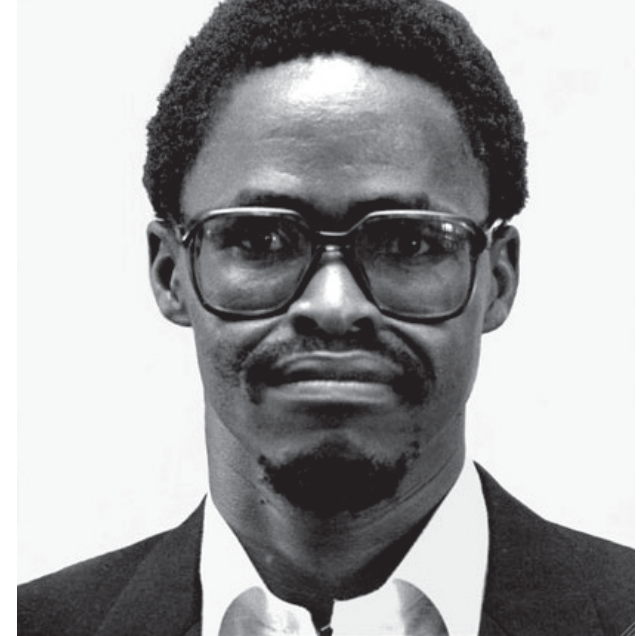
## ABOUT US WHO WE ARE

The 1996 Education Management Development Task Team commissioned by the first Minister of Education, Professor Sibusiso Bhengu, recommended the setting up of national and provincial management institutes as a strategy to ensure that school leaders and governors were given access to programmes that could capacitate and support them in the execution of their duties.

In 2002, a document titled 'Establishing an Academy for Educational Leadership in Gauteng' or what became known as 'The Road Less Travelled' put forward a cohesive argument for the establishment of a management and governance academy in Gauteng. Based on that concept, the Matthew Goniwe School of Leadership and Governance (MGSLG) was established in 2002 and officially launched in August 2003.

### **HISTORICAL CONTEXT: WHY THE NAME MATTHEW GONIWE?**

Matthew Goniwe was a teacher hailing from Cradock. His widow, Ms Nyameka Goniwe, describes him as a sensitive, down to earth man who loved to affirm people. A close family friend recalls him fondly as "a man who loved music, people and ideas". He introduced discipline in schools, gaining the respect of the "children, parents and teachers alike". This suggests that here was a teacher through and through. It is important to note that the name of the institution has been derived from a man who was the embodiment of high ideals, civic values and strength of character. Here was a teacher who held his profession in high esteem and who was passionate about his work, continuing to develop himself further. Matthew Goniwe's high ideals shone through as he practised, taught and led in schools like Sam Xhalile High in Graaff Reinet. He was a leader in education - a teacher loved by learners, parents and the community.



To keep alive the legacy of dedicated leadership, passionate teaching and community participation, the Academy for Educational Leadership in Gauteng was named "Matthew Goniwe School of Leadership and Governance".

**It is important to note that the name of the institution has been derived from a man who was the embodiment of high ideals, civic values and strength of character.**

# OUR VISION, MISSION AND VALUES

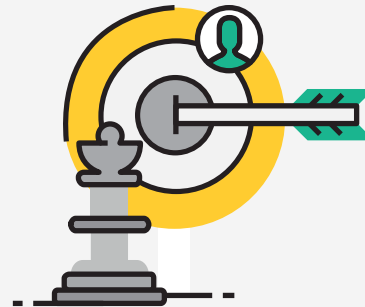
## Vision



In delivering on our mandate and purpose, we set for itself the following vision:

**“To be the Leading Development Institute in the Education Sector”**

## Mission



In support of our vision we define our mission as follows:

**“MGS LG provides quality development learning programmes in the education sector, measured against the best internationally, and using a blended approach, to enable quality teaching and learning.”**

## Values

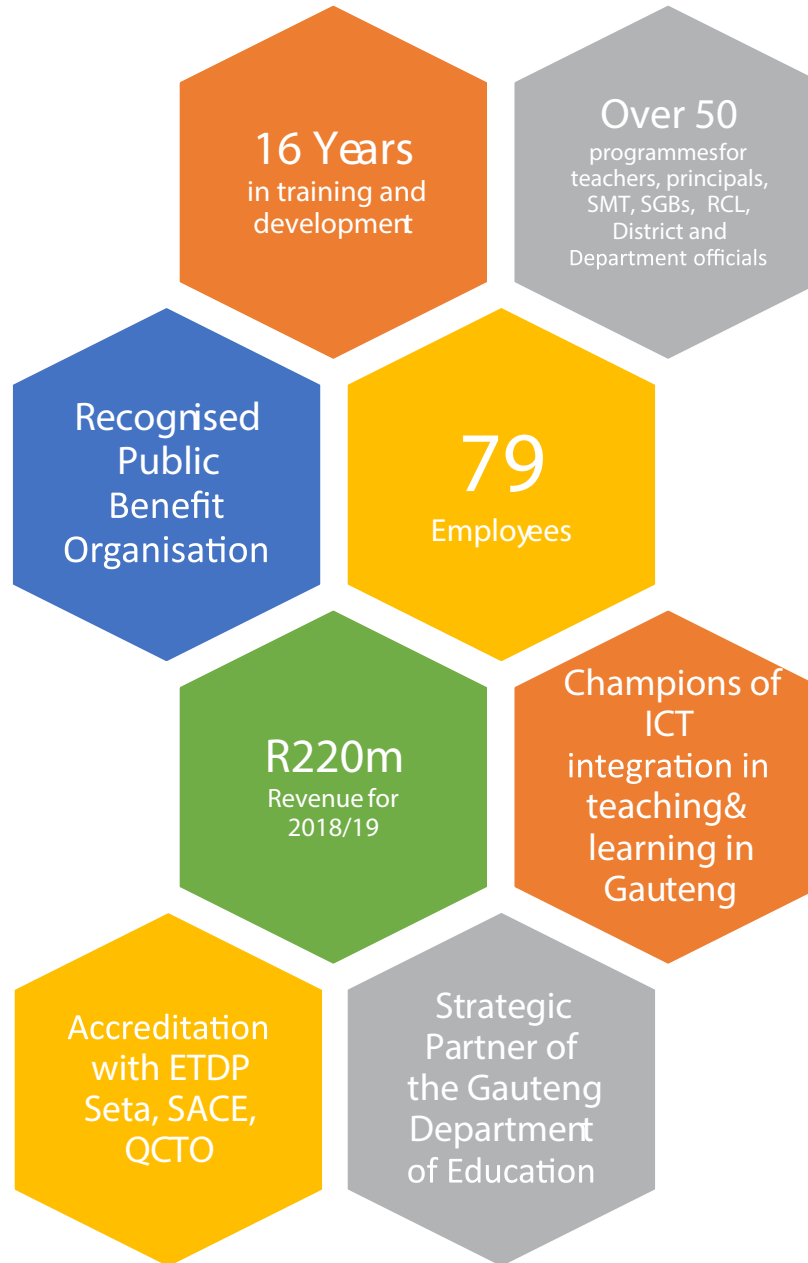


Values and principles have the powerful effect of mobilising everybody in the organisation to the successful implementation of the vision, mission and goals.

**MGS LG values are:**

- **Accountability**
- **Collaboration**
- **Efficiency**
- **Innovation**
- **Integrity**
- **Professionalism**
- **Ubuntu**

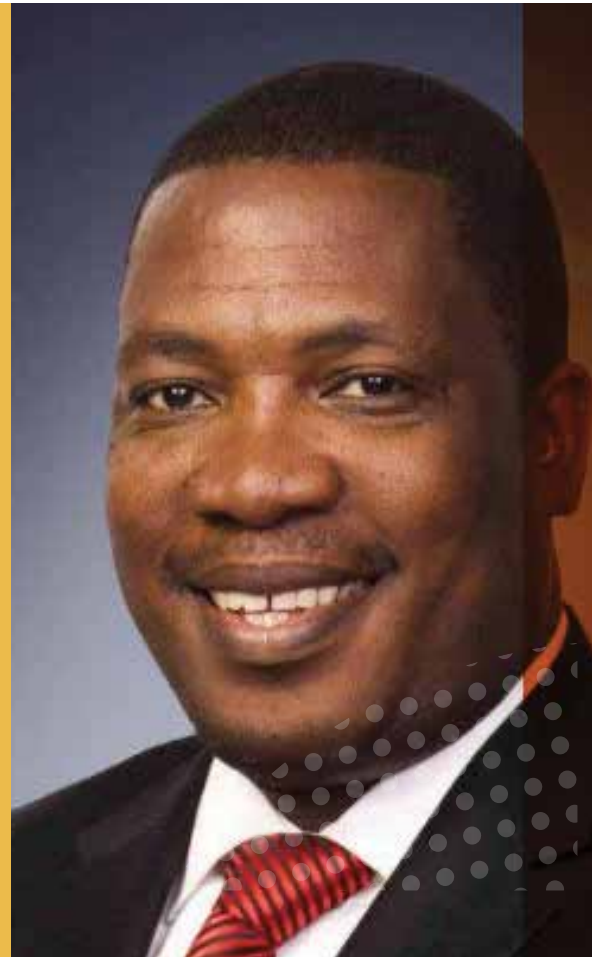
# MGSLG @ a Glance





## **SECTION 2** OVERVIEW

## FOREWORD BY THE MEC



The year under review was an important one as it was the year completing the fifth administration. It was the year to consolidate all our efforts in terms of all programmes we started at the beginning of the five year term.

At the beginning of the term we had come to realize that Education is not only about numbers nor about financial resources, the millennium goal “Education for All” involves much more, including policy intent, planning, implementation and monitoring. Education for all in Gauteng includes equality, equity and mainly quality education for all learners in the Province. Education in Gauteng is about collaboration, a dialogue with stakeholders and education partners where we combine all our skills and experiences, hence, working together to achieve our common goal of “Quality Education” for all.

Our plan encapsulated the National Development Plan (NDP), Action Plan 2019, and the Gauteng Transformation,

Modernisation and Reindustrialisation (TMR) project. The modernization of the public service especially the modernization of the public education system is central to the success of the TMR project.

We set ourselves ten key pillars that will guide the department in achieving the desired improvement in education, namely:

- Pillar 1: Curriculum and Assessment Development
- Pillar 2: Teacher Provision and Support
- Pillar 3: Leadership and Management
- Pillar 4: Infrastructure Development and Maintenance
- Pillar 5: Planning, Finance and Resourcing
- Pillar 6: ICT in Education
- Pillar 7: Social Cohesion
- Pillar 8: School Functionality Including Community Involvement
- Pillar 9: Skills Development
- Pillar 10: Access to Quality Early Child Development (ECD)

Matthew Goniwe School of Leadership and Governance has been a key strategic partner in delivering programmes towards the achievement of our goals. They delivered programmes in six of the ten pillars to educators, school leadership and management teams, school governing bodies, parents, learner leaders, district and head office officials.

Pillar six, ICT in Education has always been my passion throughout and MGSLG was instrumental in developing and implementing ICT programmes in schools. They ensured that teachers were ready to ensure improvement of educational outcomes as well as learner attainment rapidly at scale. Since the beginning of this particular programme over 20 000 teachers were trained and supported through MGSLG. Other programmes successfully delivered by MGSLG, particularly for the 2018/19 Financial Year are training of:

- 14 486 SGB members,
- 784 SMT members
- 1 833 ECD Practitioners
- 2 624 Teachers on Literacy
- 9 502 teachers on numeracy
- 12 253 teachers on curriculum content, pedagogy, assessment and the use of resources
- 113 special education teachers on SIAS policy
- 920 curriculum development facilitators
- 2 39 RCL members

- 3 130 teacher supported on ICT and
- 891 teachers on HIV/AIDS lifeskills

These are but a few of milestones achieved through MGSLG. Through the Board and Management Team they can achieve more moving forward. The Board and Management team have been stabilised over the last year, now is the time for MGSLG to prioritise repositioning itself for greater work. Strengthen programmes like Early Child Development, SGB training and Leadership development.

The Board also needs to focus on their strengths and capitalise on these to venture on partnerships to ensure the organisation remains sustainable and is able to help other provinces the way they have done for Gauteng. The rest of the country can certainly benefit from the services of an organisation like MGSLG.

**Mr Andrek Panyaza Lesufi (MPL)**  
Member of the Executive Council - Education



# MESSAGE FROM THE CHAIRPERSON OF THE BOARD



The year under review was a productive year; it followed a review of the strategy and setting up of institutional priorities for the year. These priorities were based on internal institutional needs and the need to improve how we do our work.

The board together with the Executive Committee team identified the following as priorities for the year and beyond: (7 Strategic Focus Areas)

1. Information & Communication Technology
2. Human Resources
3. Funding and cost optimisation
4. Partnerships
5. Quality Management System
6. Research and Innovation and
7. Monitoring and Evaluation

These are inward looking areas for the institution to reflect on itself and improve its internal processes. Implementation of these is long term and will require dedication and patience from all staff to ensure that we do not lose focus on our training targets. Progress on these priorities is reported under the CEO's report.

During the year under review the board bid farewell to four Directors, Ms. Patricia Maloka, whose term ended on 30 June 2018, Prof. Brahm Fleisch, Mr. Calvin Sehlapelo and Ms Sarah Mthintso who resigned on 02 November 2018, 07 December 2018 and 31 March 2019 respectively.

The board also underwent an evaluation process to determine the skills required in the Board for effectiveness. This process assisted in identifying gaps in the Board for the Member's (MEC) consideration when recruiting new board members.

We also conducted a risk and compliance workshop to identify institutional strategic risks which needed to be managed in order avoid any damage. This ensured that we are able to proactively plan for and address the risks before they derail our progress.

The board also mandated an overhaul of the organisational structure to support the reviewed strategy followed by a thorough job evaluation project.

The project was aimed at establishing a consistent job grading system and correcting disparities of the past.

We also closely monitored audit findings from previous years, hence identification of the seven focus areas.

After a gap of five years, we were able to resuscitate and host a successful annual Matthew Goniwe Lecture. This will be an annual event as a celebration of the man behind the name "Matthew Goniwe" and what he stood for.

On behalf of the Board of Directors, I would like to thank the CEO, Management team and the staff for maintaining their poise through some rough patches of implementation of some projects. I would also like to take this opportunity to thank

the internal auditors and external auditors for assisting the board in their oversight function.

Deputy Chairperson and fellow Board members, for your dedication to the work of MGSLG and the department, your selflessness and hard work does not go unnoticed.

I would also like to extend my gratitude to the Honourable MEC, Panyaza Lesufi for his unwavering support and leadership to MGSLG. We are still honoured to be under your guidance and still able to deliver your department's important mandate.



