

ANDA 2016/2017 MID-TERM REPORT JULY – DECEMBER 2016



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BREAKGROUND

In terms of Section 88(1) and (2) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), the Accounting Officer of a municipal entity must by 20 January of each year assess the performance of the entity during the first half of the financial year taking into account (i) monthly statements referred to in Section 87 of the MFMA for the first half of the financial year and the targets set in the Service Delivery, Business Plan or other agreement with the entity's parent municipality, and (ii) the entity's Annual Report for the past year, and progress on resolving problems identified in the Annual Report. A report on such an assessment must, in terms of Section 88(1)(b) of the MFMA, be submitted to the Board of Directors of the entity and the parent municipality of the entity. The report referred to in subsection (1) must be made public in term of subsection (2).

This Mid-year Budget and Performance Assessment Report and supporting tables of Alfred Nzo Development Agency, is prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

The Accounting Officer conducted the budget and performance assessment of the entity on the 14th and 15th January 2017.

INTRODUCTION

The Midterm indications are that the performance against set Key Performance Indicators (KPI's) as contained in Alfred Nzo Development Agency's APP are on track, however, a few projects are lagging behind especially in programme 4 and Programme 1 due to the delays in organizing strategic planning session, policy workshop and lack of funding. The policy workshop is organized to review and finalise policies. The Agency is working tirelessly in mobilizing resources that will lead to the implementation of these programmes. **Annexure A** provides detail on the reasons where applicable.

Notwithstanding these challenges as indicated per Key Performance Indicator (KPI) in Annexure A, Alfred Nzo Development Agency met 66% (23 of 35 targets) performance. It must also be noted that 11 (31%) of the 35 targets have been partially achieved and only 1 (3%) has been reported as not achieved. Over performance, especially in Programme 2 and 3 is noted. The Agency has achieved over 60% in the first half we expect improvement in the remaining two quarters. Targets not achieved and partially achieved have been moved to the third and fourth quarter of the 2016/2017 financial year.

Annexure A is the unaudited Performance Report (based on Agency's APP) for the first half of the financial year (2016/17) ending 31 December 2016 which measures Alfred Nzo Development Agency's overall performance per programme. The Report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved and partially achieved.

During the 1st and the 2nd quarter the agency went through an administration leadership instability which led to the delay in implementation of some of the programmes as set in the agency's Annual Performance Plan.

The Entity also went through a rigorous external auditing process during the 2015/2016 Audit conducted by the Auditor-General (AG) of South Africa and received a Qualified Audit Opinion with matters of emphasis which is viewed as a step towards the right direction. The Entity will use

this Audit Report and comments when reviewing the 2016/2017 Annual Performance Plan. The agency is also in a process of developing the Audit Action Plan with the support from the parent municipality's Risk and Internal Audit department.

Most of the achieved targets in the mid-term are those that did not require direct financial commitment.

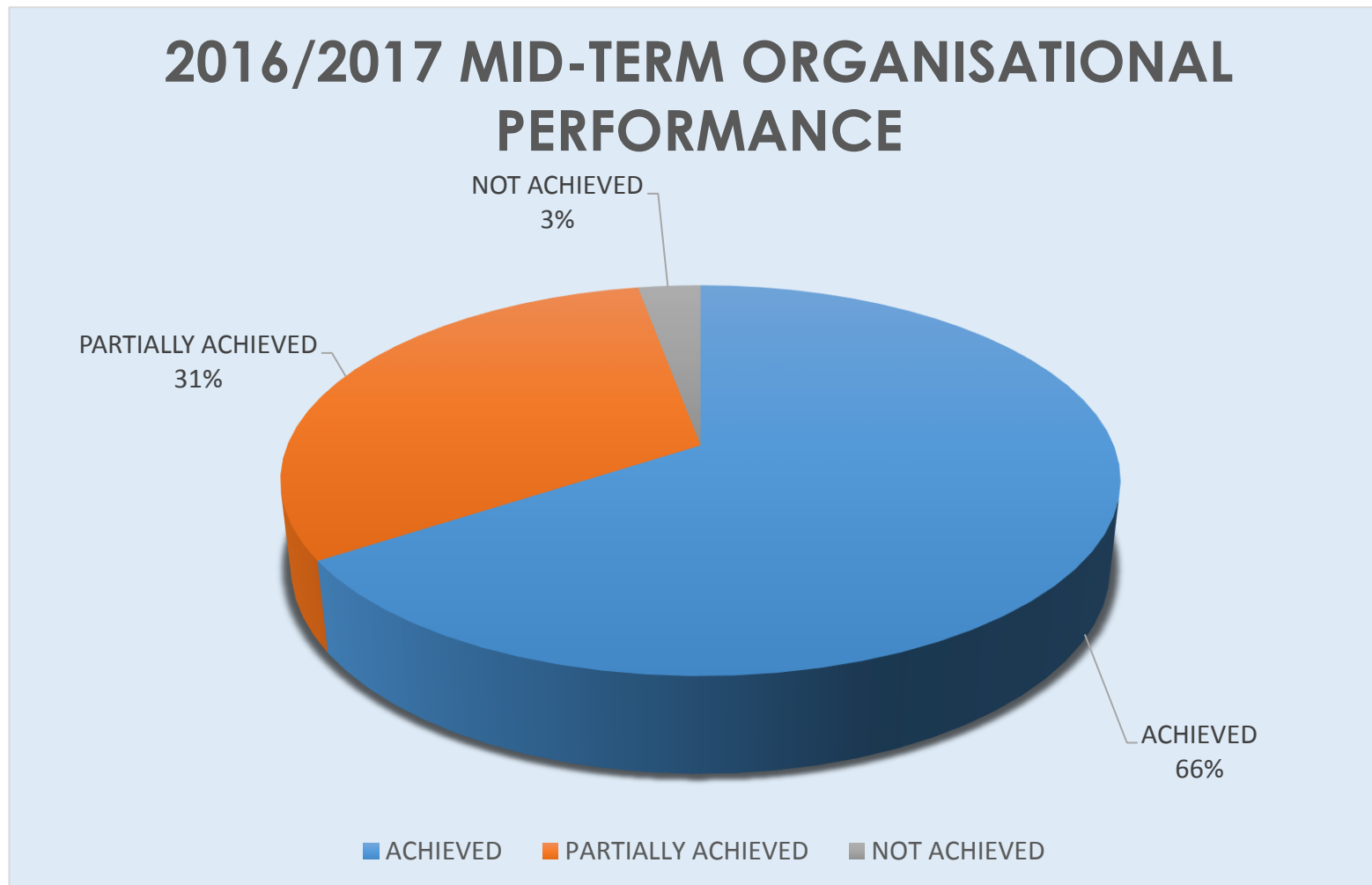
In spite of the difficulties, the Agency had to resort to strategic partners to support the Agency in its mandatory work.

