

DETAILED AUDIT FINDING**1. Completed attendance registers do not agree with actual headcount of auditors during site visits****Requirement**

- a. According to the Kha Ri Gude Training Manual for Volunteers, the volunteer educators (VE) should *complete the register at each lesson and hand the completed register to the supervisor at the end of each month.*
- b. Stipend criteria for the VE issued by the department includes for example:
 - *Original learner attendance needs to be submitted;*
 - *Payment of the stipend is also outcomes based, on the number of learners in the class per month;*
 - *A decrease in learner attendance will impact on the stipend to the educator;*
 - *Etc.*
- c. The Scope of work of the volunteers in the literacy campaign document states the functions and activities of the volunteers and include for example:
 - *A volunteer educator is expected to complete a learner class attendance register for each day that classes are held.*
 - *A volunteer supervisor should:*
 - *Visit all ten learning sites and volunteer educators at least once a month for six months*
 - *Ensure that the volunteer educators provide 3 hours 20 minutes of teaching per day for 12 days in a month*
 - *At the monthly meeting with the volunteer educators collect and check all the learner class attendance registers and forward them to the coordinator.*
 - *A volunteer coordinator should:*
 - *Collect and process learner class attendance registers; supervisor monthly site visit registers and monthly supervisor reports*
 - *Keep records of monthly stipend payments of educators and supervisors so as to give them information on the status of their payments.*
 - *A volunteer monitor should:*
 - *Visit six learning sites per month checking on the following, existence of classes and whether educators attend classes as stipulated in the learning site information.*

Background

The audit team visited 10 sites during November and December 2013.

Audit findings

- 1.1 Completed monthly attendance registers which were submitted for payment by the volunteer educators (VEs) were compared to the actual headcount performed by the auditors on the day of the site visits. The monthly attendance registers indicated that 174 learners were in attendance on the day of the site visits; however as per the auditors' headcount only 85 (49%) learners were present during the visits.

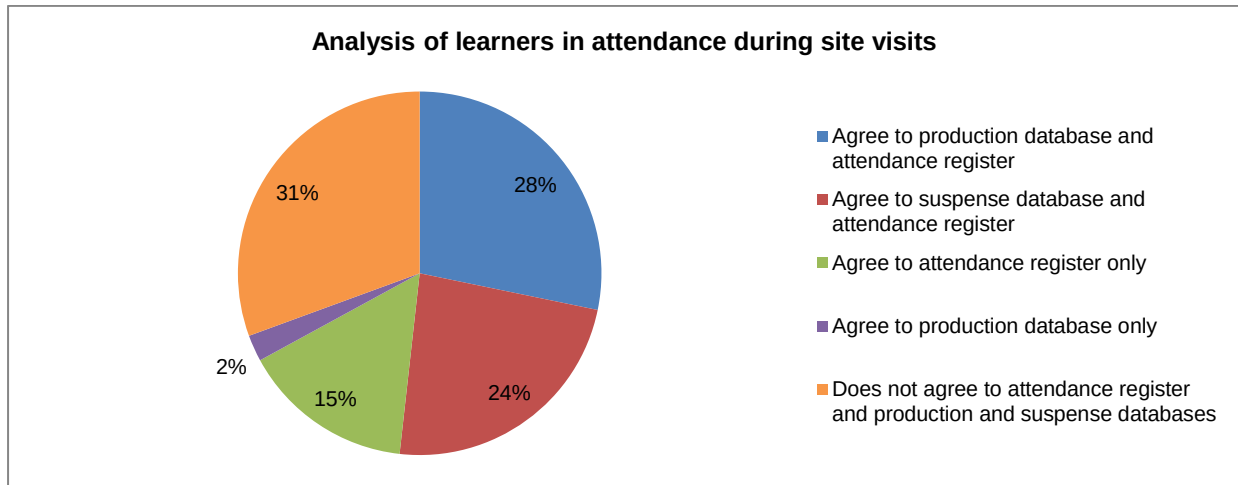
The table below compares the attendance of learners per attendance register against the actual learner attendance per the auditors' headcount on the day of the site visits for some of the sites visited.

#	KRG Centre	Actual headcount of learners in attendance during site visits	Number of learners in attendance as per register for date of site visit	% difference between actual learners per headcount and attendance register for date of site visit	Payment to volunteer educator for the month of the site visit
1	7260804	6	17	65%	R1 450
2	4180104	7	18	61%	R1 450
3	6040902 (1 st visit) ^a	11	18	39%	R1 450
	(2 nd visit) ^a	7	18	61%	
4	7261405	8	18	56%	R1 450
5	4180108	9	18	50%	R1 450
6	7170906	11	18	37%	R1 450
7	1060705	12	16	25%	R1 450
Total		71	141		

Note a: Two centre visits were conducted at this site.

