

2019

**THE COST EFFECTIVE MODEL FOR THE
PROCUREMENT OF LEARNER TEACHER
MATERIAL IN THE NORTHERN CAPE
PROVINCE FOR THE PERIOD**

2015/16 TO 2018/19

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Summary

In determining the benefits of the catalogue, I had to examine the historic expenditure trends between 2015/16 and 2018/19 and I used BAS expenditure in order to determine potential savings on the two models expenditure was projected forward using the consumer price index (CPI). These projected costs were then matched with the costing done on the model created to cost the delivery of LTSM without using the centrally negotiated catalogue as well as using private courier services.

The centrally negotiated catalogue provides a discounted price for all books on the catalogue, while the direct procurement excludes the discount.

LTSM has cost the department R62.2 million between 2015/16 and 2018/19 using the central catalogue that includes a discount per book as opposed to R74.6 million that would have been spent when a decentralised procurement system was used.

The use of the national catalogue showed to be more cost effective as opposed to the direct procurement by schools outside of the negotiated catalogue and provided savings of R12.4 million over a four-year period.

Similarly, textbooks are delivered through a transversal contract with the South African Post Office, which determines its charges on the weight of the book and not per kilometre as in the case with private couriers. The estimates kilometres to be travelled in the Northern Cape is 14000 for the delivery of books throughout the province, this will result in an estimated expenditure of R9.5 million for the period 2019 to 2022 while using the SAPO will result in an estimated expenditure of R6.1 million resulting in a saving of R3.4 million over the same period.

Centralised procurement of LTSM will result in a potential saving of R15.8 million over the MTEF period. The department should continue using the centralised procurement system.

DISCLAIMER:

This document is not for quoting or circulation. It was done as part of the NT training exercise on the spending review methodology and is intended for discussion purposes. Further, there were serious data limitations and both the appropriate level of information, and its correctness could not be independently verified."

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1. Introduction

The government is giving learners books so that they can learn as well as study so that they can have good education outcomes.

The Northern Cape Department of Education (NCDOE) has centrally procured textbooks since 2011 for the implementation of CAPS, in response to the National directive in 2010.

The procurement was based on the department withholding the norms and standards LTSM allocation from schools in order to benefit from the economies of scale as well as ensure universal coverage through cross-subsidisation. Differentiated needs has now arisen in schools due to varying factors like textbook life spans, curriculum extensions, grade expansion, learner increases, retrieval, other resourcing needs.

What is then the best way to buy textbooks? 'Centrally or de-centrally?'. The centralised model deals with the procurement of the LTSM from one central point, which is the "Head Office of the Northern Cape Department of Education", while the decentralised model deals with procurement at a school level.

To find out the cost of LTSM, expenditure trends from the Basic Accounting System (BAS) were analysed. ~~BAS is an accounting system used by government departments to record all transactions;~~ it provides expenditure at a very detailed level. Other information found from teachers as well as employees from the Department of Education about the process flow for the delivery of the service.

Key Findings

1. The main procurement of LTSM was done progressively since 2011 when CAPS (Curriculum Assessment Policy Statements) 2 was implemented and the province is currently procuring for the following:
 - a. meet universal coverage targets,

- b. for top ups,
 - c. to address increases in learner numbers
- 2. LTSM is purchased using two different models.
 - a. Centralisation - textbooks
 - b. Decentralisation - Stationery or other learning material
- 3. LTSM is delivered on definite timelines ~~so that~~ learning material is available at the beginning of the school year.
- 4. Each learner is allocated funding for the procurement of LTSM (Stationery) based on quintiles.
- 5. Reporting on retrieval of textbooks is not good and results in continuous procurement of LTSM, and could lead to procurement of material that is not needed.
- 6. Textbooks done on a transversal contract (RT7 contract) with the South African Post Office, which charges per unit mass/ weight as opposed to per kilometre.

What is the best way to deliver this service? Therefore, the following questions are asked:

1. *What is the role of the Provincial Office, District offices and Schools in the procurement process for LTSM?*
2. *What is the current cost of LTSM in the Northern Cape Province?*
3. *How is LTSM procured? Is there an existing contract with the suppliers i.t.o RT contracts?*
4. *What are the delivery time lines by suppliers?*
5. *What are other additional costs in relation on LTSM e.g., delivery costs?*
6. *What are the advantages or disadvantages of a centralised procurement system as opposed to a decentralised system?*
7. *Are there any savings derived from using this system as opposed to a decentralised system?*

2. Policy and Institutional Information

Section 9 of the Constitution, Act 108 of 1996, makes provision for everyone to have the right to a basic education, including adult basic education, and to further education, which the state, through reasonable measures, must make progressively available and accessible. Schedule 4 of the Constitution states that education at all levels, excluding tertiary education, is an area of national and provincial legislative competence. The legislative competence of the provincial legislature is derived from Section 126(1) of the Constitution, which empowers provinces to make laws with regard to all matters listed in Schedule 6 of the Constitution, and education is a Schedule 6 functional area, which is exercised concurrently with Parliament.

Furthermore, Section 5 (c) of the South African Schools Act 1996 (No 84 of 1996) deals specifically with the provision of learning and teaching support material, and requires government to make available the following material to learners:

- stationery and supplies;
- learning material;
- teaching aids

- science, technology, mathematics and life sciences apparatus;

Furthermore the SASA also provides for a uniform system for the organisation, governance and funding of schools. It ensures that all learners have the right of access to quality education without discrimination, and makes schooling compulsory for children aged 7-14 years.

The Department of Education has developed a National Policy on LTSM so that all injustices and inequalities of the past, about learner support are addressed. The policy ensures production and selection of quality LTSM and makes such available to all learners in public schools.

Every learner and teacher must have access to the minimum set of core material required to implement the National Curriculum Statement Grades R-12. The issue of textbook coverage has two dimensions, addressed in this LTSM policy, namely supply and retention. In addition to coverage, the other key elements of optimal LTSM usage for improved educational outcomes are ensuring appropriate quality of the material.