**Mr. Tsēliso Ledimo**  
Acting Chairperson of the Board



# MGSLG BOARD OF DIRECTORS FOR 2018/19

The Board of Directors for the period comprised the following Non-Executive Directors.



Mr. Tsēliso Ledimo



Mr. Gregory Malebo



Mr. Calvin Sehlapelo



Ms. Violet Ntsali



Ms. Lorraine Makola



Mr. Jococia Matabane



Mr. Manaha Matakanya



Mr. Alex Mdakane



Mr. Tshidiso Saul



Ms. Edith Mkefa



Ms. Patricia Maloka



Ms. Sarah Mthintso



Prof. Brahm Fleisch

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



It is an honour for me to present the Matthew Goniwe School of Leadership and Governance's (MGSLG) Annual Report for the 2018/19 Financial Year.

In today's high and quick data-driven world, demand for research, new innovations and fast technology increases. MGSLG's seven areas of focus seeks to change our business model to be able to meet the demands of the fast-paced technology world we live in.

MGSLG managed to fairly deliver on the seven priorities for the year. Though not all were fully achieved in one year, a lot has been done to pave a way for a successful future for MGSLG. It is to be noted that most of the areas were highly dependent on other factors, e.g. availability of funds, availability of skilled staff, and completion of other high priority projects. Progress on the seven priority areas is as follows:

## **1. Information and Communication Technology**

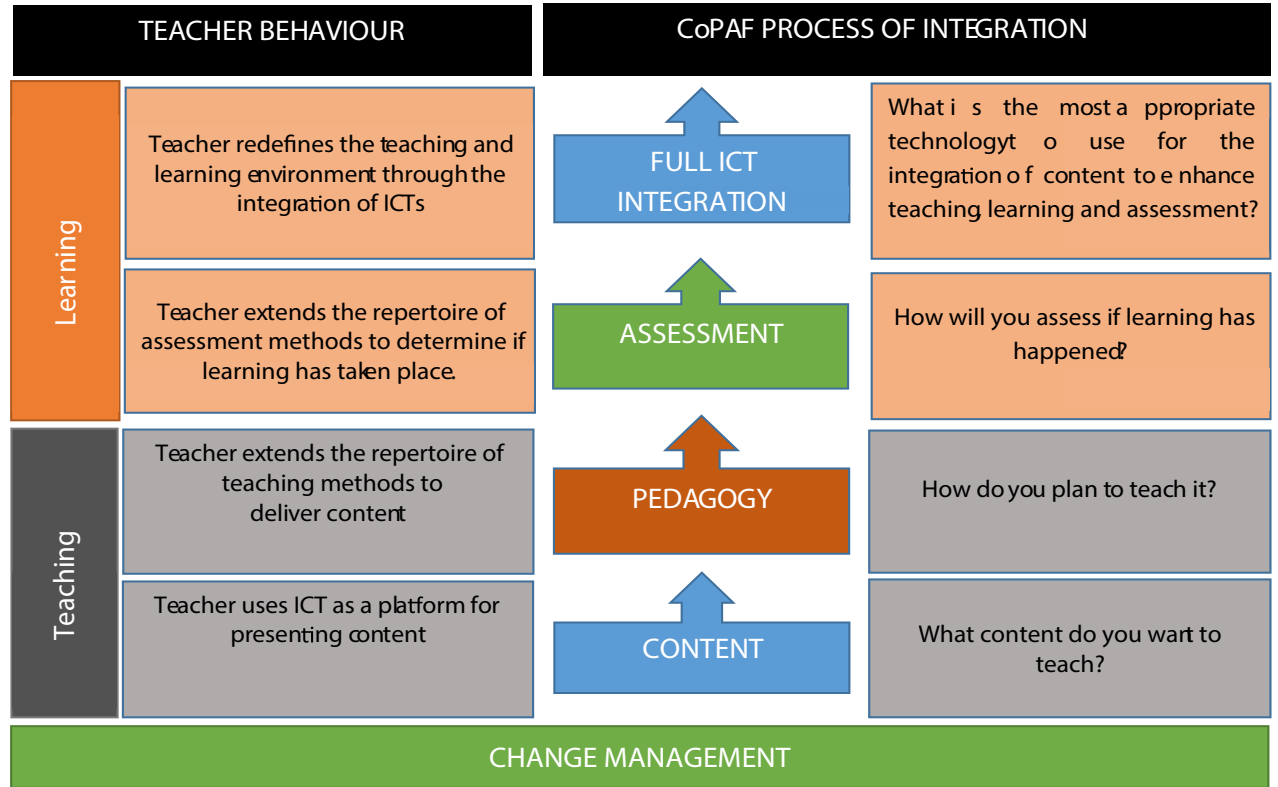
In order for MGSLG to become the leading development institute in the education sector, it was imperative that internal processes were modernised and programme delivery is supported by an efficient and reliable ICT system. In that light, MGSLG set itself to focus on the development of an IT strategy and the modernisation of its internal processes. MGSLG being a unique organisation and that most of its projects need to be custom made; progress of this project was slow in the beginning and ran behind schedule. The project was started in the third quarter of the financial year. It had its challenges as it is a new area of expertise for us. The project is long term and bound to be completed in the new financial year.

## 2. Human Resources

Any strategy should be supported by a strong team of skilled and motivated professionals. Human Resources is a critical part of any organisation and the need to ensure that the human resources framework was re-engineered to support the organisational strategy could not be over-emphasised.

We reviewed the organisational structure to ensure that the structure supports the strategy. In response to the strategy, the structure was reviewed to add a Business Development Unit and the Office of the Chief of Programmes and Institutional Strategy Development. The structure was approved by the Board and will be filled based on the priorities of the organisation.

This was followed by a job evaluation project which included, evaluation of positions, profiling of all positions, grading of positions, placement of staff onto the new organisational structure, and change management which will run until next year to ensure all staff understand the changes that took place. This project had a rocky start and took a long time to complete, however the results are positive.



CoPAF Process of Integration

## 3. Research and Innovation

To stay relevant and up to date, research and innovation is of utmost importance. This would ensure that MGSLG is not only proactive to developments in the education sector but also leads the way to becoming a respected think tank for the education sector in Gauteng and South Africa.

As part of our innovation in terms of ICT programmes in schools, we were able to research and develop a CoPAF model for

integration of ICT into teaching and learning. We also introduced an online platform "MGOnline" for teachers' self-study.

## 4. Monitoring and Evaluation

The impact of the interventions by the MGSLG can only be assessed through a proper monitoring and evaluation mechanism.

Monitoring and evaluation of MGSLG programmes will ensure that the institution stays relevant in the education sector and will assist the institution in planning and resource allocation. We introduced in-project monitoring processes to ensure that all of our projects have a way of monitoring progress and some impact of the project in time. We conducted big projects that required impact evaluation, e.g. ICT Change Management, ECD Practitioner training, and Secondary School Improvement Project. These evaluation projects were completed successfully and more will be conducted moving forward.

### **5. Quality Management System**

The development of a Total Quality Management System was also one of the key focus areas for the MGSLG in terms of the reviewed strategy. A comprehensive end-to-end total quality management system is required for MGSLG to operate at an elevated level. The project was initiated in the year under review however it will be fully implemented in the new financial year. MGSLG is to adopt ISO standards when it comes to quality management. This project is aimed at giving us a competitive advantage as we seek to establish a national footprint.

### **6. Funding and cost-optimisation**

With the consistent need for capacity in education, MGSLG needs to grow its income in order to be able to supplement funding received from the department. This means

a strategy will be critical to ensure MGSLG's sustainability. This will also entail ensuring that the received funds are well spent through cost optimization. This priority will be enabled in the new financial year through the filling of the Business Development unit.

### **7. Partnerships**

It is imperative for MGSLG to leverage on the relationship with various stakeholders in the education sector in order to become the best. We will therefore focus on establishing partnerships with researchers, school governing bodies, teachers' unions and other stakeholders. Existing partnerships, will be nurtured to ensure that they are constructive and beneficial for all parties. We have had preliminary meetings with the Western Cape Teacher Leadership Institute and the Mpumalanga Department of Education and Eastern Cape Department of Education for potential partnerships. We are looking forward to securing fruitful partnerships with these provinces.

MGSLG has secured a strong partnership with UNISA on the RCL training project. Though most of the seven priority areas were not fully completed, we managed to achieve all of GDE's targets in terms of training. A report on training targets follows in the report. We also successfully managed ad-hoc programmes for the department, e.g. Harry Gwala interns where ICT interns are trained and placed to support ICT implementing schools. This programme is

well received in schools. Through the course of the year three of our core business members; Head of Programmes, Director ICT Programme and Director Research, Planning and Quality Assurance left the employ of MGSLG. This left a big gap in core business, specifically in Teacher Development and Research units. These positions will be filled in the new financial year.

I would like to thank the MEC of Gauteng Education, the Honourable Mr Andrek Panyaza Lesufi and the Head of Department, Mr. Edward Mosuwe for their confidence in MGSLG to deliver their programmes.

I would also like to thank the Board of Directors for their unwavering support and guidance, MGSLG's Executive Committee, organised labour representatives and all staff for their patience through the process, especially the job evaluation project. It took a long time to get the project right but your support through everything is truly appreciated. Our partners in programme delivery, teacher unions, SGB associations, District Officials, Project Management and Implementation Teams, thank you for your dedication.



**Adv. Thulani Makhubela**  
Act. Chief Executive Officer

# MGSLG EXECUTIVE COMMITTEE (EXCO) FOR 2018/19

The Executive Committee for the period comprised the following executives:



**Adv. Thulani Makhubela**  
\*Acting Chief Executive Officer



**Mr Sibusiso Mahlangu**  
Chief Financial Officer



**Mr Matime Papane**  
Head: Corporate Services



**Dr Anusha Naidu**  
Head: Leadership and Management



**Dr Thabi Molete**  
Head: Teacher Development  
(until 14 March 2019)



**Mr Sipho Dlamini**  
Director: Teacher Development



**Dr Nokulunga Ndlovu**  
Director: ICT Programmes  
(until 31 January 2019)



**Dr. Thabang Matobako**  
Director: Research, Planning and QA  
(until 30 October 2019)



**Mr. Linki Tsiane**  
Acting Director School Governance  
(until 1 December 2018)



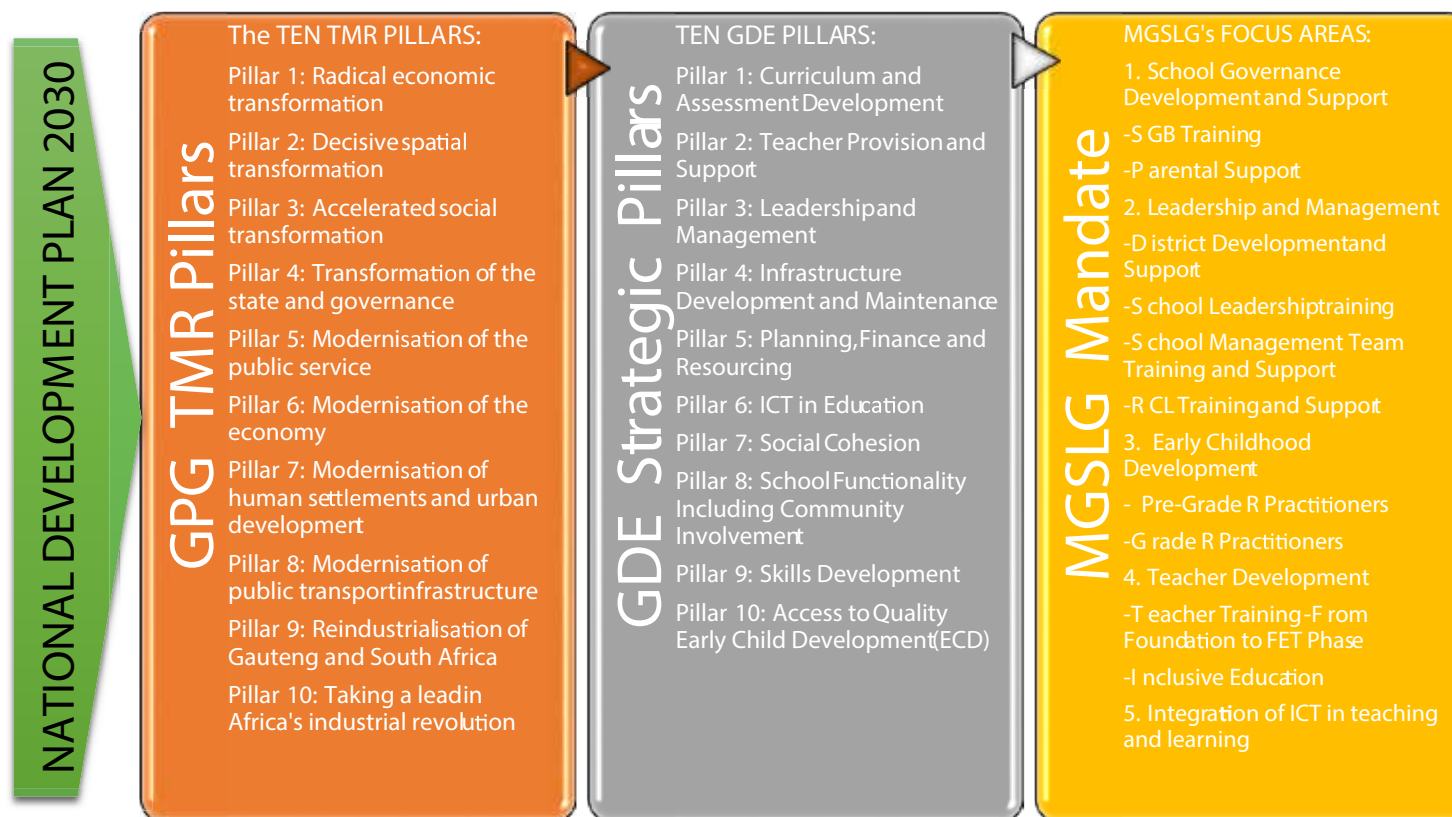
**Mr Zibonele Sibisi**  
Company Secretary

\*(from 1 March 2018 to 31st July 2018) Appointed Chief Executive Officer (1st August 2018)

# OUR MANDATE- WHAT INFORMS OUR WORK

The Constitution of the Republic of South Africa, the National Development Plan, Vision 2030, the Department of Basic Education's Action Plan 2019 and the Gauteng Provincial Government's strategy of Transformation, Modernisation and Reindustrialisation (TMR) all provide a clear direction to improve access, redress, equity, efficiency, inclusivity and quality of learning outcomes through the implementation of the Medium-Term Strategic Framework and the Department of Education's National Strategy for Learner Attainment.

