

Annual Report 2008/09



NDA

National  
Development  
Agency

# *Unlocking Potential*



“ To contribute towards the eradication of poverty and its causes by granting funds to civil society organisations for the purpose of implementing development projects for poor communities, and strengthening the capacity of civil society organisations that provide services to the poor. ”



2.....	Introduction to the National Development Agency	16.....	Chief Executive Officer's Overview
3.....	Foreword by the Minister of Social Development	17.....	Organisational Structure
4.....	Message from the Chairperson	18.....	Report against NDA Strategic Goals
6.....	Board Members	26.....	Performance Report
10.....	Corporate Governance	36.....	Project Profiles
14.....	Attendance Register	42.....	Financial Statements
		70.....	Provincial Contact Details
		IBC.....	Glossary





The National Development Agency is a statutory body established in terms of the National Development Agency Act No. 108 of 1998, to contribute towards the eradication of poverty and its causes.



## Brand promise

'Unlocking potential.'

## Mandate

### Primary Mandate

To contribute towards the eradication of poverty and its causes by granting funds to civil society organisations for the purpose of:

- implementing development projects for poor communities, and
- strengthening the capacity of civil society organisations that provide services to the poor.

### Secondary Mandate

- To promote consultation, dialogue and the sharing of development experience between civil society organisations and relevant organs of state
- To debate development policy
- To undertake research and publication aimed at providing the basis for development policy.

## Vision

Develop a society free from poverty.

## Mission

To contribute to poverty eradication and the elimination of its causes.

## Values

As a development agency, we subscribe to the following values:

### Integrity

We undertake to be honest, trustworthy, open and accountable for our actions and the resources entrusted to us.

### Excellence

We are dedicated to meeting and exceeding delivery standards in all aspects of our business.

### Dignity

We promise to uphold and respect the dignity of individuals and groups in their quest to seek decent living standards.

### Partnering

We undertake to work in partnership with others for the common good.

### Commitment

We are committed to intervening with skill, diligence and dedication in meeting the needs of our partners.

### Empowerment

We are dedicated to seeking and unleashing potential in all our stakeholders.

## Goals

Our 2008/09 strategic goals for achieving our mandate were the following:

- To establish and promote partnerships to leverage funds and capabilities
- To facilitate research that informs grant funding decisions and policy
- To build and sustain organisational capabilities.



In the past few years, the challenges facing the National Development Agency in its quest to contribute towards the alleviation of poverty have been significant. However, the challenges of the past pale in comparison with the situation we now face, as we enter the grave international economic climate of a new era.

MS EDNA MOLEWA  
MINISTER OF SOCIAL DEVELOPMENT

“ The state of the world economy will inevitably affect us here in South Africa; not only making the plight of the poor more difficult, but also adding to the number of people who are unemployed and who have to rely on the state for support and assistance. ”

The state of the world economy will inevitably affect us here in South Africa; not only making the plight of the poor more difficult, but also adding to the number of people who are unemployed and who have to rely on the State for support and assistance.

Government has continued to acknowledge the need for a concerted effort to address the issue of poverty and has again made the necessary resources available. The priority remains the inclusion and nurturing, through access to economic and development opportunities, of as many vulnerable people as possible.

The National Development Agency has moved through a period of change and uncertainty and has now achieved the maturity required to meet the challenges of this new era. The continuing requests for funding and the successful distribution of grants are an indication that the NDA is able to meet its mandate. This success does however mean that there is

a growing demand for resources, to which the organisation is responding with an improved and refocused strategy for resource mobilisation.

As this report coincides with the end of the present term of government, I would like to take the opportunity to extend my appreciation to the Board and management of the National Development Agency, who have grown and strengthened the organisation through some challenging times. The NDA has played a significant role in assisting the government to meet the challenges of poverty and this has been possible only through the combined effort of its staff and the guidance of the Board. As we stand at the dawn of this new era, I acknowledge this contribution and extend my encouragement to the agency in its continuing fight against poverty.

A handwritten signature in black ink, appearing to read 'Edna Molewa'.

MINISTER OF SOCIAL DEVELOPMENT

The 2008/09 annual report presents not only an opportunity to reflect on the events of the past year, but also an opportunity to consider our future direction at a point when we have to face a changing and challenging economic climate. The stumbling world economy will inevitably have an effect on poverty and increase the magnitude of the problem that this organisation is mandated to address.