In terms of service delivery, The Public Service Regulations, 2016 states that an executive authority shall establish and maintain an operations management framework, which shall include —

- (a) An approved service delivery model;
- (b) A list of all core mandated services provided by the department;
- (c) Mapped business processes for all services;
- (d) Standard operating procedures for all services;
- (e) Service standards for all services;
- (f) A service delivery charter
- (g) A service delivery improvement plan

South Africa has gone through various changes in the curriculum policies since 1994, first it was Curriculum 2005 and the Revised National Curriculum Statement. These changes caused many problems for teachers because many were inexperienced and could not deal with the changes and this affected the quality of teaching and learning. The Department of Basic Education (DBE) then introduced

the national Curriculum and Assessment Policy Statements (CAPS) in 2012. CAPS was intended to improve teaching and learning, but as with the implementation of any new curriculum it requires, training of educators, new material, changes in practice as well as changes in beliefs and understanding.

3. Programme Chain of Delivery

The national Department of Education has developed a policy for the provision and management of Learner teacher support material. The process starts with the:

- development and approval of the national curriculum statement;
- And then the development of a catalogue by the National Department of Basic Education in line with curriculum.
- The catalogue is distributed to Provincial Departments of Education (PDE) who then further distributes it to all schools in the provinces for placing of orders.
- Schools then selects their books of choice from the catalogue;
- Then compile and approve a requisition based on the needs of the school that is determined by the number of learners in the school as well as the retrieval rate of textbooks issued during the schooling year.
- The list is then sent to the district offices for verification and approval; once approval has been received from the district, schools can place orders directly with the publishers using the LithoTech system.
- Publishers then produce the books and deliver the learner and teacher support material to the provincial warehouse,
- thereafter, the warehouse will use lists obtained from districts per school and then package the books in line with the requisitions received from the schools and then distribute the books to the various schools in the province,
- Upon receipt of the books by the schools, they are then distributed to learners.
- Each school has must develop a retrieval policy for the management of learner material, the schools will then keep records of all books issued to each learner and do

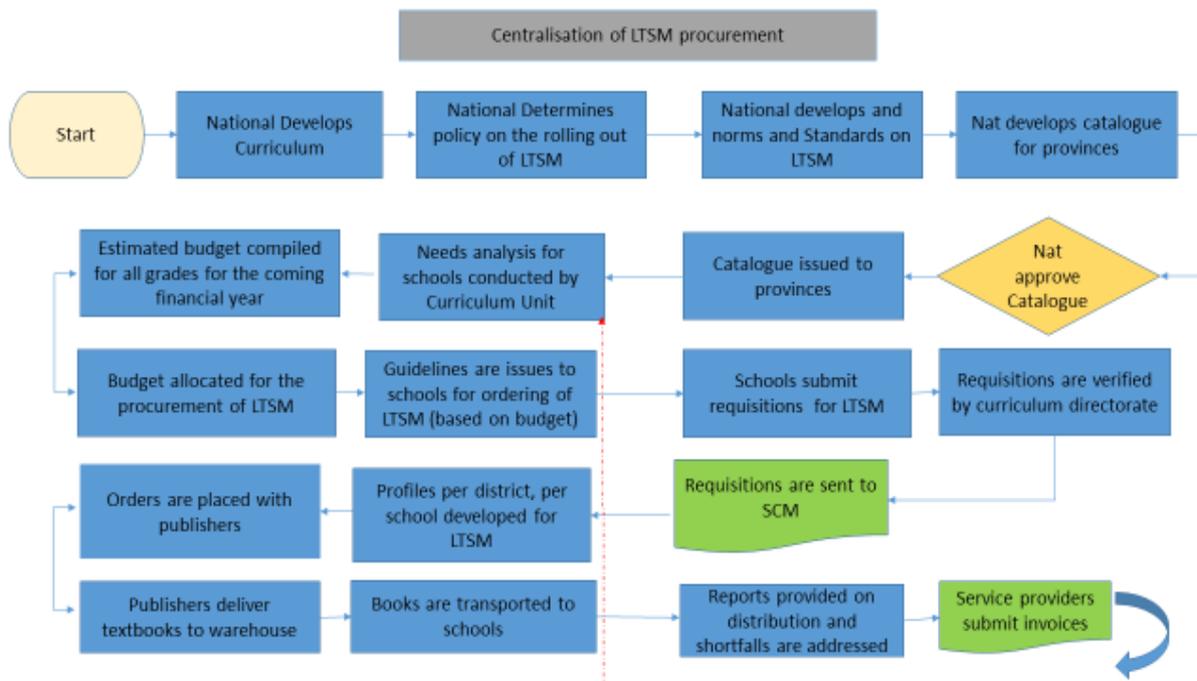
checks every quarter for the availability of books, schools need to provide the district office with a report on the retrieval rate on a quarterly basis.

- Based on the retrieval rate and additional learners, schools will determine the need for LTSM in the next year.

In addition to the LTSM procured by the department, schools are also allocated funds to procure non-core LTSM such as workbooks and dictionaries, Atlases, encyclopaedias and so on. This allocation is done through a transfer payment to schools, and schools determine their stationery needs and place orders with service providers who then deliver to schools for the distribution to learners.

The above process is depicted in the following chart:

Table1: Centralised procurement of LTSM model



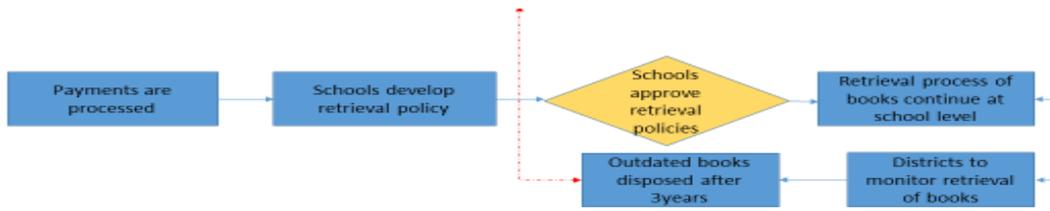


Table 2: decentralised procurement of LTSM model

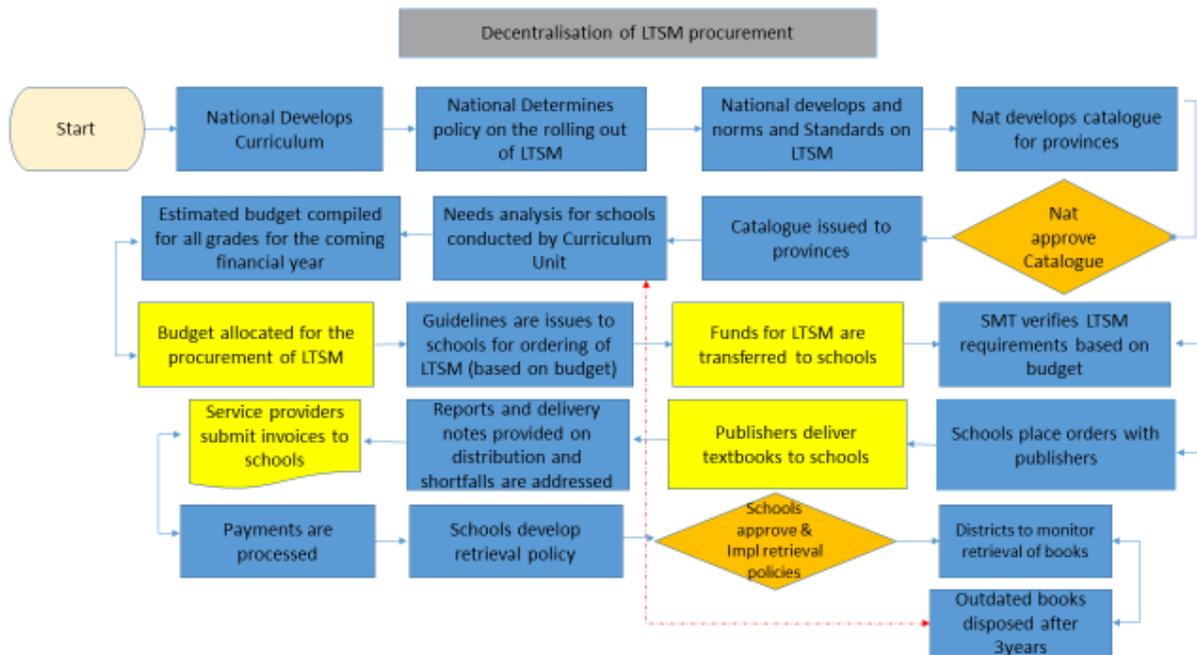
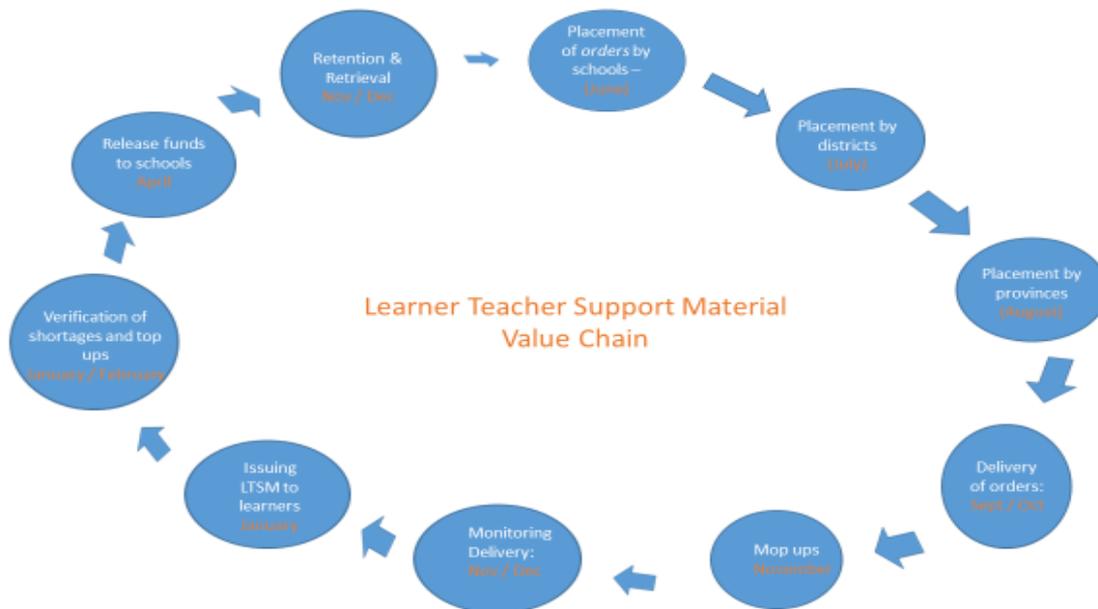


Table 3: LTSM delivery value chain



The delivery of LTSM is deadline oriented and these timeframes need to be adhered to in order to ensure that the end users receive the material on time and at the right quantities.

4. Expenditure Observations

Table 4: Actual expenditure per item (2015/16 – 2018/19)

Row Labels	Actual Expenditure per Item					Grand Total
	2015/2016	2016/2017	2017/2018	2018/2019		
Delivery Costs	R 384 211	R -	R 2 243 675	R 1 429 042	R 4 056 928	
School Stationery	R 55 681 072	R 38 959 038	R 78 135 097	R 64 618 909	R 237 394 116	
Textbooks	R 39 874 003	R 11 071 285	R 25 724 280	R 16 548 853	R 93 218 421	
School Consumable material			R -	R 2 228 727	R 2 228 727	
Grand Total	R 95 939 286	R 50 030 323	R 106 103 052	R 84 825 531	R 336 898 192	

Table 4: Year on Year expenditure growth per item (2015/16 – 2018/19)