CHAPTER 2: ASSESSMENT OF PERFORMANCE

The table and graphs (pie char and bar chart) shown below illustrate the performance of Alfred Nzo Development Agency in the first six months of the 2016/2017 financial year against the strategic objectives set out in the Alfred Nzo Development Agency's Annual Performance Plan for the 2016/17 financial year.

OVERALL TARGET PERFORMANCE PER PROGRAMME

PROGRAMME	#OF TARGETS	ACHIEVED	PARTIALLY ACHIEVED	NOT ACHIEVED	PERCENTAGE
PROGRAMME 1: TRADE, INVESTMENT, PROMOTION AND FACILITATIONS	8	6	2	0	75%
PROGRAMME 2: RESOURCE MOBILISATION & STAKEHOLDER MANAGEMENT	2	2	0	0	100%
PROGRAMME 3: SKILLS DEVELOPMENT & CAPACITY BUILDING	2	2	0	0	100%
PROGRAMME 4: CORPORATE SERVICES & ADMINISTRATION	8	4	4	0	50%
PROGRAMME 5: FINANCE & RISK MANAGEMENT	15	9	5	1	60%
	35	23	11	1	66%



In the 1st half, the Agency focused on settling the Debts of the Agency which made it difficult for the Agency to invest on programmes. These included the debts that have been accumulated over time since 2008. As a result the Agency had to abide by the conditions to prioritise the debts overdue and litigations against the Agency. Failure to settle these debts created high risk environment for the Agency. The Over expenditures in General Expenditure is due to accruals from the previous financial year, e.g. Legal Fees, Rennies, SARS, Audit Fees (PWC and AG), and Consultancy Fees).

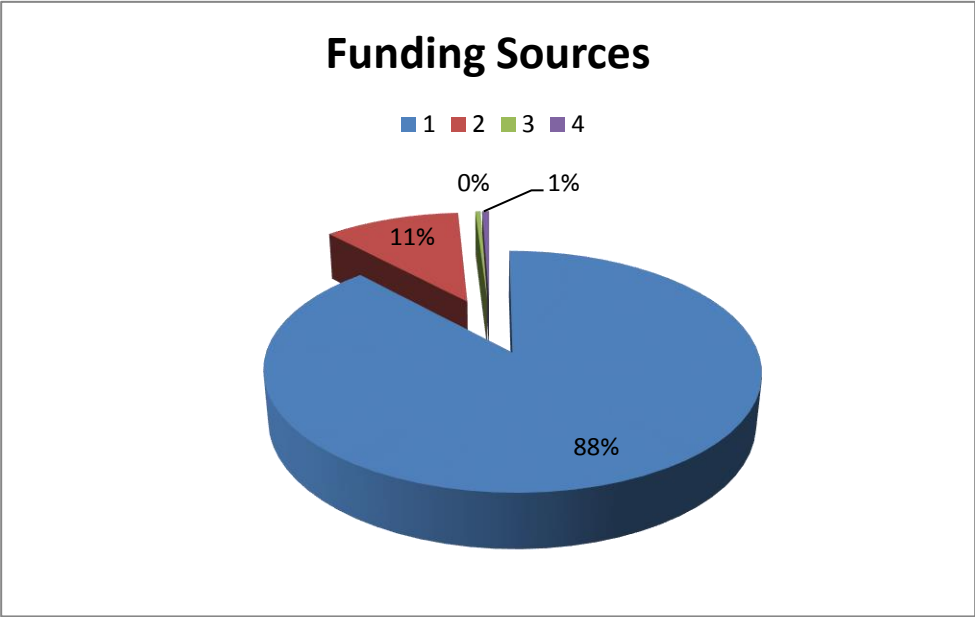
This chapter provides an analysis of the midterm budget. The detail of the monthly analysis is covered in the S.87 reports and such report will form annexure to this report.

FUNDING BY SOURCE:

The Agency gets its Grant Funding primarily from the District Municipality. The Agency also mobilises external funding.