During the years which I have served on the Board of the National Development Agency, I have seen the organisation face a number of obstacles in reaching the level of maturity and stability needed to rise to the challenge originally set for it. As I look at the organisation today, I do believe that it has reached that level, and is ready to take the next bold step into shaping its future and meeting its mandate of poverty alleviation head on.

The end of this financial year will also see the arrival of a new chief executive officer who comes charged with finding creative and innovative ways to deliver on our mandate and to leverage to the maximum the resources we bring to the war on poverty. The Board and the organisation as a whole is grateful to the outgoing chief executive officer, Mr Godfrey Mokate, who has left as his legacy a stable organisation and a sound foundation on which to build.

In fulfilling both the primary and secondary mandates of the organisation, the National Development Agency has engaged in an intensive grant-funding process which has seen funds made available to a variety of income-generating and food security initiatives. The Board has approved 59 projects in the last year, to the total funding value of R85.8 million. In addition, the organisation continues to implement a comprehensive capacity-building programme to complement the provision of grants, empowering civil society organisations and communities to take charge of their

own lives and destinies. The need to continue with research to inform decisions and provide the basis for policy development has not been lost sight of, and we also remained conscious of the need to promote debate and dialogue between key stakeholders.

The success of the organisation should not be diminished by the recognition of the need to align with the financial challenges of our environment. While we remain focused on sustainable development through grant funding, research and the promotion of interaction between government and civil society organisations, we also recognise the need to promote organisational sustainability and excellence. In this regard we will be turning our attention in the coming year to the manner in which we mobilise resources.

Once again I am pleased to report that the NDA has achieved an unqualified audit report. This compliance achievement is matched by a serious commitment to quality of performance within the NDA itself and also to addressing the procedural and compliance deficiencies which have been highlighted through the audit process. I would like to thank my fellow Board members for their unwavering commitment, and the staff of the NDA for their perseverance and dedication in challenging times.

*Rt Reverend Bishop M Malusi Mpumlwana*  
Chairperson of the Board



“ ... to contribute to the making of an all-inclusive African church experience that spirituality empowers the weak, the poor, women and the youth and engages the social and economic realities of our time for the common good. ”

RT REVEREND BISHOP M MALUSI MPUMLWANA



### Rt Reverend Bishop M Malusi Mpumlwana

#### Chairperson



Bishop Mpumlwana heads the Northern Diocese of the Ethiopian Episcopal Church, giving strategic direction to the mission of the diocese and overseeing the pastoral ministrations of its priests and lay leaders. His vision is “to contribute to the making of an all-inclusive African church experience whose spirituality empowers the weak – the poor, women and the young and engages the social and economic realities of our time for the common good”.

Bishop Mpumlwana is deputy chair of the President’s Advisory Council on National Orders and, among other non-profit organisations and corporations, the Bishop sits on the board of the Historic Schools Restoration Project and the TrustAfrica (a continent-wide grantmaking organisation focusing on peace and security, regional integration, and citizenship and identity).

The Bishop is currently senior associate for Setting sa Modisa, focusing on platforms for youth development, social giving and instruments for social and food security for the poor. He trained at the Federal Theological Seminary and the University of Cape Town, developing his theological work out of the practice of what he calls Kairos Theology, with South Africa’s 1985 Kairos Document as example. It is a theology that reflects on momentous challenges and distills those elements that cry out for intervention, failing which history would judge adversely. In this regard, he has worked with other theologians in South Africa, Africa, the Middle East and Latin America. For 10 years, until August 2006, he served as the WK Kellogg Foundation’s Africa regional director, providing leadership for its programming in Botswana, Lesotho, Malawi, Mozambique, South Africa, Swaziland and Zimbabwe.

### Ms Marcia Manong

#### Deputy Chairperson

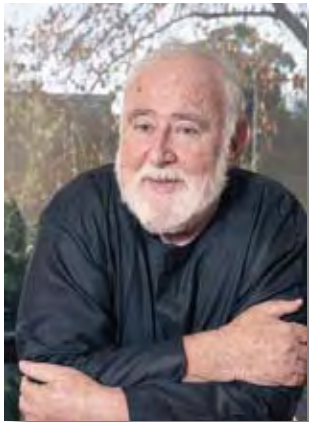


Born and raised in Massachusetts in the United States, Ms Manong is director of the Association for Community and Rural Advancement, where she is responsible for overall co-ordination and management, maintaining key internal and external relations, resource mobilisation and monitoring and evaluating the effectiveness of the organisation’s policies, programmes and activities.