Row Labels	Actual Expenditure per Item					Year on Year Growth			
	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	2016/2017	2017/2018	2018/2019	CAGR
Delivery Costs	R 384 211	R -	R 2 243 675	R 1 429 042	R 4 056 928	-100%	0%	-36%	39%
School Stationery	R 55 681 072	R 38 959 038	R 78 135 097	R 64 618 909	R 237 394 116	-30%	101%	-17%	4%
Textbooks	R 39 874 003	R 11 071 285	R 25 724 280	R 16 548 853	R 93 218 421	-72%	132%	-36%	-20%
School Consumable material			R -	R 2 228 727	R 2 228 727	0%	0%	0%	0%
Grand Total	R 95 939 286	R 50 030 323	R 106 103 052	R 84 825 531	R 336 898 192	-48%	112%	-20%	-3%

Year on Year Learner Numbers

	2011	2012	2013	2014	2015	2016	2017	2018
Learners Numbers	274 745	276 894	282 800	285 701	290 139	291 490	294 900	298 350
Growth		2 149	5 906	2 901	4 438	1 351	3 410	3 450

Unit Cost Analysis per Item				
	2015/16	2016/17	2017/18	2018/19
Textbooks	39 874 003	11 071 285	25 724 280	16 548 853
Number of books procured	188 016	275 291	229 906	143 291
Unit Cost	212.08	40.22	111.89	115.49
Stationery	55 681 072	38 959 038	78 135 097	64 618 909
Number of learners	290 139	291 490	294 900	298 350
Unit Cost	191.91	133.65	264.95	216.59
Delivery cost	384 211	-	2 243 675	1 429 042
Number of books procured	188 016	275 291	229 906	143 291
Unit Cost	2.04	-	9.76	9.97

The total expenditure on LTSM has been fluctuating between the period 2015/16 and 2018/19. The spending decreased by 48 percent between 2015/16 and 2016/17, because the department experienced cash flow problems in 2016/17 as it had appointed additional teachers to provide for the increases in learner numbers in that year. The number of learners had cumulatively grown by 16745 between 2012 and 2016 and based on the learner educator ratio of 1:32, this required the appointment of 523 educators, all the appointment were done in 2016/17. Furthermore, the expenditure increased between 2016/17 and 2017/18 because of the payment of accruals from 2016/17.

What we can also see is that the expenditure on school stationery has also been fluctuating because of increases in the number of learners in schools. Furthermore, ~~we can see that in 2016/17 the expenditure decreases by 30 percent for the same cash flow problems, and increased in the following year because invoices from the previous year were paid.~~

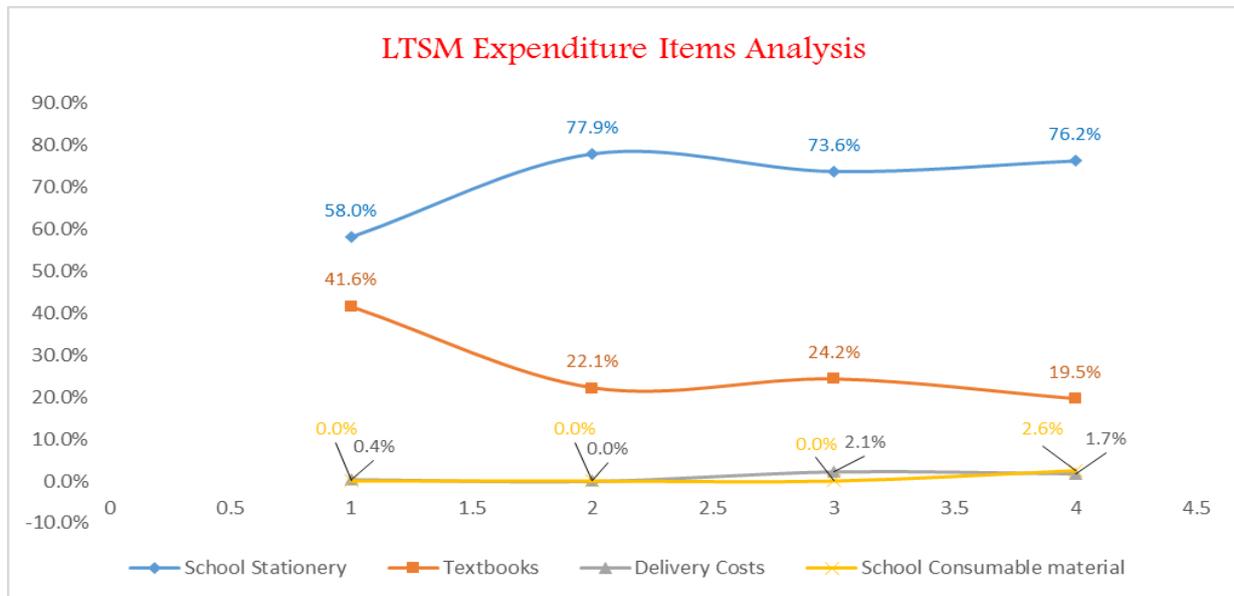
~~In 2015/16, the unit cost for stationery was R192 per pack for each learner, this cost decreased in 2016/17 because not all invoices were paid in that year, and it then increased drastically in 2017/18 to R264 as the invoices relating to 2016/17 were paid in this year. In 2019/20, the unit cost of stationery is R244 and remains the same throughout the 3 years.~~

The expenditure on textbooks decreases with a CAGR of 20 percent because the department has only been responsible for the procurement of top-ups of LTSM between 2015/16 and 2018/19 for schools as well as to augment material because of increases in the number of learners.

Table 5: Share analysis & cumulative sum (2015/16 – 2018/19)

Row Labels	Share Analysis					Cumulative Sum				
	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total	2015/2016	2016/2017	2017/2018	2018/2019	Grand Total
School Stationery	58.0%	77.9%	73.6%	76.2%	70.5%	58.0%	77.9%	73.6%	76.2%	70.5%
Textbooks	41.6%	22.1%	24.2%	19.5%	27.7%	99.6%	100.0%	97.9%	95.7%	98.1%
Delivery Costs	0.4%	0.0%	2.1%	1.7%	1.2%	100.0%	100.0%	100.0%	97.4%	99.3%
School Consumable material	0.0%	0.0%	0.0%	2.6%	0.7%	100.0%	100.0%	100.0%	100.0%	100.0%
Grand Total	100%	100%	100%	100%	100%	200.0%	200.0%	200.0%	200.0%	200.0%

Graph: Year on Year expenditure growth per item (2015/16 – 2018/19)



From the total expenditure incurred on Learner Teacher Support Material (LTSM), Stationery which is funded through transfers to school accounted for **58 per cent** of the expenditure in 2015/16 . This expenditure item grew exponentially by over **19 percent** in the 2016/17 financial year as a result of an increase in learner numbers in all provincial schools, this resulted in the need for the procurement of additional learning material in schools. The expenditure has normalised in the subsequent financial year above **70 per cent** of the total LTSM cost as these additional learners are still in the education system, the expenditure on stationery is recurrent because stationery is not returned by learners at the end of the year.