In the main our work is informed and responds directly to the priorities of the GDE which are derived from the documents mentioned above.



MGSLG Mandate

# OUR STRATEGY AND FUTURE OUTLOOK

As part of the monitoring of implementation of our strategy, MGSLG reviewed its strategy on 22 March 2018 with emphasis on the impact of the internal environment on programme delivery and the ability to achieve our goals. Overall, the review strengthened our commitment to achieving the set goals. Of importance was the emphasis on leadership's role in strategy implementation to ensure commitment and realistic expectations from all stakeholders. In addition to the current mandate, the MEC gave additional new mandates to the MGSLG Board and by extension the Executive Committee (EXCO). The reviewed strategy MGSLG Strategy 2020 aims to encompass the following:

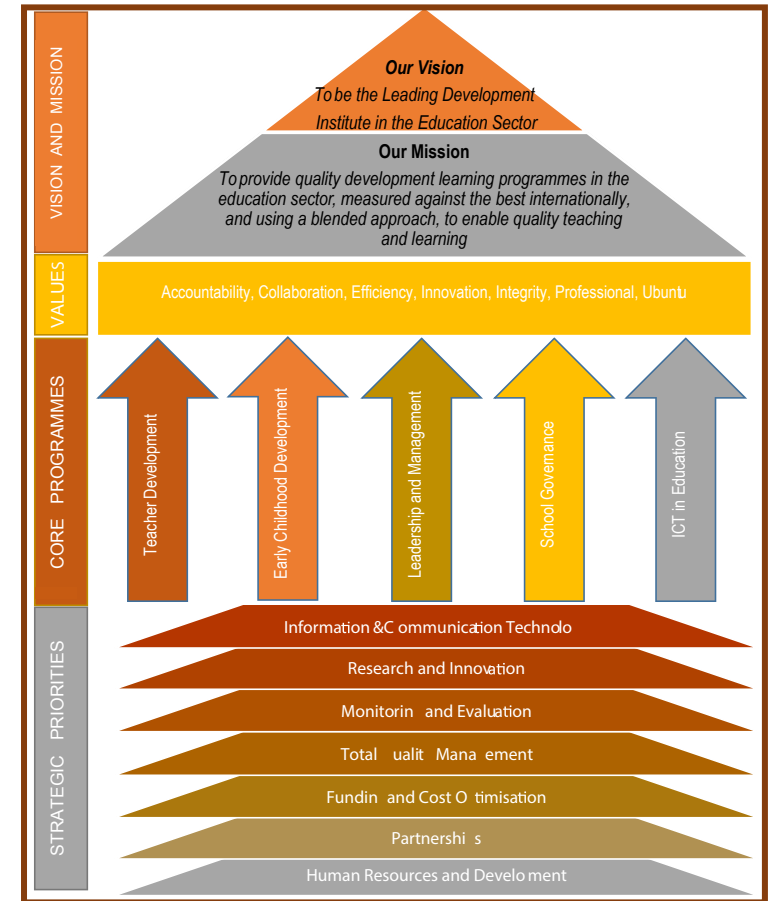
- Research the establishment of a Teacher Training College
- Expanding MGSLG's reach so it has a National Footprint
- Ensuring that MGSLG becomes a self-sustaining entity

The main aim of the review was to reengineer the institution for sustained growth and development.

## MGSLG Strategy (2020) Objectives

In response to the expanded mandate and the need to work towards being a self-sustaining entity, we noted that the strategy required certain interventions to ensure its successful implementation. To that end, the following seven strategic priorities were identified as focus areas to be initiated and implemented from the 2018/19 financial year. It is to be noted that these are long term priorities which would be carried out over more than one financial year; they may be reviewed from time to time:

1. Information & Communication Technology
2. Total Quality Management
3. Funding and Cost Optimisation
4. Human Resources Planning and Development
5. Partnerships
6. Research and Innovation
7. Monitoring and Evaluation



MGSLG Strategy



## SECTION 3 CORPORATE GOVERNANCE REPORT

# CORPORATE GOVERNANCE REPORT

MGSLG is a non-profit company duly registered in accordance with the laws of the Republic of South Africa. It is governed by the provisions of the Companies Act 71 of 2008 as amended.

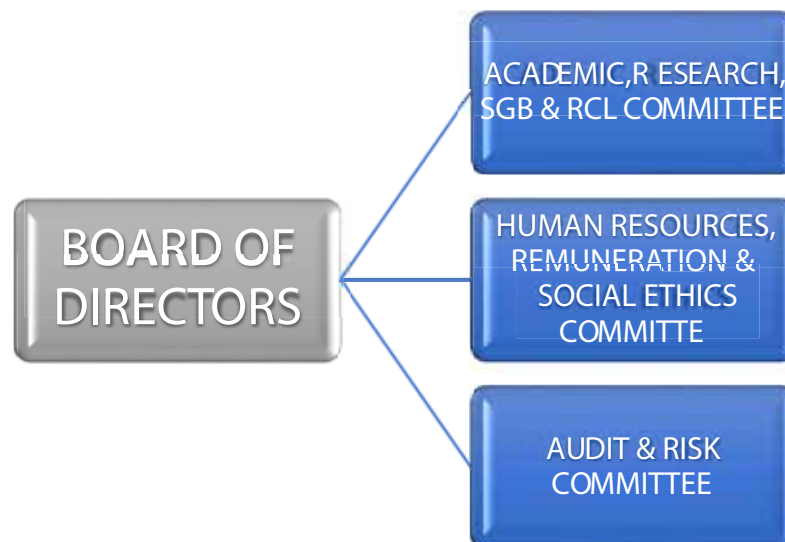
## Legal Framework

In order to ensure that the Company remains at the forefront of best corporate governance practices, MGSLG complies with amongst others the following legal frames which are applicable to it:

- Constitution of the republic of South Africa, 1996
- Companies Act 71 of 2008 (Act)
- Public Finance Management Act 1 of 1999 ("PFMA")
- King IV Code on Corporate Governance (King IV).
- South African Schools Act 84 of 1996
- Protection of Personal Information (POPI) Act 4 of 2013

## Board of Directors

MGSLG's governance structure has a majority of its members being independent non-executive directors, all of whom were appointed by the Member in terms of the Memorandum of Incorporation (MOI).



Board of Directors Structure

In terms of the MOI the board shall not comprise less than three (3) non-executive directors and not more than 15.

The Board of Directors during this reporting period were:

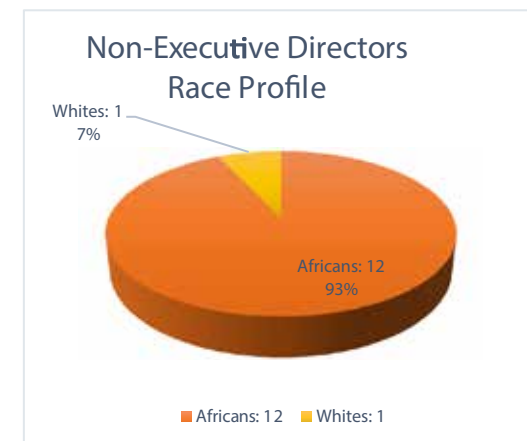
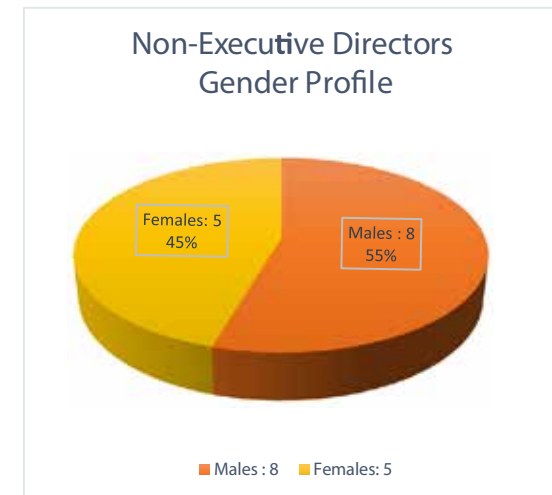
1. Ledimo, Tsëlisio (Non-Executive) – Acting Chairperson
2. Malebo, Gregory (Non-Executive)- Deputy Chairperson
3. Fleisch, Brahm (Non-Executive)- resigned on the 2nd of November 2018
4. Makola, Lorraine (Non-Executive)
5. Maloka, Patricia (Non-Executive)- term ended 30th June 2018
6. Matakanya, Manaha (Non-Executive)
7. Mthintso, Sarah (Non-Executive)- resigned on the 31st March 2019
8. Ntsali, Violet (Non-Executive)
9. Sehlapelo, Calvin (Non-Executive)- resigned on the 7th December 2018
10. Matabane, Joconia (Non-Executive)
11. Mkefa, Edith (Non-Executive)
12. Saul, Tshidiso (Non-Executive)
13. Mdakane, Alex (Non-Executive)
14. Makhubela, Thulani (Executive) Chief Executive Officer
15. Mahlangu, Sibusiso (Executive) Chief Financial Officer

### Appointment of Chief Executive Officer (CEO)

On the 5th of March 2018 Adv. Thulani Makhubela was appointed as the Caretaker CEO for a period of six (6) months ending on the 31st of August 2018. On the 1st August 2018 through a formal recruitment process Adv. Thulani Makhubela was appointed as CEO of MGSLG.

Acting Chairperson & Deputy Chairperson: Mr Gregory Malebo was appointed as Acting Chairperson of MGSLG on the 1st March 2018 for a period of six (6) months ending on 31st August 2018. Mr Tsëlisio Ledimo was also appointed as Acting Deputy Chairperson on the 1st March 2018 for a period of six (6) months ending on the 31st August 2018. Upon appointment of a CEO on the 1st of August 2018, Mr Tsëlisio Ledimo was appointed as Acting Chairperson for a period of six (6) months ending 30th April 2019 or upon the appointment of a new Chairperson whichever comes first. Mr Gregory Malebo from the 1st of September 2018 resumed his initial position as Deputy Chairperson.

### Board Demographics



## Board of Directors Meetings

The Board meets at least four times a year and hold an Annual General Meeting (AGM) once a year. In addition to the four quarterly Board meetings, there are special meetings which are held when necessary.

During the Board meetings, the Board is kept abreast through reports on the budget, strategy and performance on programmes undertaken by MGSLG amongst other issues.

During the financial year under review, a total of ten (11) board meetings were held. The Board conducted four (4) ordinary meetings, four (4) special meetings, two (2) continuation board meeting and an Annual General Meeting.

## Director Development

During the report period a board evaluation/ appraisal and a skills gap assessment was conducted. This was conducted to determine the effectiveness of the board together with the level of skills of the individual directors and the skills which are lacking within the board. A development plan has therefore been developed to address the skills gap which have been discovered.

## Board Directors Remuneration

Due to the company being one not for profit all its property and income whether obtained by donations or profit by means of income generation activities, must be used to further its objectives. No income of the company may be paid to a member/ shareholder or directors.

Payment is only permissible when it is remuneration for goods delivered, services rendered and reimbursements for expenses arising from advancement of the objectives of the company

Director's fees are approved by the Member (MEC) on recommendations made by the board through its Human Resources, Remuneration and Social Ethics Committee. The Board director's fees for the reporting period were formally approved by the Member.

Executive directors are only compensated for their services in line with their applicable employment contracts as employees of the company.

## Disclosure of interest

Disclosure and transparency are partners of good governance and they are in line with the principles contained in the King code on corporate governance. The board directors therefore declare any interest they may have in every board and committee meetings. Also an annual declaration is conducted and updated on the declaration register.



## Board of Directors Meetings

	Date of Appointment	07/05/2018 Special Board meeting	17/05/2018 Board Meeting	24/05/2018 Cont. Board Meeting	06/07/2018 Special Board meeting	24/08/2018 Board Meeting	01/11/2018 Board meeting	01/11/2018 AGM	20/11/2018 Special Board Meeting	18/01/2019 Special Board Meeting	06/02/2019 Board Meeting	21/02/2019 Cont. Board Meeting	TOTAL
Ledimo Tseliso (Chairperson until 30 <sup>th</sup> April 2019)	01/10/2014	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	11/11
Malebo Gregory (Deputy Chairperson)	01/10/2014	×	×	×	☑	×	×	×	×	☑	☑	×	4/11
Fleisch Brahm	25/07/2011	☑	×	☑	☑	☑	☑	☑					6/11
Makola Lorraine	01/10/2014	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	11/11
Maloka Patricia	01/07/2015	×	☑	☑	×	☑	☑	☑	☑	☑	☑	☑	9/11
Matakanya Manaha	18/02/2013	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	11/11
Mthintso Sarah	01/10/2014	☑	☑	☑	☑	☑	☑	☑	☑	×	☑	☑	10/11
Ntsali Violet	01/10/2014	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	11/11
Sehlapelo Calvin	01/07/2015	×	☑	☑	☑	☑	☑	×	×				6/11
Saul Tshidiso	01/11/2016	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	11/11
Matabane Joconia	01/11/2016	☑	☑	☑	☑	☑	☑	☑	×	☑	☑	☑	10/11
Mkefa Edith	01/11/2016	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	11/11
Mdakane Mhlengi	24/11/2017	☑	☑	×	×	☑	☑	☑	☑	☑	☑	☑	9/11
Makhubela Thulani (CEO)	01/10/2014	☑	☑	☑	×	×	☑	☑	×	☑	☑	☑	8/11
Mahlangu Sibusiso (CFO)	01/03/2007	☑	☑	☑	×	☑	☑	☑	×	☑	☑	☑	9/11

☑ In attendance    × Apology/ not present    ■ Resigned/ not appointed/non- executive directors meeting only

## Board Committees

The board has established the following committees:

- Academic, Research, School Governing Bodies & Representative Council of Learners Committee
- Human Resources, Remuneration & Social Ethics Committee
- Audit & Risk Committee

Board Committees play an important role in enhancing good corporate governance and improving internal controls to ensure sustainable performance of MGSLG. They provide feedback and recommendations to the main board and as such are chaired by independent non-executive directors.

All the committees have terms of reference and during the 2018/19 financial year all these terms of references were reviewed and formally approved by the board of directors.