ANDAs Funding Sources	
Municipal Grant	88%
HWSETA	11%
Interest Received	1%
Rental Income	0%

ANDAs Funding Sources:



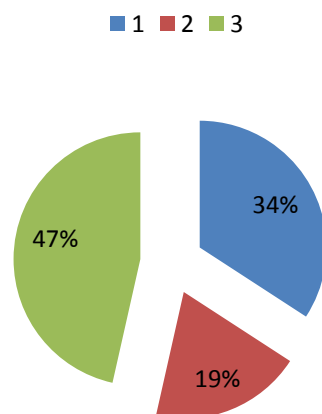
ANDA's 2016/17 Budget

The Agency was allocated R20 million for the year 2016/2017.

BUDGET ALLOCATION 2016/17

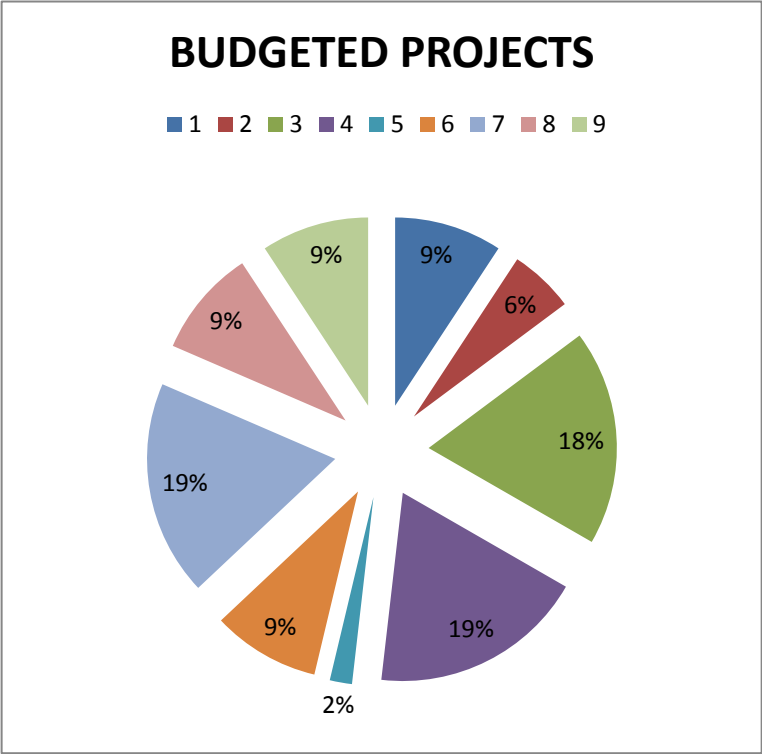
Budgeted Salaries	8 075 000.00	34 %
Budgeted General Costs	4 457 452.66	19%
Budgeted Capital Costs	110 982 547.42	47%

Comparison of Total Budget Split



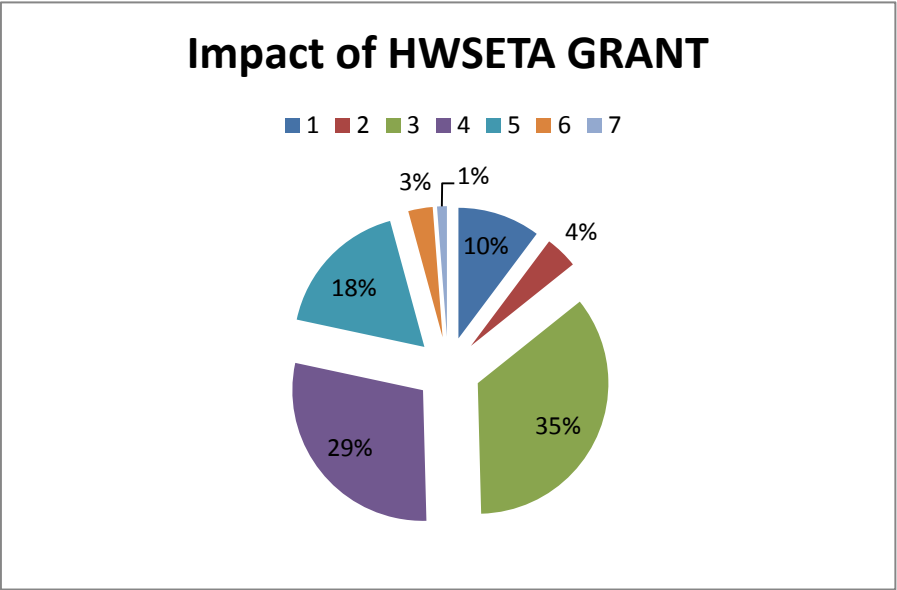
Allocation per Project:

PROJECTS ALLOCATION	
SMME & YOUTH DEVEOPMENT	9%
GOXE FARM PROJECT	6%
LIVESTOCK PRODUCTION	18%
MFUNDISWENI SKILLS DEVELOPMENT	19%
MSUKENI	2%
FORT DONALD	9%
GRAIN PRODUCTION	9%
MBIZANA CHICKEN ABBATTOIR	9%
UMZIMVUBU GOATS	18%



Actual Expenditure - Midterm 2016/17

ACTUAL EXPENDITURE		
Salaries	R 3 279 379	41%
General Expenditure	R 6 887 421	151% (Including SARS R 2 664 521)
Project Expenditure	R 4 225 364	38 % (Including HWSETA R 1 186 250)



Expenditure per Project:

PROJECTS ALLOCATION AND EXPENDITURE		
PROJECT ALLOCATION		EXPENDITURE PER PROJECT
SMME & YOUTH DEVELOPMENT	9%	10%
GOXE FARM PROJECT	6%	4%
LIVESTOCK PRODUCTION	18%	35%
MFUNDISWENI SKILLS DEVELOPMENT	19%	18%
MSUKENI	2%	3%
FORT DONALD	9%	0%
GRAIN PRODUCTION	9%	0%
MBIZANA CHICKEN ABBATTOIR	9%	0%
UMZIMVUBU GOATS	18%	1%

CONCLUSION:

- The Agency has overspent on General expenses by over 100% due to historic debt from the previous years' accruals. These are SARS Debt, Rennies, Legal Fees, Audit Fees and Consultancy fees.
- On the Capital Expenditure, the Agency has underperformed due to the availability of fund. The financial challenges of the Agency have meant that funding that was supposed to be made available for projects had to be used for previous year's accruals.
- The Agency is still in line with the budget on Salaries seating at 41%. In the 1st Quarter, two staff members resigned and the two posts were not filled up.
- On cost cutting measures, from the previous financial year, the agency had already introduced cost cutting measures that have proved positive results. These include areas such as telecommunication, travelling and accommodation, internal audit, legal fees, etc.

RECOMMENDATION FOR ADJUSTMENT BUDGET

The Agency could have been able to adjust if it was not for the debts that affected General Expenditure and Project expenditure.

On a paper budget the Agency recommends adjustment but the reality is that such adjustments will not make a difference because the Agency needs further funding of R12m. The Agency therefore requests additional funding from the Municipality and the breakdown for funding requested will be included in the adjustment budget.

ANNEXURE A: 2016/17 MIDTERM PERFORMANCE PER PROGRAMME

PROGRAMME 1 – TRADE, INVESTMENT, PROMOTION AND FACILITATIONS

CP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POEs	POE Y/N
10.1.1	Growth and strengthened business and co-operative enterprises in the District	Agricultural grain hectares development	C2, C3	265 hectares of grain produced within the district.	Number of grain hectares cultivated and harvested	6	Number of hectares Mechanisation and ploughing of 125h in Umzimvubu. Harvesting of 140 hectares in ULM, NTLM, MATLM	Mechanisation: ripping, ploughing, disking Planting, Pre – emergence spraying (de-weeding)	Not Achieved	N	R600 000.00	R0.00	Internal financial constraints which made it impossible to invest in the programme.	Negotiations with different developmental institutions such as Anglo American and Old Mutual Masizane fund have begun for implementation in the 2017/2018 financial year.	Co-funding agreement and SLA'S	N
10.1.2		Revitalisation of ANDA old projects	C2, C3	Improve economic viability & promote earnings potential of Alfred Nzo citizens through tourism and other business processes.	Revitalisation of Emfundisweni Business Cluster	5	Business growth Emfundisweni business cluster development. Decentralization of Emfundisweni business units. Phase 2 renovations of Emfundisweni business cluster.	Application for informal business micro enterprise development programme. Decentralization of Emfundisweni business units. Phase 2 renovations of Emfundisweni business cluster.	Achieved Application for informal business micro enterprise development programme was conducted Decentralized 4 Emfundisweni business units	Y	R600 000.00	R721 321.18	Overspent by R121 000 due to changing nature of the arrangement to support Mfundisweni.	Phase 2 renovations will be addressed through the intervention that we have applied for with the Service SETA for Emfundisweni. The project will be implemented in 2017/2018 financial year.	Attendance registers, request for funding proposals,	Y

CP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POEs	POE Y/N
10.1.3					Revitalisation of Msukeni and OR Tambo cultural village	5	Msukeni and OR Tambo cultural village revitalized and fully operational	Development of TORs for the renovations of Msukeni & OR Tambo cultural village Phase 1 renovations of Msukeni & OR Tambo Cultural Village	TORs for the renovations of Msukeni & OR Tambo cultural village developed Renovations of Msukeni were done	Y	R331 110.32	R151 200.00	Internal financial constraints which made it impossible to invest in the programme.	Engagements with the National department of Tourism with regards to the renovations of Msukeni and the OR Tambo cultural village have begun.	TORs Attendance Registers Business Plan	N
10.1.4	Growth and strengthened business and co-operative enterprises in the District	Contractor Development Programme	C3	Improve economic viability & promote earnings potential of Alfred Nzo citizens through tourism and other business processes.	Capacity building workshops, formalization of informal businesses,	10	Number of Contractors supported through the Contractor Development Programme	Engagements with key development stakeholders Support of the ANDM contractor development programme through revitalization of zone centres. Establishment of a business body within the district that comprises of formations from all LM's.	Engaged the following stakeholders: DEDEAT, SEDTA, SEFA, VBS and SASSA Supported 2 capacity building workshops 7 formalised businesses	Y	R0.00	R0.00	NONE	NONE	Database of contractors	Y