The expenditure on textbooks accounted for **41.6 per cent** in 2015/16 and normalised at **20 percent** in 2018/19, this is reasonable because learners are required to return the books at the end of the schooling year and the procurement in future years is based on additional learners enrolled and the rate of retrieval of the books.

The province has had surplus stock of some material and received donations from the Limpopo Province in 2015/16.

The **20 per cent** spending on textbooks suggests that the province has done well in providing access of learning material to learners throughout the province, this pattern may also suggest that the retrieval rate of the province is good hence a low spending on textbooks.

Collectively, Stationery and Textbooks account for **99.6 per cent** of expenditure on LTSM, these two items are known as core-LTSM.

Delivery costs have also fluctuated between 2015/16 and 2018/19, this expenditure was at **0.4 per cent** in 2015/16 and decreased to **0 per cent** in 2016/17 because of cash flow problems in the department. The expenditure increased to **2.1 per cent** in 2017/18 because the accruals of 2016/17 were paid in this year as well as the cost of that year.

The delivery of textbooks is done through a transversal contract with the South African Post Office (SAPO). The department has spent R4.056 million between 2015/16 and 2018/19, This translates into annual expenditure R1.014 million per year. Over the period, 836 504 books were procured at unit cost of R4.85 per book. This expenditure is significantly low as this is based on the weight of books as opposed to kilometres rate. This expenditure has over the years grown and in the 2018/19, delivery costs accounted for 1.7 per cent of the total costs for LTSM. The estimated kilometres to be travelled in the Northern Cape is 14000 for the delivery of books throughout the province, this will result in an estimated expenditure of R9.5 million for the period 2019 to 2022 while using the SAPO will result in an estimated expenditure of R6.1 million resulting in a saving of R3.4 million over the same period.

5. Performance

Table 6: Historical procurement of LTSM (2011 – 2018)

HISTORICAL PROCUREMENT - SINCE IMPLEMENTATION OF CAPS 2							
2011	2012	2013	2014	2015	2016	2017	2018
Grades 1-3 & 10	Grades	Grades 4 -9 & 12	Grade 12 Folklore	GR11 Literature	Grade 12 Literature	Grade 10 Literature	Grade 7 & 8 Home Language Novels
	4-6 & 11		Grade 1-3 & 10 -12	GR10 Technical Subjects	Intermediate Phase graded readers.	Grade 12 Technical Subjects	Gr 4 -12 Top ups
			Top ups	GR R Integrated packs	Braille & Large Print	Gr 4 -12 Top Ups	
				Grade 4-9 Top ups	Gr 9 HL Novels	Braille & Large Print	
				South African Sign Language (SASL) and Braille	Gr 4 – 12 Top Ups		
					Gr 11 Technical Subjects		
					Atlases & Dictionaries		

The province has procured LTSM since 2011 in order to achieve universal coverage on the central catalogue for the implementation of the new curriculum. This has been done gradually in order to ensure that learners have adequate access to learning material.

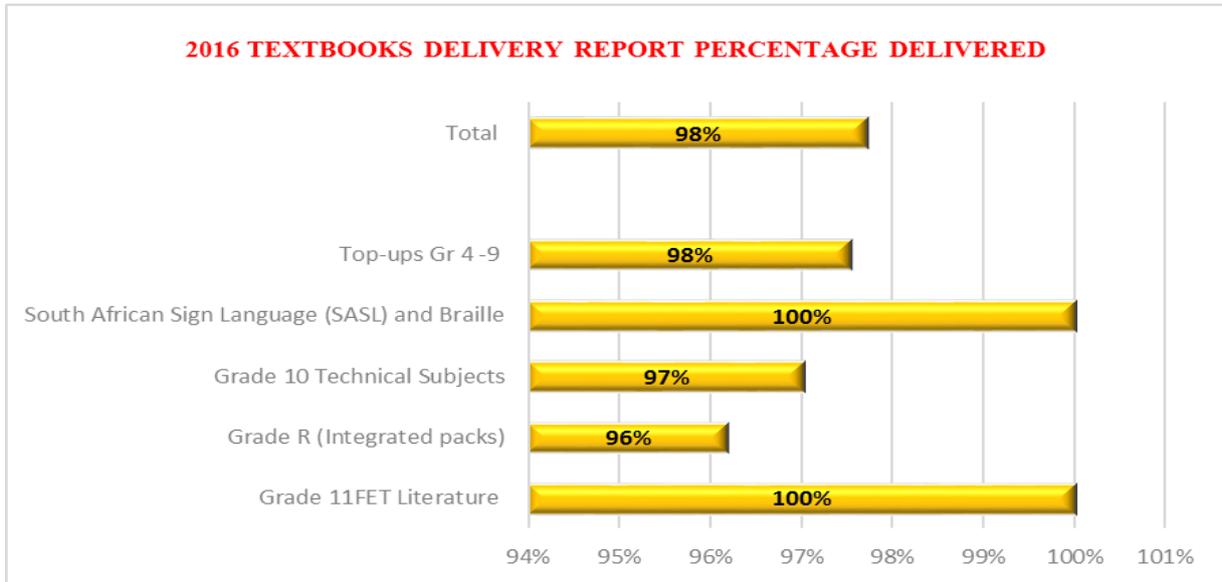
Table 7: Universal coverage

The current universal analysis is as follows:		
PHASE	% COVERAGE	COMMENTS
FOUNDATION	100%	Workbooks are primarily used in the foundation phase. Teachers use different resources. The NCDOE purchased Big books and graded readers for this phase.
INTERMEDIATE	100%	The NCDOE procured graded readers for this phase as well to compliment its reading strategy. Extra resources procured include atlases and dictionaries.
SENIOR	92%	The only outstanding gap in this phase is Novels for First Additional Language. Schools are to procure these in their 2019 top-up orders. Extra resources procured include atlases and dictionaries.
FET	100%	There are still CAPS 2 Literature gaps, but this is due to no new literature being available. Schools are therefore using the old literature where gaps are experienced.