Ms Manong began her career at the Massachusetts Turnpike Authority. She obtained an MA in Film-making from Vermont’s Goddard College in 1977 and went on to make documentaries which were used as educational, advocacy and lobbying tools for the rights of children living with disabilities. Since coming to South Africa, Ms Manong, who has a keen interest in developmental issues, has served on the boards of Ntsika Enterprise Promotion Agency, Sango and the NDA.



## Mr David Adler



Mr Adler has a wealth of strategic and operational experience in large institutions and non-governmental organisations, and is recognised locally and internationally for his commitment to human development and his understanding of socio-economic constraints and opportunities. As founder, CEO,

chairman and board member of non-governmental and community-based organisations, Mr Adler is an expert in corporate governance and financial accountability requirements.

Mr Adler is a former director of Sached Trust, former chairperson of the South African Qualifications Authority (SAQA) and an adviser to the Franciscan Order's African Programme for Peace through Community Development. In May 2009, Mr Adler gave the keynote address at the Quebec Association of Adult learning in Montreal and also undertook mediation work with the Cree nation in Ontario.

## The Reverend Nombuso Maphalala



Reverend Maphalala, who is disabled, holds a Bachelor of Theology degree from the University of the Western Cape, a certificate in International Trade Union History from the Russian Trade Union School, and is certificated by the Netherlands 'Training the Trainers' course.

Reverend Maphalala has served as an executive council member of eThekweni Metro, and is a former branch organiser of the Food and Allied Workers' Union. She currently holds the position of deputy manager in the KwaZulu-Natal Premier's office.

## Dr Wallace Mgoqi

Dr Mgoqi is a former city manager of the City of Cape Town and chief land claims commissioner. Born in Goodwood, Cape Town, Dr Mgoqi completed his BA degree in Social Science at the University of South



Africa in 1976. In 2002, he received an LLD degree from the University of Cape Town for social justice, an honorary degree from the City University of New York, Queen's College School of Law, for his contribution to social change and justice, and has received the Sir Sydney and Lady Felicia Kentridge Award for

his exceptional service to the law in Southern Africa. He also holds an honorary doctorate from the University of Transkei (Now the Walter Sisulu University) and was awarded the Duma Nokwe Human Rights Award in 2004.

Dr Mgoqi served as national chairperson of the Trust for Community Outreach and Education (TCOE) for 17 years to 2004. His company directorships have included Old Mutual Bank, Old Mutual SA, Safmarine, Safren, Syfrets and Sekunjalo Investments, and he has also held the position of a trustee of the Brimstone Equity Share Trust.

### Mr Phuti Mokobane



Mr Mokobane has a BA in Administration from the University of the North, a Higher Diploma in Planning for Development and an MSC in Town and Regional Planning from the University of the Witwatersrand. Mr Mokobane has worked extensively at Puledi Projects, a town and regional planning company, latterly

as managing director.

As a former chairperson of the Mpumalanga Development Tribunal, Mr Mokobane studied housing policies in Israel, Egypt, Turkey and Greece. He has attended courses in town and regional planning management in France, and in rural development in Japan.

### Mr Mmoloki Pheelwane



Mr Pheelwane spent much of his life in exile. He matriculated from the Solomon Mahlangu Freedom College in Tanzania and obtained a diploma in law at the institute of management and development at Mzumbe, also in Tanzania. On his return to South Africa, he obtained a higher diploma in law administration

from Rand Afrikaans University and a diploma in Labour Law from Regenesys College. Pheelwane is knowledgeable in many disciplines, ranging from organisational development and financial strategy to integrated development planning and human resources management.

Mr Pheelwane has a strong background in community involvement. Based in the North West province, Mr Pheelwane has served on a number of boards, including those of Future Bank Corporation (North West), North West Housing Corporation, Urban Dynamics and North West Parks and Tourism.

### Mr Muthuhadini Alfred Madzivhandila



Mr Madzivhandila holds a BA honours degree in Psychology and an Education Diploma from the University of Venda, is a graduate of the Rural Development Policy and Management Programme at Wits University, and has an MA in Development Studies from the University of the North. He holds further qualifications in

project management and fraud prevention in procurement processes from Rand Afrikaans University and the University of Pretoria, and a certificate in Public Sector Governance from Unisa, where he is currently studying towards a PhD in Development.