CP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POEs	POE Y/N
10.1.5		Umzimvubu Goats Projects and its value chain business	C2, C3	Operational Model, Production Material for Leather Crafters	Redevelopment of operational Model and strategy to revive Umzimvubu Goats.	100%	% of the Umzimvubu Goats business Operational Model and Strategy implemented	<p>Redevelopment Operational Model for Umzimvubu Goats Projects</p> <p>Development of operational model for Umzimvubu Goats Abattoir</p> <p>Monitoring of Umzimvubu leather crafters including establishment of an online store & marketing brochures, resuscitation of Leather Tannery business.</p>	<p>Developed the operational for Umzimvubu Goats Projects model.</p> <p>Developed the operational model for Umzimvubu Goats Abattoir</p> <p>Continuous monitoring of the Umzimvubu leather crafters. Establishment of the online store through the ANDA website.</p>	Y	R100 000.00	R49 800.00	Internal financial constraints which made it impossible to invest in the programme.	The project will be moved to the next Financial year	Signed contracts for revival of Umzimvubu Goats with partners. Attendance registers, MOU's with potential partners.	Z

CP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POEs	POE Y/N
10.1.6	Growth and strengthened business and co-operative enterprises in the District	Umzimvubu Goats Projects and its value chain business	C2, C3	Operational Model, Production Material for Leather Crafters	Implementation of the Livestock and Poultry Production Plan	100%	<p>% of the Livestock and Poultry Production Plan implemented</p> <p>Numbers of learners trained in Animal Health</p>	<p>Conduct Need Analysis, (ongoing process from ANDA practitioners) Livestock improvement programme.</p> <p>Review of all value chain operations.</p> <p>Training on animal health, 400 learners. Monitor training of 400 learners on Animal Health</p> <p>Implementation of the Livestock and Poultry Production plan</p>	<p>Need Analysis conducted</p> <p>Value chain operations reviewed</p> <p>400 learners trained on Animal Health (indigenous Poultry and Beef)</p>	Y	R800 000.00	R2 642 105.25	The balance of the grant from HWSETA was initially budgeted for in the 2015/2016 FY. AG advised that this balance be budgeted for in the current year	This will be accommodated during the Adjustment Budget.	<p>Livestock & Poultry Production Plan</p> <p>Training schedules</p>	Y

CP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POEs	POE Y/N
10.1.7	A vibrant and innovative economic environment	Tourism, Services sector, Sports, Recreation, Arts and Culture	C3	Tourism events where we market ANDA around the province and align them with our plans, program to promote artisans and Sports, Recreation, Arts and Culture. Development of travel agencies.	Number of opportunities created, Alignment with Local Municipalities LED units (registration to the Tourism indaba), community engagement	5	Number of Tourism events where we market ANDA around the province and align them with our plans, program to promote artisans and Sports, Recreation, Arts and Culture. Development of travel agencies.	<p>Negotiating contracts for the second year of the artist development programme.</p> <p>Preparation for implementation of establishment of a travel agency business</p> <p>Further community engagements,</p> <p>Develop a database for artists in and around the district.</p>	<p>Negotiated for contracts for the artist development programmes</p> <p>Preparation for the establishment of the travel agency through submission of the Concept of the document.</p> <p>A Database for Artisans is being developed..</p>	Y	R0.00	R0.00	NONE	NONE	School registration, top 10 finalists, attendance register for INDABA. Proof of bookings for travel agencies.	Z

CP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POEs	POE Y/N
10.1.8		Ntenetyana and Ludeke Dam development	C3	Development & Implementation Strategy: Ntenetyana & Ludeke Dam Development	Implementation of planning documents for proposed new developments.	100%	% of the implementation of the strategy	Development of the Tourism Strategy for Ludeke & Ntenetyana Dam development. Negotiations with relevant government departments such as Public works, SANRAL & Local Municipalities for surfacing of roads leading to Ludeke & Ntenetyana.	Pending the approval of the plans	Z	R0.00	R0.00	Pending Approval	Confirmation of Approvals	Tourism Strategy Business Plan Proof of funding	Z

PROGRAMME 2 – RESOURCE MOBILISATION & STAKEHOLDER MANAGEMENT

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.2.1	Increased revenue base of the District	Infrastructure development and High impact programmes	C3	ICT infrastructure Developed, Agriculture and tourism, service sector. Creating partnerships with various development finance institutions	Attract investment resources for infrastructure development for high impact programmes within the district.	7	Increased Revenue base of the District, Corporate Dinner update, investor attraction events	Database of potential investors (Local, nationally and internationally). Sourcing of funds through Inter Governmental Relations.	Database of potential investors (Local, nationally and internationally) created. Sourcing of funds through Inter Governmental Relation (Service SETA) done (HWSETA, Services SETA, LRED)	Achieved	R0.00	R0.00	NONE	NONE	SLAs, proof of transfers, pictures.	Y

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.2.2		Project and business packaging	C3	Developing SMME's and co-operatives from informal to Formal businesses	No of registered SMME's and Co-operatives and also number of leads	200	Number of Registrations to CIPC to formalise businesses leads, Creating one stop shop for all SMME capacitating & development enterprises.	40 Registrations submitted to CIPC, 40 Leads. Mobilization of resources of creation of a one stop shop(CIPC, SARS,SEFA)	17 Registrations to CIPC, 300 leads Engaged SME Department for a one stop shop.	Achieved	R0.00	R0.00	More Numbers	Need for the programme hence the Stop Shop	Registration certificate. Attendance registers. Reports from in-house CIPC	Y