### Academic, Research, SGB & RCL Committee

This committee convened as follows during the reporting period:

Directors	25 April 2018	17 July 2018	25 September 2018	16 October 2018	23 January 2019
Ledimo Tséliso ( <i>Committee Chairperson</i> )	☑	×	☑	☑	☑
Fleisch Brahm	☑	☑	☑	☑	
Makola Lorraine	☑	☑	☑	☑	☑
Matakanya Manaha	☑	☑	☑	☑	☑
Mkefa Edith	☑	☑	☑	×	☑
Makhubela Thulani ( <i>CEO</i> )	☑	×	☑	☑	☑

☑ In attendance    × Apology/ not present    ■ Resigned/ not appointed/non- executive directors meeting only

## Audit & Risk Committee

The committee convened as follows during the reporting period:

Directors	4 May 2018	20 August 2018	24 August 2018	18 October 2018	25 January 2019
Sehlapelo Calvin ( <i>Committee Chairperson</i> )	☑	☑	☑	×	
Maloka Patricia	☑	☑	☑	☑	☑
Mthintso Sarah	☑	☑	☑	☑	☑
Matabane Joconia	☑	☑	☑	☑	☑
Mdakane Alex	×	☑	☑	☑	☑
Makhubela Thulani ( <i>CEO</i> )	×	☑	☑	☑	☑
Mahlangu Sibusiso ( <i>CFO</i> )	☑	☑	☑	☑	☑

☑ In attendance    × Apology/ not present    Resigned/ not appointed/non- executive directors meeting only

## Human Resources, Remuneration, Social and Ethics Committee

The Committee convened as follows during the reporting period:

Directors	26 April 2018	07 May 2018 Continuation	05 June 2018 Special	04 July 2018 Special	18 July 2018	17 October 2018	29 October 2018 Special	22 November 2018 Special	24 January 2019	29 January 2019 Special	30 January 2019 Special	21 February 2019 Special	15 March 2019 Special	20 March 2019 Special
Ntsali Violet ( <i>Committee Chairperson</i> )	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Ledimo Tsēliso	☑	☑	☑	☑	×	☑	☑	☑	☑	☑	☑	☑	☑	☑
Malebo Gregory	☑	☑	☑	☑	☑	×	×	×	☑	☑	☑	×	☑	☑
Saul Tshidiso	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Matakanye Manaha	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Makhubela Thulani ( <i>CEO</i> )	☑	×	×	×	×	☑	×	×	☑	☑	☑	×	×	☑

☑ In attendance    × Apology/ not present    Resigned/ not appointed/non- executive directors meeting only



## **SECTION 4** CORPORATE SERVICES

Corporate Services branch in MGSLG currently includes the functions of Human Resources, Information Management, ICT and Facility Management as functional areas.

The requirements of the King 2, 3 and 4 reports are such that companies and entities must report on staffing and human capital matters, as well as the remuneration of members of committees for transparency purposes. As a Not for Profit Company, MGSLG is therefore obliged for good governance to adhere to these requirements. This report will therefore include issues critical to reporting as part fulfilment of these requirements as well as to provide information of the critical functional and service of this branch as a support unit.

### Employment statistics

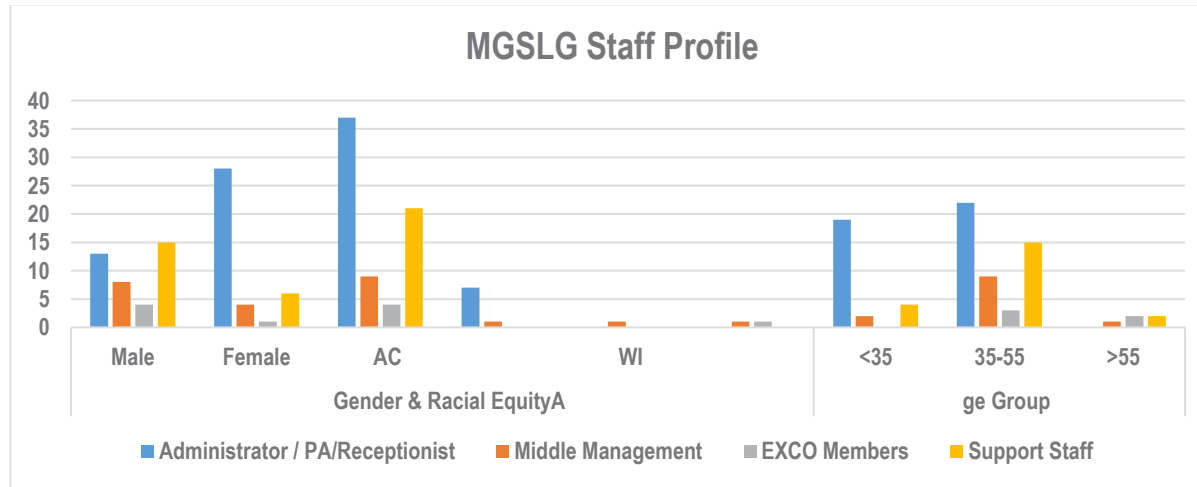
MGSLG has an imbalance in terms of average age of Executive member as most are above the age 55 years. However the only promise is that there is a recruitment drive granted the new organogram derived from the new institutional strategy.

Overall the staff complement of 79 does not include the huge component of staff employed as temporary for the purposes of facilitation and support for school developmental purpose. There is a huge imbalance in that most staff members are of African racial grouping and we need to create a more balanced staff recruitment approaches.

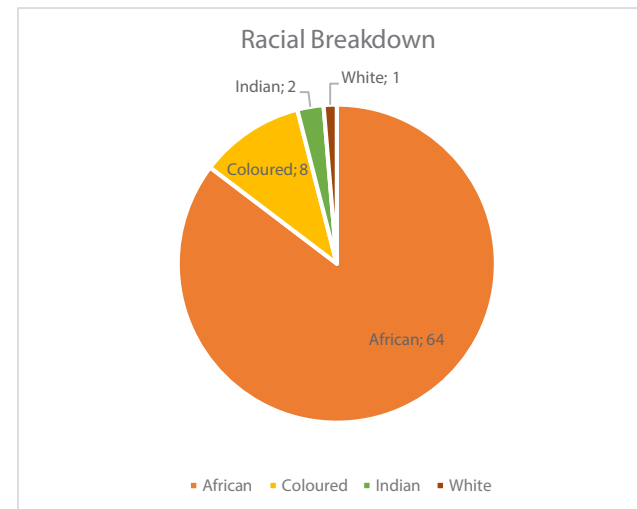
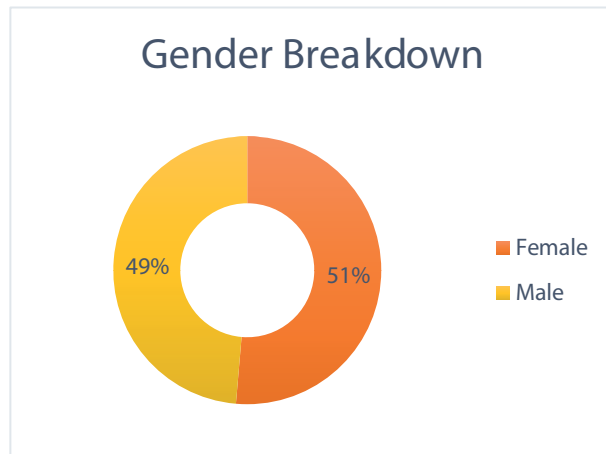
**Table 1: Staff Profile**

MGSLG Staff Profile											
No	Occupational Category	Gender & Racial Equity							Age Group		
		Male	Female	TOTAL	A	C	W	I	<35	35-55	>55
1	Administrator / PA/Receptionist	13	28	<b>41</b>	34	7	0	0	19	22	0
2	Middle Management	8	4	<b>12</b>	9	1	1	1	2	9	1
3	EXCO Members	4	1	<b>5</b>	4	0	0	1	0	3	2
4	Support Staff	15	6	<b>21</b>	21	0	0	0	4	15	2
<b>TOTALS</b>		<b>40</b>	<b>39</b>	<b>79</b>	<b>68</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>25</b>	<b>49</b>	<b>5</b>

The discrepancy in equity balance is more glaring if the above graph can provide a more vivid picture. The employment or attraction of White, Coloureds and Indian staffing is almost non-existent. We need to attract this groups and ensure their retention. The pie chart below provides a clearer picture on the challenge.

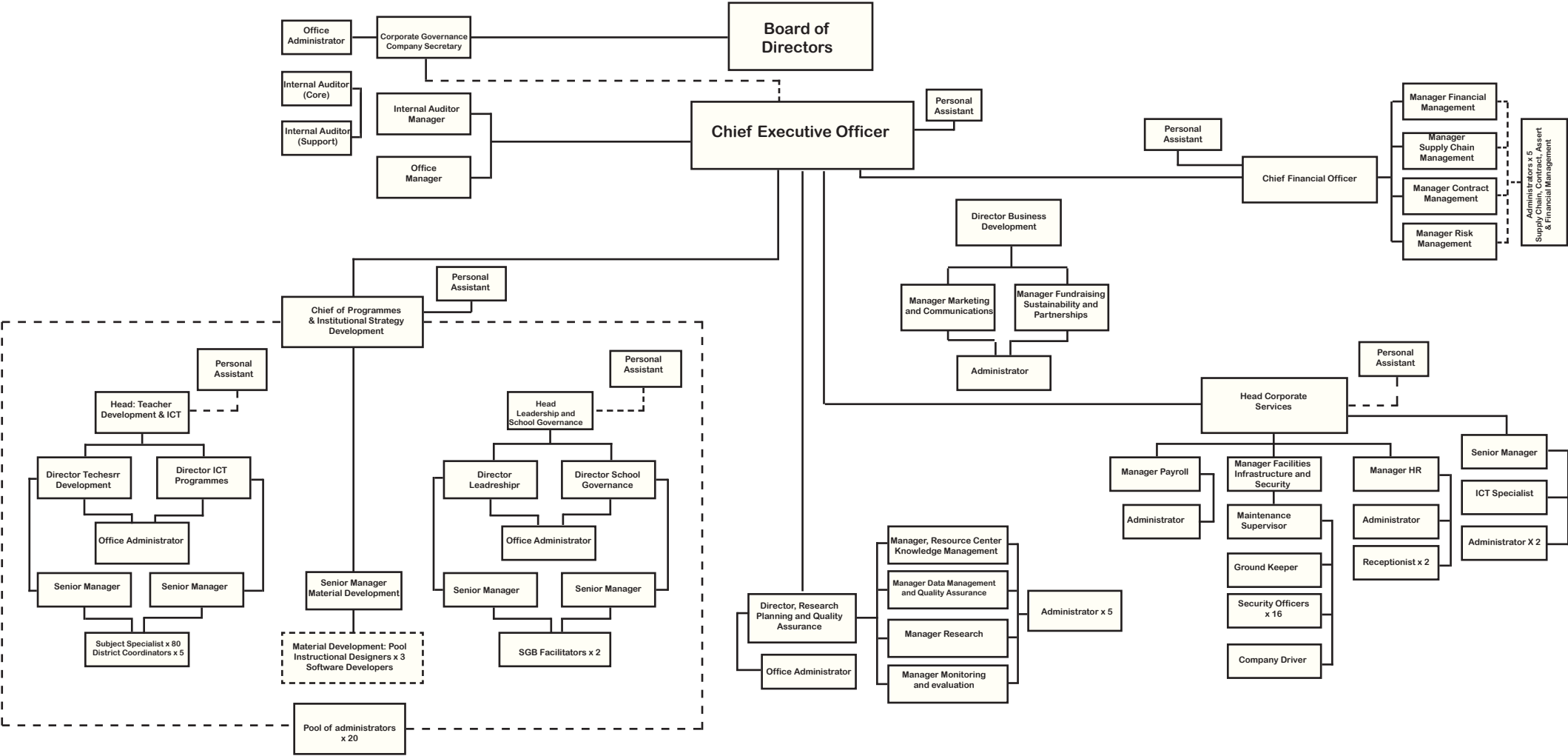


**Figure 1: Gender and Racial balance:**



**Figure 2: Gender and Racial breakdown**

As part of the monitoring of implementation of our strategy, MGSLG reviewed its strategy on 22 March 2018 with emphasis on the impact of the internal environment on programme delivery and the ability to achieve our goals. Overall, the review strengthened our commitment to achieving the set goals. Of importance was the emphasis on leadership’s role in strategy implementation to ensure commitment and realistic expectations from all stakeholders. In addition to the current mandate, the MEC gave additional new mandates to the MGSLG Board and by extension the Executive Committee (EXCO). The reviewed strategy MGSLG Strategy 2020 aims to encompass the following:



## Staff Retention

Category	MGSLG Departments					TOTALS
	Teacher Development	School Governance	Corporate Services	School Leadership	*Office of the CEO	
Resignations	2	0	3	0	1	6
Disciplinary Hearings	0	0	1	0	0	1
Grievance	0	0	0	0	0	0
Expired Contracts	0	0	0	0	0	0
Retirements	0	0	0	0	0	0
<b>*NB: Office of CEO includes Registry and Finance departments</b>						

During the period under review, only one disciplinary hearing was conducted, the employee was dismissed. Another case of a non-renewal of another employee’s contract culminated in a CCMA case, which was ruled in favour of the institution. Five resignations were registered in the period, all of which took place due to better offers and conditions of employment being found elsewhere. Exit interviews were conducted for all employees concerned where mostly reflected issues of better offers as the critical pursuant for their termination of contract.



## Staff Development

Employees are benefitting from the bursary policy that has been implement for a while now in the institution. The table on the right provides a picture of the beneficiaries for Training and Development in the institution.

Most beneficiaries are in their second or final year of study.



Training Beneficiaries for period 2017/2018					
Training Program Description		Employee Level			
		Senior Management	Middle Management	Administrator	Support Staff
MGS LG BURSARIES	Bachelor Of Accounting Sciences			1	
	BCom In Human Resources Management			1	
	BA Communication Science		1	1	
	BEd Honors ICT			1	
	Master of Education		1		
	Advanced Diploma Procurement and Supply			1	
	BCom Financial Accounting			1	
	Bachelor of Arts			1	
	National Certificate: Business Management				1
	Global Executive Development Programmed	1			
	Post Grad Diploma in Corporate Governance			1	
	Diploma in Transport & Supply Chain Management			1	
	National Certificate: Electrical Engineering				1
	Human Resources Management				1
	Bachelor of Arts		1		
	Diploma In Office Administration			1	
	HC: Economic & Management Sciences			1	
Post Grad Diploma in Management		1			



## **SECTION 5** PROGRAMME DELIVERY



MGSLG continues to play a central role in contributing towards the GDE's outcomes in terms of the core mandate of building the capability of the various stakeholders in the education sphere relating to content knowledge, pedagogy, assessment, management, governance and integration of technology in education. This is accomplished through the provision of accredited programmes, just-in-time training, continual onsite support, the development of resources and supporting district and school-based initiatives. These initiatives ensure that all stakeholders are continually supported in their critical role of delivering the curriculum.