The Northern Cape province has generally done well in the provision of LTSM through the central procurement system. All phases have a coverage of learning material of 100 per cent with the exception of the senior phase where there is still a shortage of Novels for Afrikaans First additional language, this will be addressed with the 2019 top up procurements.

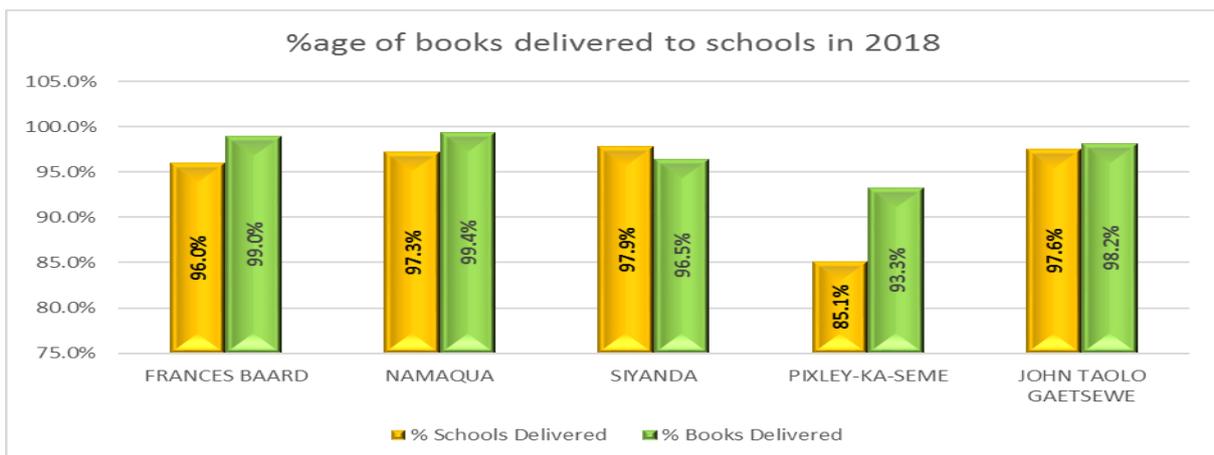
DELIVERY REPORT

Graph 1: textbook delivery report - 2016



The centralised procurement of LTSM has been very important for the province and yielded good results for the delivery of material to learners in 2016. The province achieved a 98 percent delivery rate of LTSM procured in that year. The material not delivered were mostly from one publisher who was awaiting delivery of the material, however, the material was delivered within three weeks of the opening of the schools for the 2016 academic year.

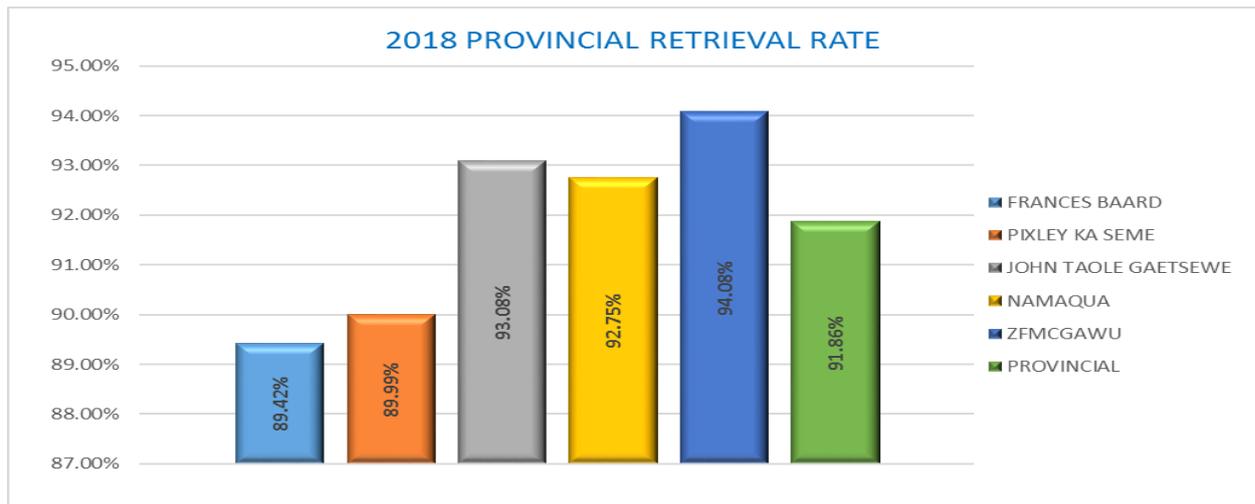
Graph 2: textbook delivery report - 2018



In terms of books for the 2019 academic year, the province had delivered 97 per cent of the LTSM for grade 1 to 9 by September 2018. The LTSM has been delivered in majority of the schools in all districts.

RETRIEVAL RATE

Graph 3: retrieval rate - 2018



The provincial retrieval rate target is 100 percent on a yearly basis and learners who do not return books are charged a penalty fee of R150 per book. However, this has not happened because parents have failed to play their roles that is why the province has only achieved a 91.8 percent retrieval rate, furthermore, teachers have also failed to do proper retrieval and provide the required reports.

In my view, the overall provincial retrieval rate has been good despite a few reporting challenges. Poor reporting has a negative impact on the ordering of LTSM for the coming years and this may affect teaching and learning in those districts and ultimately education outcomes of the province.