1.2 Analysis of learners in attendance during site visits

As per the auditors' headcount, 85 learners were in attendance on the day of the site visits. Details of these learners were compared to the attendance register, the production and suspense database:



- Only 24 learners (28%) agreed to the production¹ database and attendance register, and were therefore verified and authorised learners of the campaign.
- Twenty learners (24%) agreed to the suspense² database and attendance register.
- Forty one (48%) of the learners in attendance on the site visit days, could not be confirmed to the attendance register and/or the production or suspense database:
 - Twenty six learners, representing 31% of the 85 were not accounted for on the completed attendance registers. These learners could also not be confirmed to the production and suspense databases.
 - Thirteen learners agreed to the attendance registers only
 - Two learners agreed to the production database only

Attendance registers were overstated as only 85 of 174 learners were in attendance on the day of the site visits. Only 24 of the 85 learners were verified and authorised learners of the campaign.

Root cause

- The VEs record invalid information on the attendance registers and no reconciliation is performed to the information on the database.
- A lack of supervision and monitoring by supervisors, coordinators and monitors, during site visits and submission of documentation for payment purposes.

¹ The production database include verified and authorised learners

² The suspense database include incomplete information, repeat learners and duplicates

For example, learning site 6040902 was visited on 28 November 2013. The supervisor was also in attendance, when the actual headcount of learners was only seven. However, the attendance for that day was completed by the VE as 18 learners and the supervisor signed off on the register.

- The supervisor did not independently count learner attendance, compare it to the attendance register submitted by the VE and sign off on the accuracy on the day of their site visits.
- No proper and timely verification of learner attendance by the supervisors. In analyzing the attendance registers of the supervisor and VE meetings (supervisor should visit 10 sites per month), not all supervisors visited their volunteer educators on a monthly basis during the campaign period.

For example, supervisor 80601 only visited learning sites for four months.

Impact

- The attendance of learners is inflated as invalid information is captured on the attendance registers, to justify payment for VEs.
- VEs are overpaid as evidence exist that:
 - the attendance marked on the attendance registers is overstated
 - unauthorised/ unverified/ unknown learners are listed and attending classes.

Recommendations

- Supervisors and monitors should perform independent counts of the learners and sign off on attendance on the day of the site visit as part of their verification processes.
- Site visits should be, as far as possible, unannounced or unscheduled so that monitors can observe the true reflection of attendance and learning at the Kha Ri Gude learning sites.

Management response



Auditor's conclusion

2. Registered learners on monthly attendance registers do not agree with the Kha Ri Gude learner database

Requirement

- The project maintains a suspense database and a production database for each year (2008 to 2013). All registration forms are captured into the suspense database and only verified and authorised learners are accepted into the production database. Accordingly the suspense database will include incomplete information, repeat learners and duplicates.

The production database informs decision making and should be used as a tracking tool for the campaign's progress.

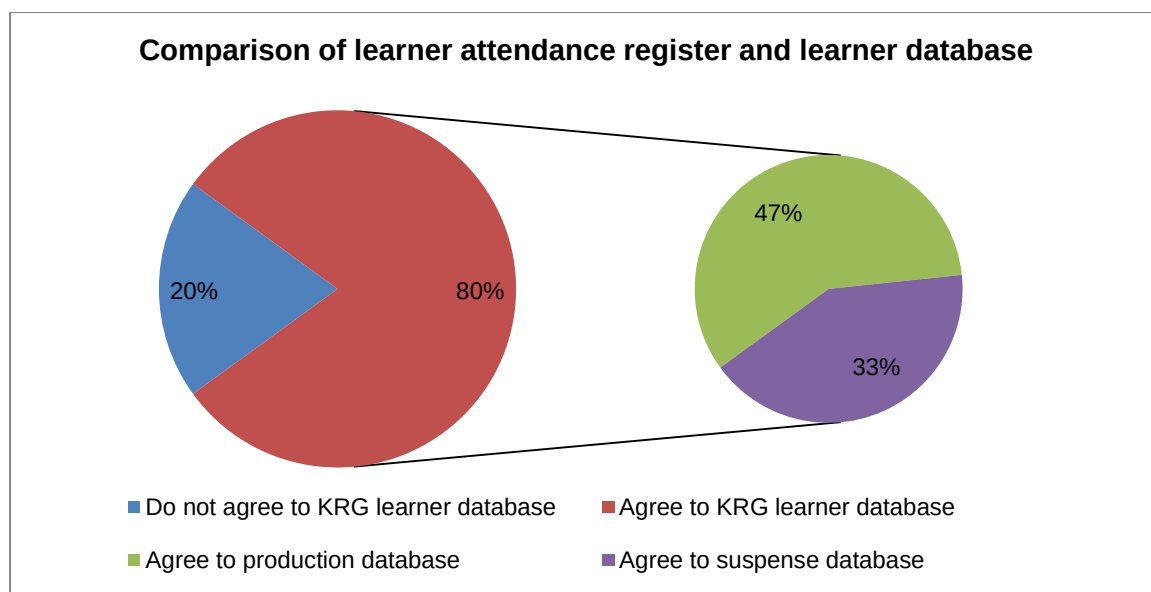
- Stipend criteria for the volunteer educator (VE) issued by the department includes for example:
 - *Payment to educators for the first five months is based on the information provided by the Supervisor based on the submitted Monthly Summary Report.*
 - *Original Learner attendance needs to be submitted.*
 - *Learners needs to be present at least 8 classes during the month of July and August and there after 10 classes per month.*
 - *The six and final payment is based on the submission of Learner Assessment Portfolio's.*
 - *Payment of the stipend is also outcomes based, on the number of learners in the class per month.*
 - *A decrease in learner attendance will impact on the stipend paid to the Educator.*
 - *Snapshot will be done on the second attendance.*
 - *Remaining payments will not increase but will decrease as the learner numbers decrease.*
 - *Learners can only be replaced in the first three months.*
 - *Pro-rata payment of educator stipends based on average learner attendance per month:*