PROGRAMME 3 – SKILLS DEVELOPMENT AND CAPACITY BUILDING

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved Y/N	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.3.1	To enhance the efficiency and productivity of business enterprise in the district	Business and Technical skills training. Quality Assurance	C3	To enhance efficiency and productivity if business enterprise in the District	Reporting template for projects developed, Numbering of training opportunities for project conducted. Number of training partnerships conducted, Number of MoUs signed, percentage reduction in costs of production as a result of ANDA interventions.	10	Number of Business Management, cooperative governance, financial and technical skills Training, QMS training and compliance, interactive website conducted	Identify “client working with”, stakeholder mobilisation. Develop a mentoring and coach plan, Business and financial management training, Enquiry form	Client Working with Identified. Mobilised Stakeholders (Services SETA, Dept. of Tourism, HWSETA, LRED, ECDC, SASSA, DBE)	Y	R0.00	R0.00	None	None	Coaching Plan,	Y

10.3.2		Incubation Programmes	3	To add value to primary agriculture, tourism, ICT, Services sector, manufacturing	Business growth, stabilisation of SMME's and Co-operative so as to contribute in the economic growth of the Region	4	Number of incubatees incubated in each sector within the district	Development of TORs for the Incubation Programme and submission for approval 6 x Co-operatives incubated	TORs Approved, 8 Co – operatives are currently under incubation in Emfundisweni Skills Development and Resource Centre	Y	R0.00	R0.00	Over achieved target because of demand.	None	TORs Database for Incubatees	Y
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PROGRAMME 4 – CORPORATE SERVICES AND ADMINISTRATION

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.4.1	Organisational efficiency	Organogram & Recruitment	A1	1 x Organogram and Recruitment developed and adopted	Adopted organogram and recruitment plan. Enhanced performance of the institution	7	1 x Organogram and recruitment plan developed and submitted for approval	<p>Submission of Organogram to Management, HR Committee and Board and develop a Recruitment Plan</p> <p>Submit the organogram to the board in the strategic planning session 2015/2016</p> <p>Implement 2015/2016 recruitment plan organogram and draft 2016/2017 organogram</p>	<p>Organogram submitted to Management</p> <p>Recruitment Plan developed awaiting for Board Approval</p> <p>Organogram not submitted to the Board the strategic planning session has not yet taken place</p> <p>Implementation of the Recruitment Plan could not commence because the organogram has not been approved</p>	Partially Achieved	R0.00	R0.00	The Strategic planning session could not sit due to financial constraints	<p>Policies to be reviewed and approved through round-robin.</p> <p>This project has been rescheduling for the 3rd Quarter</p>	Organogram & Recruitment plan	Y

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.4.2		Skills Development	A1	1 x Skills Development Plan developed	Effective and efficient workforce	3	1 x Skills Development Plan developed	CPMD, ICT server infrastructure, Diesel Mechanics Develop training plan and forward submission as per training required	CPMD for Finance Manager and SCM Manager will recommence in January. Executive Manager Programmes and the CEO will commence in June. Training Plan developed	Y	R0.00	R0.00	Draft policy developed but Policy Review moved to Q3 & 4	Conducting of Policy & Review Session	Skills Development Plan	Y
10.4.3		Employment Equity Plan	A1	Elimination of unfair discrimination, meeting employment equity plan and achieve equal representation	Employment Equity Plan developed and adopted	4	1 x Employment Equity Plan developed and submitted	Develop EE plan, Assess the current position that the company stands Compilation of the employment equity report and implement employment equity as per organogram	Employment Equity Plan developed Report not compiled	Partially achieved	R0.00	R0.00	Draft EE Pan developed but Policy Review moved to Q3	Conducting of Policy & Review Session	Employment Equity Plan	Y

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.4.4	Increase Performance and Efficiency	Performance Management System	A3	To monitor, measure, improve and reward performance by conducting quarterly performance assessments by June 2019	Performance Management System developed and adopted	7	1 x Performance Management System implemented	<p>Development of the PMS Framework for all employees.</p> <p>1 x Awareness Workshop on adopted PMS Framework</p> <p>Development of performance agreements for manager</p> <p>1st Quarter performance assessment for managers conducted</p>	<p>PMS Framework developed and will be presented in the Policy Review session scheduled for the 3rd Quarter</p> <p>Awareness workshop not done still awaiting the approval of the PMS Framework</p>	Partially Achieved	R0.00	R0.00	<p>Awareness workshop will be conducted once the Framework had been adopted</p> <p>Performance Agreements will be developed once the PMS Framework has been adopted</p>	<p>Development Performance Management Policy & System will be done during Q3</p>	<p>PMS Framework</p> <p>Performance Agreements</p> <p>Performance Assessments report</p>	Y
10.4.5	Ensure adherence to legislation and policies	HR Governance	A1	Review HR policies, Conduct 2 workshops and report on policy implementation progress	HR policies developed and implemented	31	Number of HR policies developed and Implemented and workshops conducted	<p>Develop HR Policies</p> <p>Conduct 2 policy workshops</p>	<p>HR policies have been developed</p> <p>Policy workshop not conducted still awaiting for the Policy Review sessions</p>	Partially Achieved	R0.00	R0.00	<p>HR policies developed awaiting the policy review session for approval</p>	<p>The policies will be reviewed in the 3rd Quarter</p>	HR Policies	Y