7. Options

Costing Options

Which system is better, centralised or decentralised? These inputs will be considered for costing the options.

1. Number of learners in each subject and grade (provide a table of this)
2. Number of books required (Top-Ups) a summarise table showing the % required?
3. Estimated retrieval rate – what is it?
4. Cost of books as per catalogue (including discount of 20% for central procurement) – average cost?
5. Cost of books without discount (decentralised procurement)

6. The use of transversal contracts for the procurement and delivery LTSM
7. Cost of transportation (AA rates per kilometre)

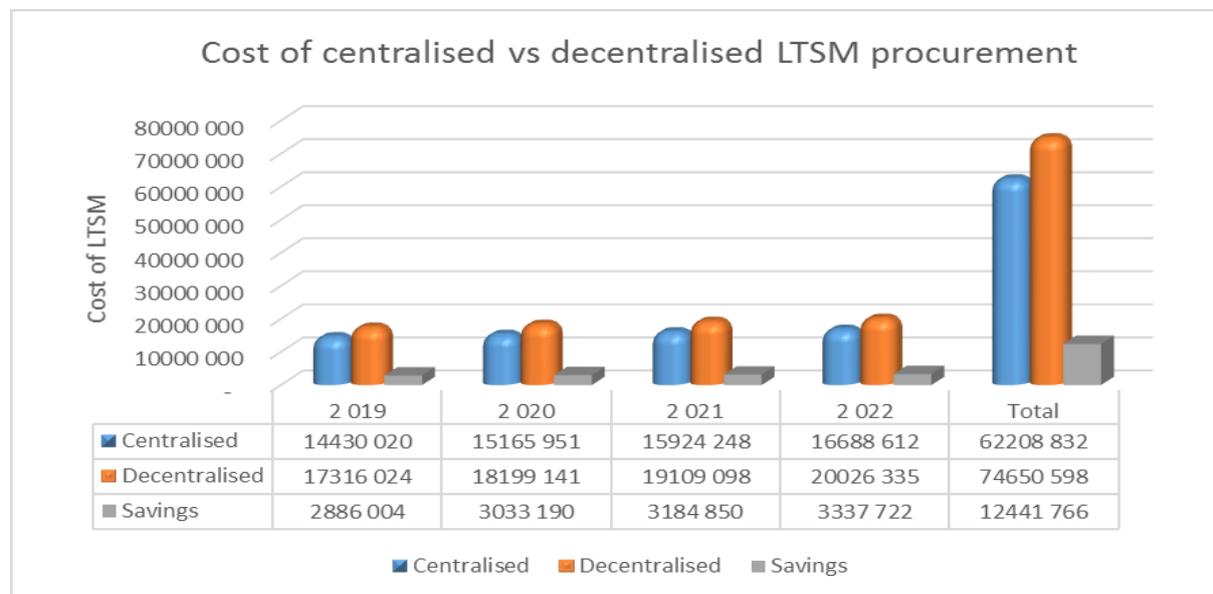
The departments has used the centralised procurement system for the procurement of LTSM, this has resulted in savings for the department as the prices of books on the centralised catalogue have been negotiated and a 20 per cent discount is applicable in all books on the catalogue.

Costing of Options

Table 8: Total costing of centralised vs decentralised LTSM procurement over MTEF period

Costing Totals			
	Cost over MTEF (centralised)	Cost over the MTEF (decentralised)	Potential Savings over MTEF
Overall Cost	311 879 888	327 722 611	15 842 724
Textbooks (all grades)	62 208 832	74 650 598	12 441 766
Stationery	243 511 783	243 511 783	-
Transportation Costs	6 159 272	9 560 230	3 400 957

Graph 4: cost of centralised vs decentralised procurement of LTSM



As it relates to the procurement of textbooks using the centralised procurement system, all books are sold at a discounted price. Moreover, in terms of the number of books required for

all grades in the 2019 academic year, the department will spend R14.4 million on the centralised procurement while on the decentralised procurement the department will spend an estimated amount of R17.3 million. The cost of LTSM on the centralised procurement will amount to R62.2 million over the MTEF and R74.6 million on the decentralised procurement system. This will result in an estimated saving of R12.4 million over the MTEF.

Number of Learners and cost of LTSM

For 2019, the numbers of learners enrolled for all subjects and grades is 1.837 million; this is not the number of learners enrolled. The 104993 books purchased in 2019 is 6 percent of the enrolment population per subject for the year. The number of books are based on requisitions submitted by schools for LTSM requirements at the end of 2018. The number is informed by the retrieval rate as well as the additional learners enrolled for the different subjects in the various grades.

Row Labels	Sum of LearnerEnrolment	Number of Books required	percentage from total enrollment
0	62 061	-	-
1	117 512	4 700	4%
2	106 502	5 325	5%
3	104 299	3 129	3%
4	170 300	8 515	7%
5	152 537	9 152	8%
6	142 684	8 561	7%
7	221 669	15 517	13%
8	215 011	12 901	11%
9	184 111	9 206	8%
10	161 562	8 078	7%
11	116 444	11 644	10%
12	82 643	8 264	7%
Grand Total	1 837 335	104 993	6%