Average learners for the month	Amount to be paid
14 + learners	R1 450,00
10-13 learners	R1 350,00
5-9 learners	R1 200,00
0-4 learners	R1 100,00

Audit finding

- 2.1 The completed 2013 monthly attendance registers for 10 sites visited were compared to the Kha Ri Gude learner database. Only 84 (47%) of the 180 learners registered on the attendance registers could be confirmed to the production database and 60 (33%) of the

learners agreed with the suspense database. The remaining 36 (20%) of the learners on the attendance registers could not be confirmed to either of the databases.



For example, at centre 1060705 only one from the 18 learners on the attendance register agreed with the learners on the production database. The 17 other learners on the attendance register agreed with the suspense database.

According to the stipend criteria, VEs receive the full stipend amount of R1 450 per month if the VE had an average learner attendance of 14 or more per month. VEs are paid according to the attendance captured on the monthly attendance registers, regardless of the number of verified and authorised learners on the production database. Eight out of the 10 VEs visited had less than 14 valid and authorised learners as per the production database, but received the full stipend payment of R1 450 per month. The table below reflects examples of VEs that received the full stipend payment during 2013 despite having less than 14 verified and authorised learners (those recorded on the production database) during November and December 2013.

Volunteer Educator	Number of learners in attendance which appear on the production database	Actual stipend payment amount	Number of stipend payments over the campaign period	Stipend payment criteria		Difference between actual payment per month and payment per criteria
				Learner breakdown per criteria	Payment per criteria	
6040902	7	R1 450	6	5-9 learners	R1 200	R250
4180108	6	R1 450	6	5-9 learners	R1 200	R250
4180104	9	R1 450	6	5-9 learners	R1 200	R250
1060705	1	R1 450	4	0-4 learners	R1 100	R350

2.2 Only 84 (47%) of the learners on the attendance registers for the 10 sites visited were verified and authorised learners accepted into the production database. This means that 96 learners on the attendance registers are not authorised or verified. The learner cost for the 2013-14 financial year was R899,72 per learner and the cost implication of the 96 unauthorised learners at the 10 sites alone to the department is therefore R86 373,12 (96 learners x R899.72).

2.3 Sixteen learners were also identified that was enrolled on the production database, which could not be confirmed on the attendance registers. For example, at centre 6040902 there were 10 learners enrolled on the production database which were not on the attendance register, although 18 learners were shown to have attended class on that day.

Cause

- Independent reconciliations between the attendance registers and the database are not performed.
- Verification and authorisation processes on the learner database are slow. Although learners enrolled in June 2013 and classes started in July and August 2013 for the campaign, the verification and authorisation process was still ongoing as at 6 March 2014.
- Learners appearing on the suspense database were not followed up, cleared or remedial action taken.
- Stipend payment is based on the completed attendance registers and not on the number of valid and authorised learners as per the production database who attended class.

Impact

- VEs were paid according to the attendance registers and not according to the number of verified and authorised learners on the production database Less than 50% of the learners were verified and authorised learners accepted into the production database. For example:
 - Volunteer educator 4180104 was paid R1 450 (the full stipend) for all 6 months, although only 9 learners were regarded as valid and authorised on the production database.
 - Volunteer educator 4180108 was also paid R1 450 for all 6 months, although only six learners were regarded as valid and authorised on the production database.
- The department incurred learner cost of up to R86 373 for learners at 10 sites which were not verified and authorised.
- Programme funds is utilised on learners that are not valid or authorised.
- The composition of the learners in the sample consisted of 47% on the production database (verified and authorised) and 53% which were not. The bulk of the VEs salaries were for unverified and unauthorised learners.

Recommendations

- The verification and authorisation of registered learners should be performed within the first two months of registration.
- The learners on the suspense database should be communicated to the relevant monitors, coordinators, supervisors and VEs so that those learners can be investigated and if necessary removed from the programme and replaced with valid learners.
- The department should perform regular reconciliations/ comparisons between the actual attendance registers and the production database. Identified discrepancies should be forwarded to the monitors and coordinators for follow-up and report back.
- The department should consider including in their stipend criteria that payment should only be considered for verified and authorised learners.

Management response



Auditor's conclusion