Mr Madzivhandila started his career as an assistant director at Thohoyandou Labour Centre. He went on to become chief administration officer at the University of Venda, company secretary at the Agricultural Research Council, deputy director of the Compliance and Secretariat Unit in the Department of Public Enterprises, progressing to the position of Director: Internal Compli-

ance Monitoring and Secretariat in the department. He also worked as the chief executive officer of the South African Chamber of Banking and is currently an executive manager at the Road Traffic Corporation.

### Professor Tokozile Mayekiso



Professor Tokozile Mayekiso is the Deputy Vice-Chancellor: Research, Technology and Planning at the Nelson Mandela Metropolitan University (NMMU) with effect from 1 May 2009. She obtained the degrees BA, BA Honours and MA in Psychology from the University of Fort Hare. She then

obtained a D Phil (Cum laude) from Free University Berlin, Germany. She is registered as a clinical psychologist with the Health Professions Council of South Africa (HPCSA). Professor Mayekiso has

served in the following capacities at the then University of Transkei: senior lecturer, associate professor, professor and head of the Department of Psychology, and thereafter as vice-dean of Arts. In 2001, she joined University of Witwatersrand in the capacity of head of School of Human and Community Development, and subsequently became deputy dean and acting executive dean of the Faculty of Humanities in 2006. She proceeded to Nelson Mandela Metropolitan University (NMMU) where she was appointed as executive dean: Faculty of Arts in 2007. She is a board member of the National Development Agency, the Emthonjeni Centre at Wits University and Children's Institute at the University of Cape Town.

### Chief Pheni Ngove

As fifth royal leader of the Royal Mabunda tribe, Chief Ngove has initiated and mobilised funding for numerous community advancement projects. He is deputy chairperson of the Social Development cluster in the National House of Traditional Leaders, as well as serving in the Limpopo Provincial House of Traditional Leaders.



He is currently a board member for the South African Council for Planners and Appeal Board, the Department of Arts and Culture-Ministerial Advisory Committee on Human Settlement and the South African National AIDS Council. He is also a commissioner for the Cultural Religious and Linguistic Communities Commission.

Chief Ngove has served on the board of the University of Pretoria's Centre for Indigenous Knowledge Systems and the executive committee of the Letaba Further Education and Training College. He was a member of the National Older Persons Forum of the Human Rights Commission and the Limpopo Provincial Sport and Arts Council.

In the field of entrepreneurship, Chief Ngove has accumulated valuable experience due to his involvement in manufacturing, retail, construction, skill development and mining business ventures.



# Corporate Governance



“ Every effort is made to align the NDA with the requirements and best-practice standards set out in the National Development Agency Act, the Public Finance Management Act (PFMA) and related Treasury regulations, the protocol and King II. ”



The members of the NDA Board recognise the importance of sound corporate governance. They acknowledge that conforming to high corporate standards of governance often constrains management's entrepreneurship and innovation. However, balancing good governance with performance for financial success is the surest road to long term sustainability for the organisation.

The Board acknowledges the need for ongoing independent assessment, monitoring and the provision of up-to-date and accurate information. Every effort is made to align the NDA with the requirements and best-practice standards set out in the National Development Agency Act, the Public Finance Management Act (PFMA) and related Treasury regulations, the Protocol and King II.

### Governing Body

The constitution and composition of the Board of the National Development Agency is governed by the National Development Agency Act. The existing Board was appointed for a three-year term in October 2007, with some members being eligible for reappointment in 2010. The Board is the accounting authority (as defined in the PFMA) and, as such, the members have a collective responsibility to meet fiduciary duties as defined in the PFMA, Treasury regulations and the Principles of King II.

### Board Charter

A Board Charter has been developed to assist the NDA Board and its committees in the exercise of their responsibilities, to be read in conjunction with the Act, the PFMA, Treasury Regulations and the Committee's Terms of Reference. The Board also takes note of the agency agreement which is entered into between the organisation and the Minister

of Social Development. The Charter is reviewed on an annual basis and input from the corporate governance audit completed in this financial year will be considered and incorporated into the Charter.