## TEACHER DEVELOPMENT

The Teacher Development Branch has the mandate for capacity building of teachers from pre-grade R to the FET phases in the Gauteng Department of Education. This includes school based, district and head office staff linked to curriculum delivery in the province. It also oversees implementation of the provincial Maths, Science and Technology (MST) Strategy delivered through the Sci-Bono Discovery Centre. In this financial year, the Branch has met all the targets set for 2018/19. Through this Branch, MGSLG is expected to meet national targets known as Strategic Performance Measures (SPMs) and provincial ones known as Provincial Performance Measures (PPMs).

### ICT in Education

MGSLG has continued to support, train school stakeholders on ICT teaching and learning by improving teacher competencies on ICT integration. Important achievements for this year include:

- E-readiness report on how teachers use ICT and what is the fidelity of implementation of ICT in the target schools
- Seminar on ICT to reflect on the implementation of ICT integration since the launch of 2015
- Development of an ICT Integration Framework called Content. Pedagogy, Assessment and Full ICT Integration (CoPAF)
- Launch of MG Online where stakeholders can use this platform for own ICT learning
- Invitation by UNESCO to show how MGSLG has initiated and implemented the ICT for Education strategy
- UNESCO partnership has been established where UNESCO will visit Gauteng School for a case study on ICT implementation analysis with a specific to the big bang approach that has been used to roll out the ICT strategy in Gauteng schools in the last five years.

## Early Childhood Development (ECD)

MGSLG provides a support and CPD for ECD practitioners through formal and informal training to strengthen the capacity of ECD Practitioners to realise the national goal to have all practitioners qualified in this phase of the education system. The main achievements for this year include the following:

- B.Ed. Degree in foundation phase teaching NQF level 7, via UNISA, 241 practitioners are currently in third year of the programme, with a pass rate above the 65% pass requirements set by MGSLG
- Further Education and Training Certificate NQF Level 4, 500 practitioners currently in the programme that runs over 17 months. All very eager to complete qualification.

- Diploma in Grade R Teaching NQF Level 6, via SANTS private HEI, 220 practitioners in extended programme, a further 205 graduated during the year which bring the total number of graduates to 912.
- AREA (Africa Reggio Emilia Approach) Professional development 0-4 ECD Practitioners from selected ECD sites; Completed three full day workshops covering three modules. Certificates were issued by provider per module.

### **Inclusive Education**

MGSLG provides support to Inclusion and Special Schools (ISS) directorate that trains and supports special educational needs for Special schools, Full Service and Public ordinary schools to strengthen the capacity of educators working in these schools so that learners with barriers to learning can realise their educational needs and welfare:

- **Inclusion Focus week**  
Inclusion Focus Week was held for four days focusing on Technical Occupational Curriculum & Severely Intellectually Disabled Curriculum training for Educators in Special Schools and Public Ordinary Schools.

- **Training of educators on Severely Intellectually Disabled (SID) revised CAPS curriculum**

The aim of the Differentiated CAPS – Grade R-5 for SID learners is to service an identifiable need for learners with moderate to severe intellectual disability and learning difficulties. Knowledge and skills should be presented at a more functional level and at reduced depth and breadth, whilst a number of occupational subjects are also made available. This Learning Programme has been developed to respond more effectively to the needs of learners identified and assessed through the protocols outlined in the Policy on Screening, Identification, Assessment and Support of 2014 and who will benefit from curriculum content that is aligned to the Foundation and Intermediate Phase of the National Curriculum Statement at a more applied and functional level in accordance with their age, interest and aptitude.

- **Training of both teachers and SMT in Special Schools on the implementation of the Screening, Identification, Assessment and Support SIAS Policy**

The (Screening, Identification, Assessment and Support) policy outlines processes and procedures for identifying learner needs, developing individual support plans, ensuring every school has a functional School Based Support Team (SBST) and every district has a functional District Based Support Team (DBST). Educators and SMTs were capacitated in understanding the needs of diverse learners in their classrooms and effectively differentiate the curriculum and assessments thereby providing inclusive teaching and learning.

## Psychosocial Training and Support

MGSLG has adopted a three tier model to support schools in psychosocial issues which includes: A System of Prevention, A System of Early Detection and A System of Care. The following programmes were implemented as part of the psychosocial and welfare education intervention

- Child Justice for Learners at risk of Suspension and Expulsion the project aims at supporting learners at risk to drop out of the schooling system
- 24 Hour Toll Free Crises Line for learners in distress and their parents to receive counselling intervention
- The development of a Protocol Document to deal with psychosocial issues and the training of Grade R Practitioners
- The development of a Protocol Document to deal with psychosocial aimed at Grade 1-12 Learners and their Teachers which includes a diagnostic tool and the training of teachers and social workers
- Intervention focusing on the male learners on the effects of fatherlessness using arts and drama
- HIV/AIDS Life Skills Project which focuses on life skills and HIV/AIDS Education

## Secondary School Improvement Programme (SSIP): Teacher Training

The Secondary School Improvement Programme (SSIP) for educators is intended to equip educators in Gauteng Schools who obtained less than 80% pass rate in the identified twelve gateway subjects in the National Senior Certificate (NSC) results.

The focus of the training is informed by the 2017/18 Diagnostic Report on the challenging topics as diagnosed by the NSC results. The SSIP programme has continued to evolve through a model that focuses on Content, Pedagogy, Assessment and ICT integration.

A differentiated approach was used which includes a residential programme for teachers on gap areas. This was complemented by a school based support approach of five months for eight underperforming schools that obtained less than 65% in their NSC results in 2018. A third component of SSIP involves training of new teachers in Tourism, Hospitality and Consumer Studies.

The SSIP uses a mixed methods that include face to face training, onsite support and integration of ICT in training teachers. Some of the highlights of SSIP this year included:

- The use of objective and communicative approach for developing training resources for teachers
- Design and development of airtight activities for teachers that has content, skills and teaching methods that teachers can take directly to the classroom
- Application of knowledge and skills where teachers are given time to practice and share what they learned.
- A significant improvement in results in most SSIP schools in the province.

## CiPELT and CiSELT Programme

This is an English language teaching methodology for both primary and secondary teachers that is practical and intensive that is held for five days during June-July holidays. The strengthening of teaching English language was achieved through the:

- Hands on approach to teaching English (learning by doing approach)
- "Tell, Show and Involve makes learning more memorable" was well received by teachers
- Reinforced the use of activity based teaching of English

## Accredited Programmes for Teachers

Four programmes were implemented through Higher Education institutes for teachers which included:

- Economic and Management Sciences (EMS) implemented through Wits
- Music and Engineering and Graphic Design (EDG) implemented through University of Pretoria
- Life Skills project for Foundation Phase teachers implemented through Unisa
- All these programmes lead towards accreditation from NQF Levels 5 - 7.

## Assessment

The 12 steps assessment process and design modules were developed to support the training of subject advisors, teachers, teacher trainers, educators and curriculum development specialists by strengthening capacities in the field of assessment design and process. The assessment programme aimed to equip professionals with the following:

- Types and purpose of assessment
- Designing assessment tasks for different cognitive levels
- Assessment process
- Feedback and intervention to support learners at risk



## LEADERSHIP, MANAGEMENT AND SCHOOL GOVERNANCE DEVELOPMENT

Education is currently facing the greatest period of rapid change it has ever experienced. The major transformations facing the world with the rise of the fourth Industrial Revolution means that school and schooling will need to respond to the changes as soon as possible. As in in any change process schools will need Management and Governance to lead and manage transformations, changes and create a pathway for schools to embrace the era of technology and digital learning with a strong focus on preparing learners for what lies ahead. Providing both School Managers and School Governance with the appropriate support becomes a vital challenge for MGSL.

### Induction for Newly Appointed Principals and Deputy Principals

The Induction Programme for Newly Appointed Principals and Deputy Principals was launched in 2017 through the Leadership Branch. This programme's primary intention is to offer just-in-time leadership and management capacitation to the novice in the spirit of professional development through lifelong learning. Four modules ranging a span of seven (7) contact sessions (49 hours) collectively aspire towards equipping the novice with key competencies scaffolding his/her transition into their new senior management roles.

The learning programme achieved actual attendance- module-based- as follows: Induction Overview (57%); Curriculum Management (78%); Financial Management (76%); Induction Support (93%). The overall participants' reception of this programme's benefit is espoused as

*"MGSLG's training was outstanding and it was the first time that I got this enrichment. We've been appointed, given the bus to drive without being shown the direction. So, you have to do everything on your own. So after attending the MGSLG training, we were so proud- we know exactly what to do."*

### Collaborative Leadership and Critical Thinking IQMS SMT Needs

The Collaborative Leadership\_ Critical Thinking learning programme is new to the leadership Branch. This programme is embedded in performance standards 8-12 from the developmental appraisal processes of the Integrated Quality Management System. Its core focus is on leadership and management competencies. To that end, this programme positions collaborative leadership as a key driver of strategic change within the whole-school improvement paradigm.

During the financial year, materials for this two day (14 hours) programme have been designed in-house. The materials comprise six units, namely "Leadership and Management at a Glance; The Power of Collaborative Leadership for School Community Building; Creating the Collective Vision Optimal Learner Performance; Change-In-Action; Strategically Planning for Optimal Learner Performance; and Implementing Your Strategies. Sixty (60) District Officials were trained as facilitators of this programme. An Orientation session with targeted school principals was held where attendance was recorded at 86. The following is a sentiment that echoed by many participants who attended the Principals' Orientation session: "

*"I feel very inspired by this orientation session. It has touched the issue of: collaborative leadership within the school; how can we help each other as managers to run the school, that also forms part of our Internal Whole School Evaluation which is part of our tasks."*

### **Capacitating Foundation Phase Heads of Department (HoDs) to Lead and Manage the Grade R Learning Environment**

The broad vision for this learning programme is to orient Foundation Phase Heads of Departments/Departmental Heads (HoDs) with some of the 21st Century Leadership and Management skills which are considered critical leading and managing the Grade R learning environment towards optimal functionality. The aim of this learning programme is to advance the intended beneficiaries closer to self-problem solving creating optimally functional Foundation Phases. Within the Grade R learning environment, HoDs play a critical role in supporting her/his Grade R practitioners so that they are able to provide meaningful learning experiences for Grade R children to learn through play, develop physical coordination as well as develop spoken language competence and fundamental ideas that will form a basis for their future development of number sense and literacy.

To date, a five day learning programme (35 hours) comprising five learning Units was designed in-house. The learning domains for this programme are encapsulated through the following Units: Grade R Systems, Processes and Curriculum; Communities of Practice (Cops)/Professional Learning

Communities (Plcs); The Leadership and Management Conundrum; Collaborative Leadership: The New Innovation of the 21st Century; and Visioning Change Creating Your Grade R Change Strategies through Joint Visioning.

In preparation for roll-out in Quarter 1 of the 2019/2020 38 GDE: ECD and Foundation Phase Coordinators were taken through a two day Train-The-Trainer programme. A pilot session to test this learning programme was conducted.

### **Capacity building for Representative Councils for Learners (RCLs)**

A total of 2019 RCL members and their respective TLOs were trained in the financial year from March 1 2018 to end of March 2019. Two summits were held with RCLs during the period. One was with 63 underperforming schools and the other with RCL Presidents in public ordinary schools. RCLs were also trained on their roles and responsibilities in order to contribute to creating a positive learning environment in schools. The RCL pilot project on the project management for Learners which will give them the skills to embark on school-based projects, commenced with an advocacy session with the selected schools. Training will commence in the new financial year.

### **Support programme for schools at risk**

The Department has identified schools at risk. MGSLG has been tasked to provide these school with the appropriate support required. These schools may have a range of challenges that cause the school to operate at a less than effective level. This project focuses on the entire management and Leadership of the school in the nine whole school focus areas. In the school context as in other organizational contexts the influence or leadership of the leaders is crucial for change. This support commenced in the year and will continue into the next year as duration of support is needs dependent.

### **Capacity building for SMTs on curriculum management**

Curriculum Management remains a constant challenge for school management. A comprehensive guideline was developed that would assist all School Managers to both manage and track curriculum delivery at all levels in school. The training of school managers will continue into the new Financial Year

## School Governing Bodies (SGB) Inauguration Summit

The Gauteng Department of Education (GDE) hosted an inauguration ceremony to welcome and appreciate newly elected members of the School Governing Bodies (SGB) in Gauteng on 02 June 2018. The inauguration, followed the elections of over 24 000 parents & guardians, teachers and Non-teaching staff in schools across the province. These SGB members were inaugurated to work with the Department to ensure a system that offers quality education which will prepare learners to compete with the best in the world.

The inauguration was a ceremonial event marking the commencement of a new 3 year term for SGB members (2018-2021). It is a ceremony where the new members made an oath or affirmation of their commitment to serve their schools. This event affords the newly elected members the opportunity to embrace the spirit of service and understand their role in creating a transformed, non-racial, and modernized quality education in the province.

## School Governing Bodies Training Programmes

In the first year of assuming the role of School Governing Bodies, SGB members are introduced to their roles and responsibilities and provided with essential training. The school governance directorate delivered three training programmes to the SGBs as follows:

- School Development Plan (SDP)  
The purpose of the school development plan programme was to prepare newly elected SGBs develop a three year strategic plan based a mission statement of the school, and also to assist individual SGBs to be focused and directed in their activities. The programme assisted the schools to identify the school needs and prioritise them according the available budget. SGBs were also assisted to be able to evaluate the progress their three year plan on a yearly basis. The number of schools that attended the workshops was 1 690 and the number of participants was 7 610.
- School Improvement Plan (SIP)  
The SGBs were empowered to produce a school improvement

plan that addresses the challenges identified during the process of school self-evaluation. This plan enables the SGB to further evaluate and improve teaching and learning using the nine Focus Areas of evaluation i.e (1) Basic Functionality of the school (2) Leadership Management and communication (3) Quality of teaching and learning, and educator development (4) Curriculum provision and resources (5) Learner achievement (6) Governance and relationships (7) School safety, security and Discipline (8) School Infrastructure (9) Parents and Community. The identified schools that attended were 807 and with 2 782 participants.

- School Finance Management (SFM)  
SGBs were capacitated in school financial management in order to utilise the resources of the school efficiently for effective teaching and learning. The skills acquired include managing the funds, improve and maintain the property if the school and fund-raising. They will also be able to monitor the finances on a regular basis in preparation for the audit.

There was collaboration with Corruption Watch and ABSA in the development of the training materials and the training sessions. 1 369 schools attended the workshops with 5 005 participants.