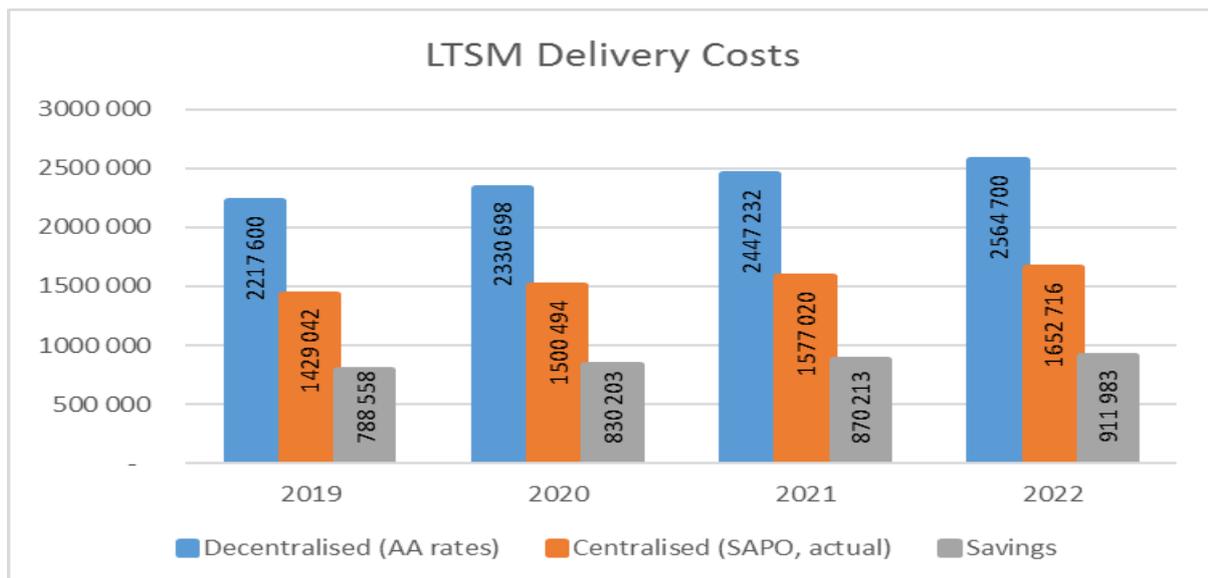
Number of books

Grade	Numbers of books required	Total Cost (Incl 20% discount)	Cost without discount	Savings
1	4 700	353 900.28	424 680.34	70 780.06
2	5 325	1 108 282.39	1 329 938.87	221 656.48
3	3 129	315 958.43	379 150.11	63 191.69
4	8 515	621 836.43	746 203.72	124 367.29
5	9 152	1 148 886.27	1 378 663.53	229 777.25
6	8 561	1 017 466.61	1 220 959.93	203 493.32
7	15 517	2 107 262.91	2 528 715.50	421 452.58
8	12 901	1 679 093.49	2 014 912.18	335 818.70
9	9 206	1 296 837.66	1 556 205.19	259 367.53
10	8 078	1 133 996.69	1 360 796.03	226 799.34
11	11 644	1 967 503.74	2 361 004.49	393 500.75
12	8 264	1 678 995.00	2 014 793.99	335 799.00
Total	104 993	14 430 019.90	17 316 023.88	2 886 003.98
Unit Cost		137.44	164.93	27.49

These books will cost R17.316 million at a unit cost of R164.93 per book on the decentralised procurement system and will cost R14.430 million at a unit cost of R137.44. This will result in a cost saving of R2.886 million at a unit cost of R27.49 per book.

Delivery of LTSM

Graph 5: Cost of LTSM delivery (AA vs SAPO rates)



Furthermore, the transportation of LTSM is done through a transversal contract with the South African Post Office (SAPO), this contract applies to all provinces, and the costs of transportation are based on the number of books purchased as well as the weight of each book. On average to deliver textbooks in the Northern Cape province will take no less than 14 000 kilometres, these kilometres are based on a to and fro travel throughout the province.

The department spent R1.014 million annually for the delivery of textbooks and will spend R6.1 million over the MTEF using SAPO and will spend R9.5 million using private courier companies. This will result in savings of R3.4 million over the MTEF.

As it relates to the procurement of stationery or non-core LTSM. There are no norms and standards for this procurement and schools are allowed to use discretion as all schools operate in different ways. The funding for stationery is provided based on the quintile of schools. Fee-paying schools are required to augment their allocation through school fees while non fee-paying schools are allocated a higher allocation in terms of the national table of targets, which allocates based on poverty levels. The expenditure on stationery is therefore based on what is projected to be transferred to schools by the department over the MTEF, it is difficult to analyse this expenditure as schools are not on BAS. The unit cost on stationery has grown from R192 in 2015/16 to R262 in 2018/19, the cost went down drastically in 2016/17 because of the cash flow problems experienced by the department as it was overspending its budget, the cost then increased significantly in 2017/18 because of the payment of outstanding invoices for the stationery bought in 2016/17.

The centralised procurement system presents the department with an opportunity to realise savings from the procurement of LTSM on the national catalogue. Furthermore, the transversal contract with SAPO also benefits the department due to the low costs as opposed to private courier companies, which would be exorbitant taking into account the vastness of the Northern Cape.

7. Recommendations

The procurement of LTSM through the national catalogue as well as using the SAPO as the vehicle to deliver books to school has shown to be cost effective considering the cost of procuring outside of the negotiated catalogue. This however, does not come without challenges, the obvious challenges experienced by the department with regards to LTSM is the poor reporting on retrieval of books at schools as well as effective monitoring by district officials in relation to LTSM.

What needs to happen in the immediate is the enforcement of the quarterly retrieval reporting by all schools as well as the inclusion of consequence management for principals who fail to comply with the quarterly reporting timeframes in order to ensure that learners are not disadvantaged during the ordering of LTSM as a result of poor reporting.

For the next academic year, we need to develop an electronic tracking system for LTSM in order to ensure that the reporting on LTSM retrieval is done on-line in order to prevent under ordering and delays.

In relation to the monitoring by district officials, they need to produce comprehensive reports after each quarterly /monitoring visit stating the following:

- Do all learners have books?
- Is the retrieval policy adequately implemented?
- What are the challenges in relation to LTSM retrieval?
- What steps have been taken on non-compliant schools?

8. Action

In relation to actions to be taken on my part, as the monitoring of LTSM is a problem, this is what I would do.

- Request the department to provide me with quarterly reports in relation to the monitoring of LTSM.
- Scrutinise reports and write formal reports to the Head of Department informing him of the level of compliance with monitoring mechanisms put in place as well as state the importance thereof and the financial benefits which proper monitoring could have for the department.
- Perform a spot check at sampled schools around the province to check the levels of compliance with the timeframes for the ordering of LTSM.
- I would also recommend to my Head of Department that we appoint a group of auditors to audit LTSM as well provide an independent opinion on the retrieval process and its efficiency as this has financial implications.