### Board Committees

The Board has established a number of committees which is an acknowledgement of the need for specific expertise in the execution of its duties and responsibilities. These committees have specific terms of reference and reporting responsibilities, and can appoint members who are not members of the Board to serve on them in order to bring their knowledge and experience to the functioning of the organisation.

#### The committees are:

The Management and Finance Committee

The Audit and Risk Committee

The Human Resources and Remuneration Committee

The Projects and Programmes Steering Committee

The Research and Development Committee

The tables reporting attendance of meetings is presented on page 14 of this report.



## Internal Controls

The organisation has an extensive system of control mechanisms. Risk management is a standing agenda item at all board meetings and the risk register is continually reviewed and updated with the necessary actions to effectively address identified risks. Strict financial and procurement procedures are in place, however it has been noted that these are not fully implemented or complied with. This is being addressed as a matter of urgency by management and a system of monitoring compliance will be implemented. The importance of compliance with the procedures is the subject of ongoing training.

The internal audit department is engaged in regular compliance audits to determine the compliance of projects with grant agreement conditions. The Audit and Risk Committee is tasked with monitoring this process and reporting to the Board.

## Code of Conduct

A Code of Conduct that governs and guides the Board and all staff members is in place. This code addresses such matters as conflicts of interest and confidentiality. The NDA has an approved and recognised set of values which it strives to entrench throughout the organisation and which informs all interaction both internally as well as with stakeholders and members of the public.

## Remuneration

Certain members of the Board receive fees for their service on the Board and committees. Members of the Board who are government employees do not receive remuneration. Travelling and associated costs of members of the Board and committees are also paid by the organisation. Associated costs are reported fully in the annual report.

“ The NDA has an approved and recognised set of values which it strives to entrench throughout the organisation. ”





## Board and Committee Meetings 1 April 2008 to 31 March 2009

### Board Meetings

Total number of meetings for the year: 18

Board Members	Meetings attended
Bishop M Mpumlwana (Chairperson)	14
Ms M Manong (Deputy Chairperson)	17
Mr D Adler	17
Mr M Madzivhandila	17
Rev N Maphalala	11
Prof T Mayekiso	15
Dr W Mgoqi	14
Mr S Mohlabi (resigned)	2
Mr P Mokobane	17
Chief P Ngove	16
Mr M Pheelwane	10

### Management and Finance Committee

The Management and Finance Committee is constituted in terms of section 8 of the National Development Agency Act and assists the Board in the discharge of its duties in financial and operational business issues.

Total number of meetings: 8

Committee Members	Meetings attended
Bishop Mpumlwana (Chairperson)	8
Ms M Manong	7
Mr D Adler	6
Mr M Madzivhandila	6
Prof T Mayekiso	8
Rev Maphalala (joined from November 2008)	2 of 5

### Audit and Risk Committee

The Audit and Risk Committee's purpose is to provide assistance to the Board in fulfilling its oversight responsibilities, specifically with regard to the integrity of financial statements, internal control systems, compliance with legal and regulatory requirements and the assessment and management of risk.

Total number of meetings for the year: 6

Committee Members	Meetings attended
Mr D Adler (Chairperson)	6
Ms K Malapela	5
Mr K Mockler	6
Mr M Pheelwane	5

## Human Resources Remuneration Committee

The Human Resources and Remuneration Committee's purpose is to consider and make recommendations to the Board in all remuneration-related issues, to represent the Board in relation to staffing and affirmative action policies, training and development, labour relations and all other human-resource-related issues, and to ensure that the NDA's human resource strategy is aligned with the overall vision and strategic objectives of the organisation.

Total number of meetings for the year: 15

Committee Members	Meetings attended
Ms M Manong (Chairperson)	15
Mr S Faku	13
Dr T Masilela	3
Prof T Mayekiso	13
Mr M Pheelwane	10

## Projects and Programmes Screening Committee

The Projects and Programmes Screening Committee recommends projects to the Board for funding; exercises an oversight function on behalf of the Board in the conceptualisation, planning and renewing of projects and ensures that projects; meet development criteria within the budgeted parameters.

Total number of meetings for the year: 14

Committee Members	Meetings attended
Prof T Mayekiso (Chairperson)	14
Mr D Adler	13
Mr M Madzivhandila	10
Rev N Maphalala	3
Dr W Mgoqi	13
Mr S Mohlabi (resigned)	2
Mr P Mokobane	12
Chief P Ngove	11

## Research and Development Committee

The Research and Development Committee oversees the implementation of the research and development strategy of the NDA. It makes recommendations to the Board on issues of the promotion of consultation, dialogue and the sharing of development experience between civil society organisations and the relevant organs of state and debate on development policy as well as the undertaking of research and publication aimed at providing the basis for development policy.