In all three abovementioned capacity building programmes, all SGB members were invited per school. The Directorate analysed the feedback forms from the participants using random sampling of 20% and 90% of the responses are positive on all the categories. The second analysis from the SGB workshops that was analysed was that of attendance per district per school. The results of the analysis assisted in identifying districts and schools which require intervention and support. It is with great pride that we have exceeded the expected annual target of the total number of SGBs which is 9000. The total attendance is depicted in the graph above and is 14343.

### **Summits and Conferences**

The Leadership and Governance branch in collaboration with the Partnership with Wits School of Governance, Catholic Institute of Education, Bridge and Sasol Inzalo, held two seminars addressing school principals. The seminars were held on the 15th March 2018 and 26th July.

The theme of the March seminar were to create safe and supportive learning environments. Dr Welcome Witbooi, was the keynote speaker, who addressed burning topics, such as Bullying, Substance Abuse among learners and breaking the hold of Gangsterism in schools. Two principals Darleen Van Tonder and Sindiswa Maphosa were also invited to speak from a principals' perspective on their roles in the school and community and how best they have engaged with these community issues.

The second seminar was held on the 26th July 2018, with the theme: Restorative Justice: Doing School Discipline Differently. The speakers were Anne Baker from the Catholic Institute who has worked extensively in the field of restorative justice and made an invaluable contribution to this topic.

The panellists were Gladys Thibane, Head of Thulisa Primary School and Kope Malatsi, Head of St Pauls High School who are passionate educationists in the field of Restorative Justice. Dr Anusha Naidu who did the summation captured the essence of the event.

### **Conclusion**

MGSLG has used different methods in its endeavour to support stakeholders across all the school phases in the education system: from face to face; train the trainer, school based support and use of ICT. The blended approach has yielded different outputs and approach has assisted MGSLG to meet its target and address the different needs its target and address the different needs for different participants in the system.

# TRAINING REPORT IN TERMS OF GDE 2018/19 TARGETS

Programme Outcomes	Outputs	Activities	Indicators	2018/19 Annual Targets	Actuals
Training and Development	Training & Support of Curriculum Development Facilitators	Train curriculum development facilitators	No. of curriculum development facilitators trained	450	920
	District Officials Training (SPM 103)	Train District Officials in Leadership and Management	No of District Officials trained		
Teacher Provision and Support	Teacher Training & support (SPM 201)	Train teachers in technical subjects, curriculum content, instructional skills, assessment and the use of resource	Total number of teachers trained in technical subjects, Maths, Science, Literacy, ICT incl. curriculum content, instructional skills, assessments and the use of resources	8606	12253 (includes Educators supported on ICT in schools and Life skills educators trained)
SMT Support	SMT training and support (SPM 202)	Train SMTs in the management of E-learning in targeted schools	No. of SMT members trained	450	784

Programme Outcomes	Outputs	Activities	Indicators	2018/19 Annual Targets	Actuals
Access to Quality Early Childhood Development (ECD)	ECD Practitioner Training: Grade R	Identify and train Grade R practitioners	No. of Pre - Grade R practitioners trained	800	1096
	ECD Practitioner Training: Grade R	Identify and train Pre Grade R practitioners	No. of Pre - Grade R practitioners trained		737
Teacher Provision and Support	Teacher Training support (PPM 208)	Train educators on Language and Literacy content and methodology	Number of educators trained in Language and Literacy content and methodology	2538	2624
	Teacher Training support PPM 209	Train teachers (Foundation and intermediate) in numeracy subjects and mathematics instructional skills, assessment and the use of resources	Number of educators trained in Numeracy/ Mathematics content and methodology	7451	9502
School functionality & community involvement	SGB Training	Inducting SGBs in the governance of schools	No. of SGB members trained	9 000	14 486
	RCL Training	Train RCL members in youth leadership	No. of RCL members and TLOs trained	2 000	2392



## **SECTION 6** FINANCE REPORT



# FINANCIAL REPORT AND ANNUAL FINANCIAL STATEMENTS

The activities of MGSLG are mainly funded from the GDE programme budget transfers. The total actual transfers for 2018/19 are R220 million down by R19 million from R239 million in 2017/18 financial year as per figure 1 below. The transfers are made up of R211 million and R9 million for programme and operational budget, respectively as per figure 2. The funding was received mainly from the Curriculum Branch.

## REVIEW OF RESULTS

Revenue remained steady increasing by R3 million from R218 million in 2017/18 to R221 million during the reporting period. The increase represent a nominal increase of 1% given the number of projects completed.

The Teacher Development Branch accounts for 30% of the actual transfers received in 2018/19, mainly from the following projects: Teacher Training or CATLM (Content, Assessment, Teaching & Learning Methodologies) R65,3 million, ICT in Education R37 million, Early Childhood Development (EC D) R37,8 million. School Governance Directorate and the Leadership Branch contributed the 19% through SGB & RCL Training R14 million and School Leadership and Management Training R16,2 million as per figure 3.

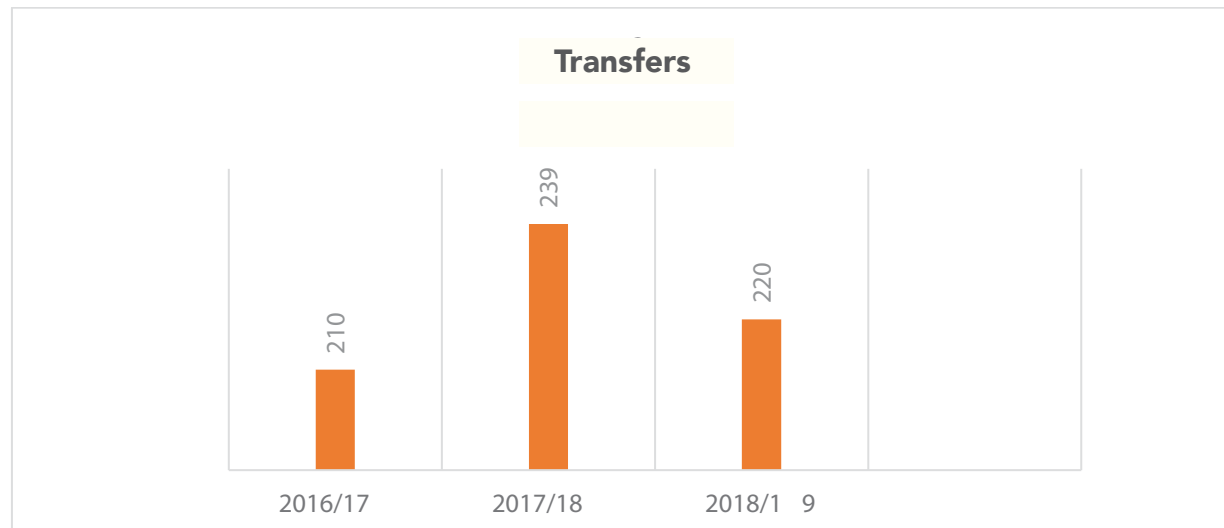


Figure 1: Transfers

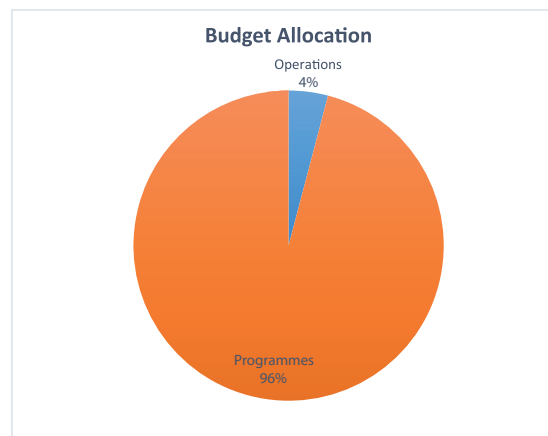


Figure 2: Allocations

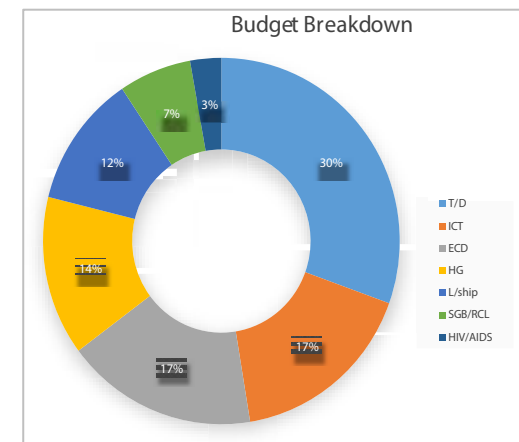


Figure 3: Budget

Interest income increased from R5, 8 million to R6, 7million, representing a 13% growth as a result of slightly higher return on investments and improve cash management.

Project expenditure increased by R42 million (or 25%) from R170 million in the prior reporting period to R212 million in 2018/19. Operating expenses went down by R1 million (or 2,2%) from R44,5 million to R43,5 million although the operational budget received from GDE remained steady at R8,4 million an increase of R492,000. The operational budget shortfall is funded through a 16% management fee which is applied on recorgnised revenue.

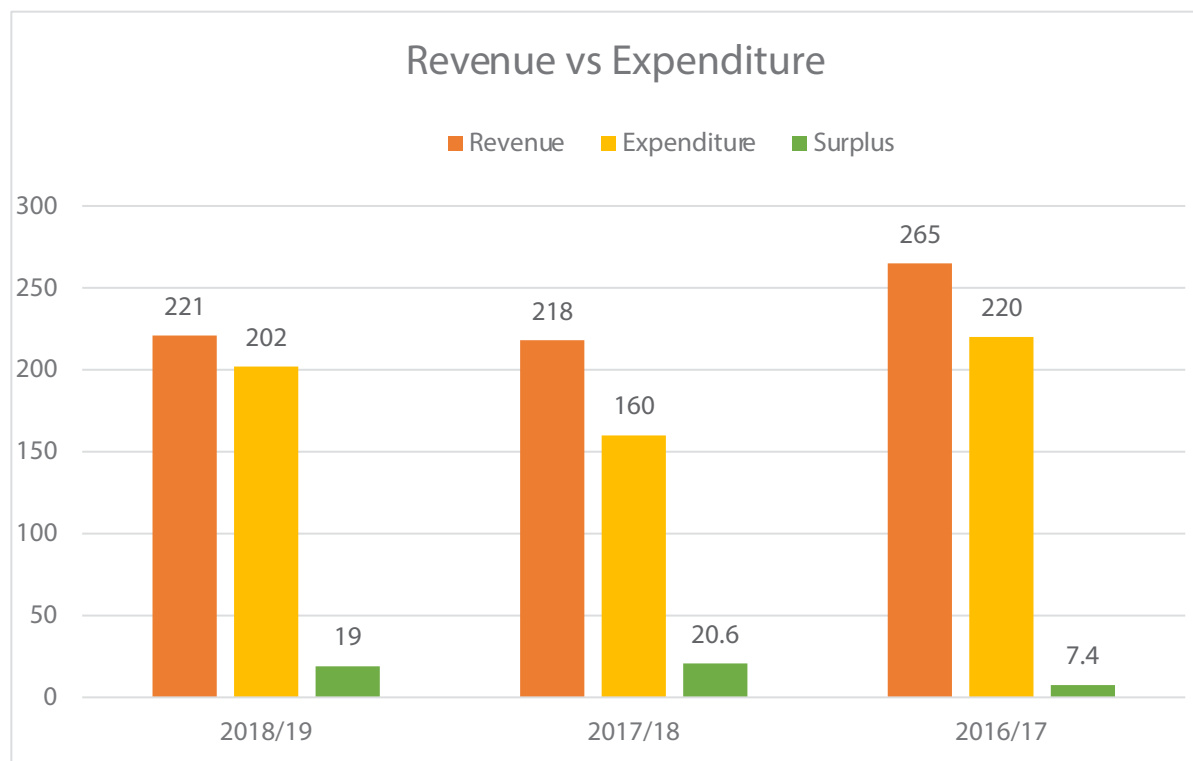
MGSLG recorded a surplus of R19 million during 2018/19 a decrease of R1,6 million from a surplus of R20,6 million in 2017/18. As a result retained earnings grew from R60 million reported in 2017/18 to R80 million in 2018/19.

### Review of operations

During the period under review MGSLG successfully implemented and completed the following programmes/projects as per approved annual performance plan:

- Teacher Training at a cost of R65 million focusing on the following programmes: FP Numeracy Programmes, Inter-Sen MST Programmes, FET Technical Subjects, Languages & Literacy Programmes, JIT e-SSIP, e-Assessment, Professional Learning Communities, Induction of newly appointed teachers and SWISS;

- SGB/RCL training focusing on SIP, SFM, school development planning and youth leadership at R22 million;
- Out of School Youth Programme at R1,6 million for youth development programmes;
- ICT in Education at a cost of R36 million on integration of ICTs tools in the classroom and providing on-site support to teachers, district officials, ICT committees and learners;
- Inclusion Focus Week and SIAS Policy to improve performance in special schools at R3,5 million,
- Early Childhood Development providing tuition for ECD NQF Level 4, NQF L6 and B.Ed. in Foundation Phase at R31 million; and
- Leadership and Management focusing on ICT Change Management for school leaders in ICT Schools to ensure sustainable implementation and utilisation of ICTs in schools, Induction Training and SMT training at R17 million.
- HIV/AIDS training for primary and secondary school teachers at R4,5 million
- Psycho-Social Training for teachers and school assistants on suicide preventions, child-abuse, and provision of the 24 hour child line at R4,5 million.



The deferred income did not change year-on-year decreasing by R1,5 million during the year under review. The project costs declined significantly whilst MGSLG manage to meet and surpass its targets for the year due to improved cost management initiatives and streamlined sourcing of goods and services.