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.4.6	Ensure a responsible, functional, accountable and responsive	ICT Management, Website management, VOIPS	A2	Maintain and renew software licenses, Additional disc space on server, Install functioning back up	ICT Management, Website management, VOIPS	4	Number of walk-ins, potential investors and stakeholder keen to enter into business with ANDA	Monitor website upgrade and server Confirmation of license renewals, monitor and support of the functioning of the hardware and software	Website upgrade, Server upgrade conducted (micro-wave) Pastel, Caseware and Payroll licenses renewed	Y	R0.00	R0.00	NONE	NONE	Website updates License Renewals	Y
10.4.7	Ensuring public participation	Marketing & branding strategy	E1	Marketing and promote the brand ANDA	Marketing & branding strategy	5	1 x Marketing & Branding Strategy developed and implemented	Implementation of marketing and branding strategy Review the effectiveness of the marketing strategy	The Marketing & Branding Strategy was developed. Marketing and branding strategy implemented and effectiveness reviewed	Y	R0.00	R0.00	NONE	NONE	Branding & Marketing Strategy	Y

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Target Achieved (Y/N)	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.4.8	Promotion of Public Participation	Communications	E1	The strategy is well known, increase in participation with strategic partners.	Communications Strategy developed and approved 4 x DCF meetings attended	5	1 x Communications strategy developed and implemented 4 x DCF meetings attended	Development of Communications Strategy Attend DCF meetings	A Communications Strategy has been developed 2 x DCF meetings attended	Y	R0.00	R0.0	NONE	NONE	Communications Strategy DCF Attendance Register	Y

PROGRAMME 5 – FINANCE & RISK MANAGEMENT

APP Number	CP Objective	Corporate Plan Project	IDP Ref	Measurable Objective	KPI	Annual Target	Output	Q1 & Q2 Targets	Q1 & Q2 Achievements	Targets Achieved Y/N	Budget	Actual Expenditure	Reason for Variance	Corrective Measure	POE	POE (Y/N)
10.5.1	Enhanced governance and accountability standards of the Agency.	Risk management strategy and plan	E2	Reduced risk within the Agency's appetite	Risk register and the Dashboard reviewed and adopted framework. Internal audit report, Management risk committee	10	# of Risk Register developed and implemented	2 Quarterly dashboard report, 2 Quarterly internal audit report, Monthly risk management committee reports. Risk Management workshop	2 Dash Board Prepared Quarter 1 Internal Audit report developed. Quarter 2 is still not due Monthly risk management report not achieved Risk management workshop not conducted	Partially Achieved	R 0.00	R0.00	The temporal instability within the institution led to non-sitting of Risk Management Committee.	Sharing Risk and Internal Audit Services with the parent Municipality for the implementation of programmes. Risk & Audit Committees have been scheduled for Q3	Risk Register & Dash Board	Y

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10.5.2		Fraud and anti-corruption prevention	E2	Fraud and corruption prevention	Actual plan and the Implementation of the plan, number of incidents detected	4	1 x Fraud Prevention Plan developed	Implement Fraud anti-corruption prevention plan. Fraud and anti-corruption prevention plan implementation	Draft Fraud and anticorruption Prevention Plan developed Plan not implemented still at Draft stage	Partially Achieved	R0.00	R0.00	The temporal instability within the institution led to non-sitting of Risk Management Committee.	Sharing Risk and Internal Audit Services with the parent Municipality for the implementation of programme s. Risk & Audit Committees have been scheduled for Q3	Fraud Prevention and anti -corruption prevention Plan	Y

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10.5.3	Increase, protect and diversify ANDA funding base	Develop Corporate plan and Budget process plan	C1, A3	Increase , protect and diversify ANDA funding base	Budget aligned with the Corporate plan, APP and the Budget process plan	8	Develop a Corporate Plan and a Budget Process Plan	Adoption of the 2017/18 budget to the Board and submit to the parent Municipality, develop APP, Submission of CP for 2017/2022. Table the Budget process plan to the Board and revise the draft 2016-2021 Corporate Plan	2016/2017 APP developed and submitted to the parent municipality Budget process plan developed but not adopted by the Board	N	R0.00	R0.00	Financial constraints that have affected the functionality of the This target is misplaced, according to section 87 (1) of MFMA the proposed budget is due 150 days before the start of the entity's financial year	Will be done in third Quarter	Budget process plan, draft budget, CP, Board minutes of approval of CP & APP & Budget.	N
10.5.4	Improve budgeting, reporting, accountability for Agency	Budget monitoring and reporting.	D4	Reports submitted to the Board and District municipality in terms of section 87 accurately and on time.	Number of reports produced and to be submitted in terms of section 87	12	Budget process plan developed and tabled to the Board, Corporate plan, APP 2017/2018 and the Actual Budget	6 monthly section 87 reports.	6 Monthly s87 reports submitted	Y	R0.00	R0.00	NONE	NONE	6 S87 reports	Y

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10.5.5	Improve budgeting, reporting, accountability for Agency finances.	Preparation of annual financial statement and submission to AG.	A3	Improve Annual reporting, accountability for Agency Finances.	Financial statements submitted to the internal auditor, the Audit Committee and approved by the Board. Then submitted to the Auditor General	49	Credible Financial Statements developed and approved	AFS, 6 Monthly bank recons, creditors' recons, payroll recons, Assets verifications, assets recons. Audit report tabled to the board. Day-to-day capturing and filling	AFS, Monthly bank, creditors, payroll recons and asset verifications performed	Y	R0.00	R0.00	NONE	NONE	6 Bank recons 6 Creditors' recons General Ledger Reports	Y
10.5.6	Improve expenditure management and control.	Timely and accurate payment of salaries, payroll reconciliation, payment of 3 rd parties and Board sitting allowances	D2	Payroll Management, Board sitting allowances and Third parties payments	Timeous payment of Board members allowances, Officials salaries of the Agency and Third party payments	12	Number of payroll runs on time, Board sitting allowances and Third party payments	Payment of salaries on the 25 th of every month, payment of Board allowances timeously and payment of 3 rd parties within seven days after month end. Payroll reconciliation every month	Payment of monthly salaries, board allowances, and 3 rd parties. Payroll reconciliations done monthly	Y	R0.00	R0.00	NONE	NONE	Monthly salary reports & recons, Board sitting allowance reports,	Y