Total number of meetings for the year: 4

Committee Members	Meetings attended
Mr M Madzivhandila (Chairperson)	4
Prof T Mayekiso	4
Mr P Mokobane	2
Chief P Ngove	2



This financial year has seen many changes, not least in the world economic climate. This has had an impact on the organisation, the country, the world at large and, most importantly for us, on the poor.

The year has also brought changes at the organisation with the resignation of Mr Godfrey Mokate, the previous chief executive officer. He did however leave a legacy to the NDA of stability and it is my belief that this will provide a solid foundation for the NDA to develop into a leading force in the war against poverty.

Unlike many organisations, the NDA's objective is not to make a profit, but to grant funding for development projects in poor communities and to strengthen the institutional capacity of the civil society organisations that instigate, set up and manage such projects.

In order to achieve this objective, the NDA's strategic goals for the financial year under review were:

- to establish and promote partnerships which leverage funds and capabilities,

- to facilitate research that informs grant-funding decisions and policy, and
- to build and sustain organisational capabilities.

In pursuit of these goals, in the financial year 2008/09 the NDA granted more than R85.8 million to 59 projects, mostly in rural areas, where the funds can make the most difference.

The NDA has a very clear social mandate – the alleviation of poverty – and its fundamental purpose is the granting of funds. This has been successfully achieved in the past year. However, in addition one must acknowledge that the NDA's true potential for excellence lies not only in its financial activity, but in a triple-bottom-line approach which also includes social and environmental considerations.

Poverty is the daily experience of people who live in conditions which have effectively excluded them from the mainstream economy. In formulating a structured response to poverty, the NDA is aware of the message from government that people should actively develop their own livelihoods. The NDA therefore strives to identify and assist civil organisations and projects with the ability to capacitate people socially in the long term.

As regards environmental concerns, the NDA's focus on food security obliges us to be conscious of the impact of our activities on the balance of nature. All our projects are considered in the context of

the need to protect natural resources and the NDA works in conjunction with the departments of land, water and agriculture to ensure compliance and the most economical use of resources.

One final comment I would like to make about the year under review concerns risk management. This area was somewhat overlooked in the past, but this has now been remedied with both a complete assessment of the risks facing the organisation and the development of plans to address them. This process is an ongoing one which I am confident the NDA's Board members and staff will carry forward.

It remains for me to extend my thanks and appreciation to the staff and Board members of the National Development Agency for the support and effort which they have given to both me and the organisation over the past months. I have a strong hope and belief that the NDA has the capacity and the strength of will to grow and develop into a mature organisation which will play its part in the alleviation of poverty. It is my pleasure to formally present the NDA Annual Report for the 2008/09 financial year to the Board and the Minister of Social Development.