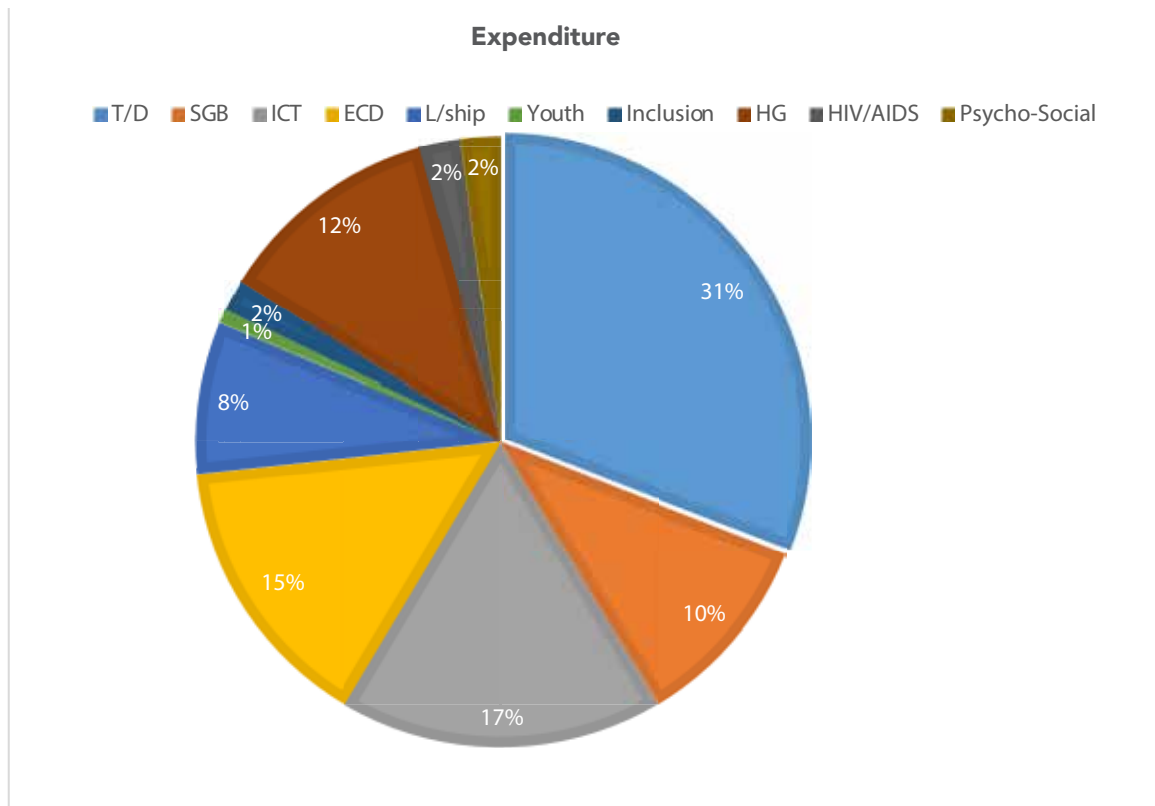
The total expenditure recorded by MGSLG for the reporting period is R203 million down by R62 million from R265 million in 2017/18.

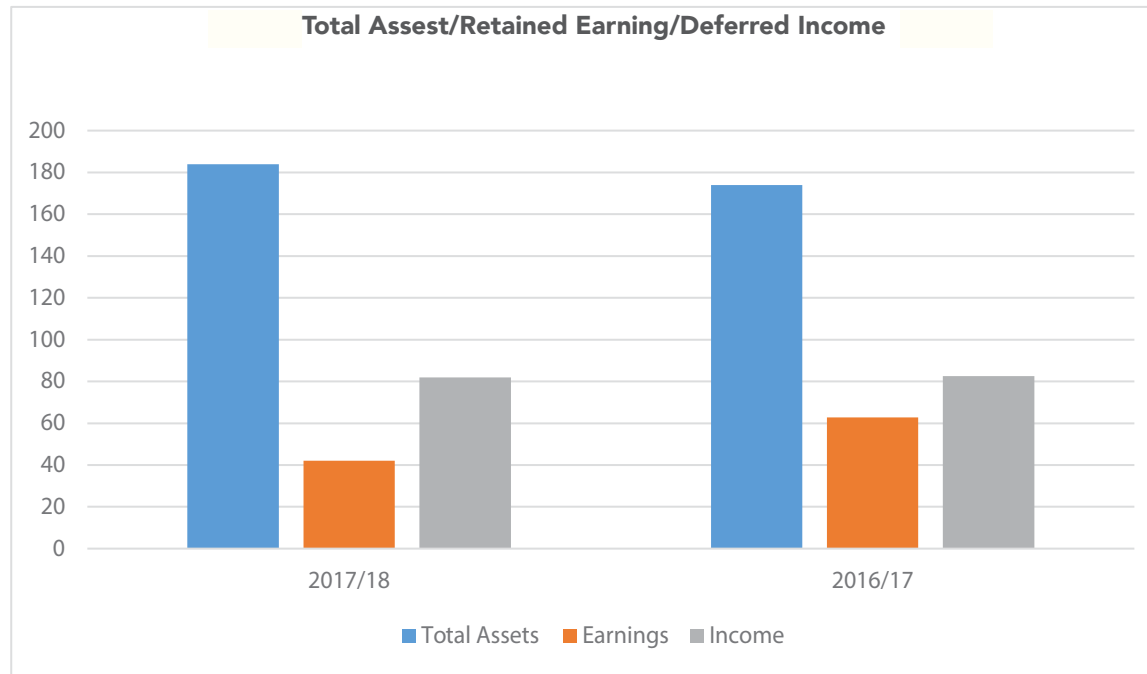
### Review of Financial Position

Total assets increased by R3 million or 5, 7% from R184 million in 2017/18 to R187 million in 2018/19, trade and other receivables R49 million made up of VAT input of R40,8 million and; cash & cash equivalents increased from R77 million to R111 million as a result of cost optimisation initiatives and improved project management.

Deferred income remained steady moving by R1,5 million from R81,9 million to R80,4 million.

Retained earnings increased from R62,8 million in 2017/18 to R82,2 million in 2018/19. Trade and other payables decreased by R16 million from R18 million to R2 million as a results of improved payment processes and the implementation of the 14 day payment rule.





## Conclusion

During the financial year the Board of Directors approved a revised strategy and organogram to refocus the effort of the institutions into achieving better results by prioritising the following: Quality Management, Monitoring and evaluations, improved financial management and sustainability, people management and information technology.

MGSLG will continue to manage her risks by implementing corrective measure, monitoring implements and on-going reviews. The VAT SARS matter is the priority for both management and the Board of Directors as it has a huge bearing on the going concern status of MGSLG.

Over the year management had done well to grow retained earnings to R62 million by containing costs against rising inflation and declining interest rates which has gradually reduce interest income. This attributable to improved planning processes and just in time procurement.

## DECLARATION BY COMPANY SECRETARY

The Company Secretary is Mr Zibonele Sibisi

I hereby confirm, in my capacity of secretary of Matthew Goniwe School of Leadership and Governance NPC that for the financial year ended 31 March 2019, the entity has filed all required returns and notices in terms of the Companies Act of 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.



**Zibonele Sibisi**  
Company Secretary



## AUDITED FINANCIAL STATEMENTS

## INDEX

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

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Statement of Financial Position	63
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<b>The following supplementary information does not form part of the annual financial statements and is unaudited:</b>	
Detailed Income Statement	82

## GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	School Leadership, School Governance and Teacher Development Training
Directors	Ledimo Tsēliso (Acting Chairperson)
	Malebo Gregory (Deputy Chairperson)
	Fleisch Brahm
	Mahlangu Sibusiso (Chief Financial Officer)
	Makola Lorraine
	Maloka Patricia
	Matabane Joconia
	Matakanya Manaha
	Mdakane Mhlengi
	Mkefa Edith
	Mthintso Sarah
	Ntsali Violet
	Saul Tshidiso
	Sehlapelo Calvin
Registered office	Hull Street, Corner 8th and Hull Street, Vrededorp, Johannesburg, 2092
Business address	Hull Street, Corner 8th and Hull Street, Vrededorp, Johannesburg, 2092
Postal address	Postnet Suite 161, Private Bag X9, Melville, 2109
Bankers	Standard Bank of South Africa
Auditors	SNG Grant Thornton Incorporated Registered Auditors
Company registration number	2005/034639/21
Preparer	The annual financial statements were internally compiled by:
	Sibusiso Mahlangu

## DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements. The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company.

While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their independent report is presented on page 60 to 62.

The annual financial statements set out on pages 54 to 81, which have been prepared on the going concern basis, were approved by the board on 15 August 2019 and were signed on their behalf by:



**Mr. Tsëlis Ledimo**  
Act. Chairperson of the Board



**Adv. Thulani Makhubela**  
Chief Executive Officer

# DIRECTOR'S REPORT

The directors have pleasure in submitting their report on the annual financial statements of Matthew Goniwe School of Leadership and Governance for the year ended 31 March 2018.

## 1. Nature of business

Matthew Goniwe School of Leadership and Governance is a Non Profit Company (NPC) engaged in school leadership, school governance and teacher development capacity building interventions with principal operations in South Africa. The organization is wholly funded by the Gauteng Department of Education (GDE) through grants and transfers.

There have been no material changes to the nature of the company's business from the prior year.

## 2. Review of financial results and activities

The operating results and state of affairs of the company are fully set out in the attached annual financial statements.

The company recorded a net profit for the year ended 31 March 2019 of R 19 414 856. This represented a decrease of R1 257 299 from the net surplus of the prior year of R20 672 154. The Teacher Development Branch accounts for 63% of the actual transfers received in 2018/19, mainly from the following projects: Teacher Training or CATLM (Content, Assessment, Teaching & Learning Methodologies) R65,2 million, ICT in Education R36 million, Early Childhood Development (ECD) R38 million. School Governance Directorate and the Leadership Branch contributed the 15% through SGB & RCL Training R12 million and School Leadership and Management Training R16 million. The Harry Gwala internship programme for the ICT technical support was allocated R32 million.

### 3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality	Changes
Ledimo Tsëlisio	Acting Chairperson	Nonexecutive Independent	South African	Appointed Acting Chairperson in November 2018
Malebo Gregory	Deputy Chairperson	Nonexecutive Independent	South African	
Makhubela Thulani	Chief Executive	Executive	South African	Appointed CEO August 2018
Fleisch Brahm		Nonexecutive Independent	South African	Resigned 2 November 2018
Mahlangu Sibusiso	Finance Director	Executive	South African	
Makola Lorraine		Nonexecutive Independent	South African	
Maloka Patricia		Nonexecutive Independent	South African	
Matabane Joconia		Nonexecutive Independent	South African	
Matakanya Manaha		Nonexecutive Independent	South African	
Mdakane Mhlengi		Nonexecutive Independent	South African	
Mkefa Edith		Nonexecutive Independent	South African	
Mthintso Sarah		Nonexecutive Independent	South African	Resigned 31 March 2019
Ntsali Violet		Nonexecutive Independent	South African	
Saul Tshidiso		Nonexecutive Independent	South African	
Sehlapelo Calvin		Nonexecutive Independent	South African	Resigned 7 December 2018

#### 4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### 5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and realisation of assets and settlement of liabilities. The ability of the entity to continue as a going concern is dependent on the ongoing funding of operations from GDE.

#### 6. Auditors

SizweNtsalubaGobodo Grant Thornton Incorporated will continued in office as auditors for the company in accordance with section 90 of the Companies Act 71 of 2008.

#### 7. Secretary

The company secretary is Mr Zibonele Sibisi.

Postal address            Postnet Suite 161  
Private Bag X9  
Melville  
Johannesburg  
2109

Business address        40 Hull Street  
Corner 8th and Hull Street  
Vrededorp  
Johannesburg  
2092

# INDEPENDENT AUDITOR'S REPORT

To the shareholder of Matthew Goniwe School of  
Leadership and Governance

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion

We have audited the financial statements of Matthew Goniwe School of Leadership and Governance set out on pages 63 to 82 which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements present fairly, in all material respects, the financial position of Matthew Goniwe School of Leadership and Governance as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa.

The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter – South African Receiver of Revenue (SARS) VAT receivable and contingent liability

We draw attention to note 16 of the financial statements which indicates that during the 2018/19 financial year the company received an assessment from South African Receiver of Revenue (SARS) in respect of output VAT to a total of R192 461 052,95 on grant income received from GDE. Management has lodged an objection on this assessment and the matter is currently on appeal. Our opinion is not modified in respect of this matter.

## Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information presented on pages 29 to 30 and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Vincent Motholo CA (SA)  
Registered Auditor  
Director

SizweNtsalubaGobodo Grant Thornton Inc.  
20 Morris Street East, Woodmead  
07 October 2019



## Statement of Financial Position as at 31 March 2019

	Notes	2019 R	2018 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	26 635 444	28 198 500
Intangible assets	4	249 710	325 513
		26 885 154	28 524 013
<b>Current Assets</b>			
Trade and other receivables	5	49 330 264	78 466 286
Cash and cash equivalents	6	111 379 246	77 709 620
		160 709 510	156 175 906
<b>Total Assets</b>		187 594 664	184 699 919
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		82 259 461	62 844 565
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	9	20 160 493	20 710 515
<b>Current Liabilities</b>			
Trade and other payables	8	2 059 621	18 101 834
Deferred income	9	80 498 400	81 977 263
Provisions	7	2 616 689	1 065 742
<b>Total Liabilities</b>		85 174 710	101 144 839
<b>Total Equity and Liabilities</b>		105 335 203	121 855 355
		187 594 664	184 699 919

## Statement of Profit or Loss and Other Comprehensive Income

	Notes	2019 R	2018 R
Revenue	10	222 056 385	218 320 521
Project expenditure	11	(158 924 688)	(160 107 463)
<b>Gross surplus</b>		63 131 697	58 213 058
Other income		150 471	188 121
Operating expenses	12	(50 653 162)	(43 541 623)
<b>Operating surplus (deficit)</b>	13	12 629 006	14 859 556
Investment income	14	6 785 850	5 812 597
Surplus (deficit) for the year		19 414 856	20 672 154
Total comprehensive surplus (deficit) for the year		19 414 856	20 672 154

## Statement of Changes in Equity

	Retained income	Total equity
	R	R
<b>Balance at 01 April 2017</b>	42 172 411	42 172 411
Profit for the year	20 672 154	20 672 154
<b>Total comprehensive income for the year</b>	20 672 154	20 672 154
<b>Balance at 01 April 2018</b>	62 844 565	62 844 565
Profit for the year	19 414 896	19 414 896
<b>Total comprehensive income for the year</b>	19 414 896	19 414 896
<b>Balance at 31 March 2019</b>	82 259 461	82 259 461

## Statement of Cash Flows

	Notes	2019 R	2018 R
<b>Cash flows from operating activities</b>			
Cash used in operations	15	27 118 869	(13 983 568)
Interest income		6 785 850	5 812 597
<b>Net cash from operating activities</b>		33 904 719	(8 170 971)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(264 168)	(1 377 749)
Sale of property, plant and equipment	3	29 075	48 957
Purchase of other intangible assets	4	0	(149 309)
<b>Net cash from investing activities</b>		(235 093)	(1 478 101)
<b>Total cash movement for the year</b>		33 669 626	(9 649 072)
Cash at the beginning of the year		77 709 620	87 358 692
<b>Total cash at end of the year</b>	6	111 379 246	77 709 620

# ACCOUNTING POLICIES

## 1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

### 1.1. Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

The annual financial statements have been prepared on the historic cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

## 1.2. Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### Key sources of estimation uncertainty

#### Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 7.