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10.5.7	Improve budgeting, reporting, accountability for	Creditors management	E2	Reduced risk of litigations, Maintain relationship with creditors, Sustain growth SMME's	Improve Budgeting, reporting, accountability for Agency Finances	100%	Creditors paid within 30 days of invoicing	Payments processed within 30days of invoice, Creditors reconciliation	Creditors reconciliation performed	Partially Achieved	R0.00	R0.00	Financial Constraints	Develop and implement Revenue Enhancement strategy	6 Creditors' Recons Expenditure Report	Y
10.5.8	Strengthen Governance and reduce risk	Timely submission of VAT.	E2	Strengthen governance and reduce risk	To comply and maximise the collection of VAT.	6	Number of returns submitted every two months	Annual submission of VAT returns within 25 days after the end of two months.	VAT returns submitted	Y	R0.00	R0.00	NONE	NONE	3 Vat Returns	Y

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10.5.9	Enhanced governance and accountability standards of the Agency	Supply Chain Management policies and procedures	D3	Adherence to Supply Chain Management policies and procedures	Enhanced governance and accountability standards	5	Number of monthly reports, Approved SCM policies including code of conduct and standard procedures. Training of staff on SCM policies, Deviation register	Implementation of SCM policies and procedures, Internal Audit for quality assurance and Re-submission to the Board Training of staff on SCM policies and procedures	Training of staff on policies and procedures not conducted	Partially Achieved	R0.00	R0.00	SCM policies not approved due to Financial Constraints	Shifting of funds in adjustments budget	SCM and policies SOP's	Y

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10.5.10	Enhanced governance and accountability standards of the Agency.	Supplier database management	D5	Useable database with vetted service providers	Updated Supplier database, Vetted of service providers, Suppliers day	4	Useable database with vetted service providers	Training, implementing and understanding of centralized supplier data base, updating suppliers details on the database Vetting of service providers, updating suppliers details on the database	Supplier Database updated Vetting of service providers not conducted internally but conducted through CSD	Y	R0.00	R0.00	NONE	NONE	Updated Data Base Vetting report	Y
10.5.11		Contracts Managements	A2	Effectively managed and monitored contracts	Contracts register updated and maintenance of signed SLAs	4	Contracts Management Register developed and maintained	Review all contracts Suppliers, Projects, Co-founders, Stakeholders partnership agreement. Quarterly report on performance of contractors, updating of contracts register	Achieved	Y	R0.00	R0.00	None	None	2 Contracts Register	Y

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10.5.12	Regulate the use of the Agency's assets	Fixed asset register update	D5	Produce GRAP compliant fixed asset register.	GRAP compliant fixed asset register	4	1 x GRAP compliant Register developed	Update the fixed asset register with additions and monthly reconciliations	Fixed asset register with additions and monthly reconciliations conducted	Y		R0.00	None	None	Fixed Asset Register	Y
		Fleet Management	D5	Sound management of fleet	Fleet Register, Trip authorization form	4	Sound management of fleet	Monitoring a fleet management register, monthly updating of fleet management register Monthly updating of fleet register, monitor trip authorization	Achieved	Y		R0.00	None	None	6 Fleet Report and register	Y
		Inventory Management	D5	Effective and efficient supply of consumables.	Management of the Agency's stores (requisitions, Inventory list)	4	Manage and safeguard the Agency's stores	2 Perform quarterly stock take. Investigate and report on any discrepancies.	Stock take. Investigate and report on any discrepancies conducted	Y	R 0.00	R0.00	None	None	Stock report, take	Y
10.5.13																

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	Optimise Systems, administration and operating procedures	mSCOA Implementation and Database Upgrade	A2	Optimise Systems, administration and operating procedures	Implementation of SCOA and migration to SCOA	10	mSCOA Implementation	Development of Implementation Plan Assessment of current Financial Systems and Budget requirements Presentation of Implementation Plan, TORs for Approval Project Initiation Finalisation of Accounting System Setup	MSCOA implementation plan developed Assessment of current Financial system conducted MSCOA TORs presented and approved Finalisation of Accounting System Setup not conducted	Partially Achieved	R0.00	R0.00	Financial Constraints for system implementation	Shifting of funds in favour of implementation of System	Implementation Plan	Z

CONCLUSION

- 1. The Agency has achieved 66% of its targets. These are mainly targets that do not require financial commitment from ANDA. The Agency took a decision when drafting its APP that the targets that would require financial investment directly from the Agency must be shifted to the 3rd and the 4th Quarter of the financial year in anticipation that the Agency's financial will not improve in the 1st and the 2nd Quarter of the year.*
- 2. Having said that, if the financial position of the Agency does not change, the targets for the 3rd and 4th Quarter are at a risk of not being achieved because they depend on the availability of funds.*
- 3. The commitment from the Municipality to assist the Agency with Risk and Internal Audit, legal services and ICT is critical.*
- 4. On revenue generation we request that the committee to approve the establishment of a Travel Agency (ANDATRAVEL) within the Development Agency and the opening of dedicated account.*