### 1.3. Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using the straight line method.

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

Item	Depreciation method	Average useful life
Buildings	Straight Line	Years 50
Furniture and Fixtures	Straight Line	Years 12,5
Motor Vehicle	Straight Line	Years 5
Office equipment	Straight Line	Years 9
IT Equipment	Straight Line	Years 9

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

### 1.4. Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. 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 if there are indicators present that there is a change from the previous estimate.

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, other	Years 9

### 1.5. Financial instruments

#### Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

#### Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Short term receivables with no interest rate are measured at their original invoice amount, if the effective discounting is immaterial.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and cash equivalents

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

### 1.6. 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/ liability. This liability is not discounted.

### 1.7. Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the company also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

### 1.8. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### 1.9. Provisions and contingencies

Provisions are recognised when:

- The company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 16.

### 1.10. Revenue

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

Revenue 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

Revenue related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income.

### 1.11. Interest Income

Interest is recognised, in profit or loss, using the effective interest rate method.

## Notes to the Annual Financial Statement

### 2. New Standards and Interpretations

#### 2.1. Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2018 or later periods:

Standard/ Interpretation	Effective date: Years beginning on or after	Expected impact:
IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
IFRS 9 Financial Instruments	01 January 2019	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	01 January 2019	Unlikely there will be a material impact

## Notes to the Annual Financial Statement

### 3. Property, plant and equipment

	Accumulated Depreciation	Cost	Accumulated Depreciation	Carrying Value	Cost	Carrying Value
Buildings	27 501 046	(6 032 066)	21 468 979	27 501 046	(5 482 045)	22 019 000
Furniture and fixtures	2 442 450	(1 418 083)	1 024 367	329 960	(1 228 195)	1 101 765
Motor vehicles	363 636	(224 173)	139 463	363 636	(151 446)	212 190
Office equipment	2 254 968	(1 153 466)	1 101 502	2 227 688	(907 372)	1 320 316
IT equipment	5 659 603	(3 041 740)	2 617 863	5 630 457	(2 438 741)	3 191 806
Other property, plant and equipment	638 566	(355 294)	283 271	638 566	(285 052)	353 513
Total	38 860 267	(12 224 823)	26 635 444	38 691 351	(10 492 851)	28 198 500

#### Reconciliation of property, plant and equipment 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	22 019 000	-	-	(550 021)	21 468 979
Furniture and fixtures	1 101 765	140 382	(27 892)	(189 888)	1 022 615
Motor vehicles	212 190	-	-	(72 727)	139 463
Office equipment	1 320 316	27 280	-	(246 094)	1 101 502
IT equipment	3 191 806	96 506	(67 360)	(602 999)	2 601 267
Other property, plant and equipment	353 513	-	-	(70 242)	283 271
Total	28 198 500	264 168	(95 252)	(1 731 971)	26 635 444

## Notes to the Annual Financial Statement

### Reconciliation of property, plant and equipment 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	22 569 021	-	-	(550 021)	22 019 000
Furniture and fixtures	1 105 394	181 557	-	(185 186)	1 101 765
Motor vehicles	284 917	-	-	(72 727)	212 190
Office equipment	1 164 881	405 207	(6 575)	(243 920)	1 320 316
IT equipment	3 013 064	790 985	(63 171)	(569 231)	3 191 806
Other property, plant and equipment	423 756	-	-	(70 243)	353 513
<b>Total</b>	<b>28 561 033</b>	<b>1 377 749</b>	<b>(26 661)</b>	<b>(1 691 328)</b>	<b>28 198 500</b>

#### 4. Intangible assets

	2019			2018		
	Cost/Valuation	Accumulated amortisation	Carrying value	Cost/valuation	Accumulated amortisation	Carrying Value
Computer Software, other	689 121	(439 411)	249 710	689 121	(363 308)	325 513

#### Reconciliation of intangible assets

	2019				2018			
	Opening Balance	Additions	Impairment loss	Total	Opening Balance	Additions	Impairment loss	Total
Computer Software, other	325 513	0	(75 803)	249 710	284 440	149 308	(72 235)	325 513

## Notes to the Annual Financial Statement

	2019	2018
	R	R

### 5. Trade and other receivables

Trade receivables	335 672	37 623 158
VAT	48 994 592	40 843 127
	<b>49 330 264</b>	<b>78 466 286</b>

### 6. Cash and cash equivalents

Cash and cash equivalents consists of:

Petty cash	4 000	4 000
Stand Bank fixed deposits account	111 059 908	61 325 592
Standard Bank 32 day notice	315 337	16 380 028
	<b>111 379 246</b>	<b>77 709 620</b>

### 7. Provisions

#### Reconciliation of provisions 2019

	Opening balance	Additions	Utilised during the year	Total
Provision for performance bonus	770 000	3 386 892	(1 896 892)	2 260 000
Provision for 13 <sup>th</sup> cheque	295 742	997 612	(936 665)	356 689
	<b>1 065 742</b>	<b>4 384 504</b>	<b>(2 833 557)</b>	<b>2 616 689</b>

#### Reconciliation of provisions 2018

Provision for performance bonus	750 000	387 616	(376 616)	770 000
Provision for 13 <sup>th</sup> cheque	302 626	295 742	(302 626)	295 742
	<b>1 052 626</b>	<b>638 358</b>	<b>(670 242)</b>	<b>1 065 742</b>

## Notes to the Annual Financial Statement

	2019	2018
	R	R
<b>8. Trade and other payables</b>		
Trade payables	446 315	15 981 588
Accrued leave pay	678 998	603 524
Other accrued expenses	934 308	1 516 721
	2 059 621	18 101 834
<b>9. Deferred income</b>		
Noncurrent liabilities	20 160 493	20 710 514
Current liabilities	80 498 400	81 977 263
	100 658 893	102 687 777
<p>The non-current liabilities arises from a 99 year building lease with GDE: R20 710 514 less current year transfer of R550 021 results in the current year balance of R20 160 493.</p> <p>The current liabilities relates to the government grants received from GDE.</p>		
<b>10. Revenue</b>		
Government grants	222 056 385	218 320 521

## Notes to the Annual Financial Statement

	2019	2018
	R	R
<b>11. Project Expenditure</b>		
Rendering of services	158 924 688	160 107 463
<b>12. Other income</b>		
Skills Development Levy refund	94 906	27 070
Insurance claim	21 360	8 642
Other income	34 205	5 114
	150 471	188 121
<b>13. Operating profit (loss)</b>		
Operating surplus/(deficit) for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration external	564 900	651 131
Consulting and professional services	1 343 489	1 518 060
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	29 442 725	28 208 553
Short term benefit	1 833 669	933 766
Long term incentive scheme	2 659 362	1 026 531
Total employee costs	33 935 756	30 169 108
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	1 731 971	1 691 328
Amortisation of intangible assets	75 803	72 235
Total depreciation and amortisation	1 807 744	1 763 563

## Notes to the Annual Financial Statement

	2019	2018
	R	R
<b>14. Interest income</b>		
Interest income		
Bank	6 785 850	5 812 597
<b>15. Cash used in operations</b>		
Profit before taxation	19 414 856	20 672 153
Adjustments for:		
Depreciation and amortisation	1 807 774	1 763 563
Interest income	(6 785 850)	(5 812 597)
Movements in provisions	(5 723 246)	13 116
<b>Changes in working capital:</b>		
Trade and other receivables	29 140 521	(20 448 202)
Trade and other payables	(16 042 173)	(8 921 901)
Deferred income	(1 478 863)	(1 249 700)
	<b>27 118 869</b>	<b>(13 983 568)</b>
<b>16. Contingencies</b>		
SARS Contingent Liability	192 461 052	192 461 052

During the 2018/19 financial year the company received an assessment from South African Receiver of Revenue (SARS) in respect of output VAT to a total of R192 461 052.95 on grant income received from GDE. Management has lodged an objection on this assessment and the matter is currently on appeal.

## Notes to the Annual Financial Statement

### 17. Related Parties

#### Relationships

Matthew Goniwe School of Leadership and Governance exists to support and provide capacity building service to the Gauteng Department of Education (GDE).

SciBono Discovery Centre NPC is a coagent of Gauteng Department of Education (GDE) appointed to provide Maths and Science training on behalf of Matthew Goniwe School of Leadership and Governance.

	2019	2018
	R	R

#### Related party balances

##### Amounts included in Trade receivable (Trade Payable) regarding related parties

GDE	0	37 203 500
SciBono Discovery Centre NPC	0	(4 141 444)
Deferred Income Received		
GDE	211 042 500	202 245 200
Operating expenses		
Sci Bono Discovery Centre NPC	14 150 000	13 535 028
Compensation to directors and other key management		
Short term employee benefits	11 536 266	11 168 275

## Notes to the Annual Financial Statement

### 18. Directors' emoluments

	2019			2018		
	Emoluments	Company contributions	Total	Emoluments	Company contributions	Total
	R			R		
Makhubela Thulani (Chief Executive Officer)*	1 687 911	150 856	1 838 767	133 311	9 541	142 852
Mahlangu Sibusiso (Finance Director)	1 210 485	121 087	1 331 572	1 141 967	89 744	1 231 712
Makofane Timothy (Governance Director)#				655 651	88 079	743 731
Dlamini Siphon (Teacher Development Director)	1 005 064	80 394	1 085 458	948 173	80 055	1 028 229
Naidu Anusha (Leadership Branch Head)	1 189 336	107 183	1 296 519	1 127 333	115 758	1 243 091
Papane Matime (General Manager)	1 582 781	144 256	1 727 037	1 500 266	117 350	1 617 616
Molete Ruth (Teacher Development Branch Head)!	1 428 686	110 166	1 538 852	1 521 578	132 143	1 653 721
Ndlovu Nokulunga (Teacher Development Director)^	853 467	77 294	930 761	948 173	86 340	1 034 514
Matobako Thabang (Registry Director)@	602 201	53 893	656 094	948 173	86 174	1 034 348
	<b>9 559 933</b>	<b>845 132</b>	<b>10 405 066</b>	<b>8 924 630</b>	<b>805 189</b>	<b>9 729 820</b>

#### Notes

- \* Appointed August 2018
- # Contract expired November 2017
- ! Resigned February 2019
- ^ Resigned January 2019
- @ Resigned October 2018

## Notes to the Annual Financial Statement

### Non-executive

	2019		2018	
	R		R	
	Directors' fees	Total	Directors' fees	Total
Ledimo Tsélisho (Acting Chairman) Appointed March 2018	282 300	282 300	153 000	153 000
Malebo Gregory (Deputy Chairperson)	108 000	108 000	151 654	151 654
Fleisch Brahm – Resigned November 2018	48 100	48 100	56 000	56 000
Makola Lorraine	56 000	56 000	89 000	89 000
Maloka Patricia	42 000	42 000	92 000	92 000
Matabane Joconia	51 000	51 000	79 000	79 000
Matakanya Manaha	116 000	116 000	85 000	85 000
Mdakane Mhlengi	36 400	36 400	58 000	58 000
Mkefa Edith	52 000	52 000	86 000	86 000
Mthintso Sarah – Resigned March 2019	49 400	49 400	47 000	47 000
Ndima Gugu – Resigned September 2017			6 408	6 408
Ntsali Violet	140 000	140 000	155 000	155 000
Saul Tshidiso	100 000	100 000	122 000	122 000
Sehlapelo Calvin – Resigned December 2018	50 000	50 000	90 000	90 000
	1 131 200	1 131 200	1 438 455	1 438 455

## Notes to the Annual Financial Statement

### 19. Risk management

#### Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2019	Less than 1 year
Trade and other payables	1 380 623

#### Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to the changes in the market interest rate. The company does not at present hedge its exposure to adverse interest rate movements.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2019	2018
Standard Bank	111 379 246	77 709 620

## Supplementary Information

### Detailed Income Statement

	Notes	2019	2018
		R	R
<b>Revenue</b>			
Grant Income		224 056 385	218 320 521
<b>Project Expenditure</b>			
Project expenditure		(158 924 688)	(160 107 463)
Gross surplus		63 131 697	58 213 058
<b>Other operating income</b>			
Other income		150 471	188 121
Operating expenses		(50 653 162)	(43 541 623)
Operating surplus (deficit)	13	12 629 006	14 859 556
Investment income	14	6 785 850	5 812 597
Profit (loss) for the year		19 414 856	20 672 154

The supplementary information presented does not form part of the annual financial statements and is unaudited

## Supplementary Information

### Deferred Income Reconciliation

DESCRIPTION	EARLY CHILDHOOD DEVELOPMENT - ECD	INCLUSION	TEACHER DEVELOPMENT - TD	LEADERSHIP AND CHANGE MANAGEMENT	ASSESSMENT	PSYCHO SOCIAL TRAINING	HIV/AIDS	OUT OF SCHOOL LEARNERS PROG	HARRY GWALA	LITERACY / NUMERACY	INFORMATION COMMUNICATION TECHNOLOGY - ICT	SCHOOL GOV BODY// HANDOVER	REPRESENTATIVE COUNCIL FOR LEARNERS	TOTAL
Opening Balance	R 10 507 104.00	R 3 011 034.00	R 17 680 361.00	R 8 215 990.00	R 1 146 364.00	R 16 834 690.00	R 7 000 000.00				R 9 364 503.00	R 6 807 670.00	R 1 409 548.00	R 81 977 264.00
Income Received	R 37 872 000.00	R 2 164 000.00	R 65 275 500.00	R 16 250 000.00			R 6 000 000.00	R 1 694 900.00	R 30 000 000.00	R 1 230 000.00	R 36 356 100.00	R 10 700 000.00	R 3 500 000.00	R 211 042 500.00
Less Total Cost Utilised/ Recognised as Revenue	R 31 442 003.13	R 3 544 706.45	R 65 648 150.42	R 17 058 076.66	R 372 050.76	R 4 548 376.25	R 4 534 302.07	R 1 694 900.00	R 25 232 082.14		R 36 029 498.00	R 17 507 670.00	R 4 909 548.00	R 212 521 363.88
Salaries														
Provident Fund														
PAYE														
Projects Complete / Funds recognised as Revenue														R 0.00
Balance	R 16 937 100.87	R 1 630 327.55	R 17 307 710.58	R 7 407 913.35	R 774 313.24	R 12 286 313.75	R 8 465 697.93	R 0.00	R 4 767 917.86	R 1 230 000.00	R 9 691 105.00	R 0.00	R 0.00	R 80 498 400.13

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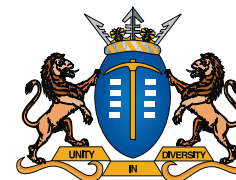
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