*Rashida Ivel*  
Acting Chief Executive  
Officer NDA



## NDA's Organisational Structure



**Rashida Issel**  
*Acting CEO and Chief Operations Officer*



**Hajra Mansour**  
*Internal Audit*



**Mandla Ncube**  
*Chief Financial Officer*



**Samuel Lewatle**  
*Human Resources Executive*



**Prof P Ewang**  
*Research and Development*



**Lunga Mangcu**  
*Marketing and Communications*



**Karen Kemp**  
*Company Secretary*



**Reuben Mogano**  
*Development Management*

## Report Against NDA Strategic Goals

### Strategic Goal One: Establish and promote partnerships to leverage funds and capabilities

**Purpose:** To make most of the funds and capabilities available from various players in the development arena.

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variations
1. Identify potential players and best practices that can be applied and opportunities for intervention to create islands of success	1.1 Income generation and food security	<ul style="list-style-type: none"> <li>■ Targeted grant funding against approved criteria</li> <li>■ Disbursements on time</li> <li>■ Regular monitoring, evaluation and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>■ Income generation and food security projects committed</li> </ul>	<ul style="list-style-type: none"> <li>■ All funding has been committed to income generation and food security projects in accordance with provincial and sectoral allocations</li> <li>■ Funding was committed to 59 projects for an amount of R85,8 million</li> <li>■ Regular monitoring of projects was conducted in accordance with the Standard Operations Procedures for grant making (SOPs).</li> </ul>	None
	1.2 CSOs strengthened to deliver services	<ul style="list-style-type: none"> <li>■ Funding for CSOs for capacity building</li> <li>■ CSOs development and support intervention programmes</li> <li>■ Assessment reports.</li> </ul>	<ul style="list-style-type: none"> <li>■ Funding for CSOs for capacity building</li> <li>■ Targeted grant funding against approved criteria</li> <li>■ CSOs development and support intervention programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ Income-generating and food security projects received training and institutional support, in governance, project management, financial management, resource mobilisation, business plan and strategic plan development</li> <li>■ 643 CSOs have directly benefited from capacity building strengthening interventions</li> <li>■ 9 645 individuals have been trained.</li> </ul>	None
2. Improve internal processes of quality grant-making to optimise funding activities	2.1 Improved project business processes	<ul style="list-style-type: none"> <li>■ Functional, integrated business systems</li> <li>■ Monitoring and evaluation reports.</li> </ul>	<ul style="list-style-type: none"> <li>■ Review and integrate grant-making processes</li> <li>■ Policy process approved by the Board and its implementation</li> </ul>	<ul style="list-style-type: none"> <li>■ Done</li> </ul>	None
	2.2 Projects paid as per contracts	<ul style="list-style-type: none"> <li>■ Timeous payment of projects as per agreement</li> <li>■ Monitoring and evaluation reports.</li> </ul>	<ul style="list-style-type: none"> <li>■ Improve management of contracts payment and regularly monitor and report</li> <li>■ Improved record-keeping systems</li> </ul>	<ul style="list-style-type: none"> <li>■ R118,1 million has been disbursed</li> <li>■ Project monitoring conducted for funded projects per provisions of the SOP for grant making.</li> </ul>	None
	2.3 Status report	<ul style="list-style-type: none"> <li>■ National and provincial activity plans and report</li> <li>■ National and provincial project portfolio performance.</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop and implement performance reporting system</li> <li>■ Obtain, analyse and produce consolidated reports</li> </ul>	<ul style="list-style-type: none"> <li>■ Done</li> </ul>	None
3. Develop and sustain partnerships and programmes of action	3.1 Partnerships geared towards poverty eradication and dialogue	<ul style="list-style-type: none"> <li>■ Memorandum of Agreement with defined action programmes</li> <li>■ Implementation reports.</li> </ul>	<ul style="list-style-type: none"> <li>■ Approval of partnering for development strategy by board</li> <li>■ Identify and build partnerships</li> </ul>	<ul style="list-style-type: none"> <li>■ Done</li> </ul>	None



**Strategic Goal One: Establish and promote partnerships to leverage funds and capabilities**
**Purpose:** To make most of the funds and capabilities available from various players in the development arena.

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
	<b>3.2</b> Position NDA as a leading development agency	<ul style="list-style-type: none"> <li>■ Recognition of the NDA name, brand and mandate by key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>■ Achieve at least 80% brand recognition amongst peers</li> </ul>	<ul style="list-style-type: none"> <li>■ A number of activities aimed at raising the profile of the NDA were undertaken. These activities contributed to the enhancement and profiling of the organisation amongst its key stakeholders</li> <li>■ Provincial profile summaries detailing information on the population, unemployment, development priorities and challenges that informed the provincial funding were done and posted on the website</li> <li>■ Summaries of flagship projects were also posted on the website</li> <li>■ Contact information on all provinces was updated</li> <li>■ A summarised version of the poll was introduced and received good participation from external visitors to the NDA website</li> <li>■ Press releases were done on successful project launches</li> <li>■ Insertions profiling the NDA were placed in <i>Turning Point</i>, <i>CSI Kaelo Handbook</i> and <i>Triologue's CSI Handbook</i></li> <li>■ Various projects and NDA events were profiled on the voice-over messages on our on hold telephone service</li> <li>■ Participated in the NCOP, Budget Vote, SALGA exhibitions where information on the NDA was disseminated to stakeholders</li> <li>■ We also participated in the SEDA SMME EXPO in three provinces Local Economic development EXPO for SMME in two provinces</li> <li>■ Participated in the LGBN and CSI conferences where we had speaking opportunities as well as showcasing NDA work through exhibitions. The unit also partnered with the NMM in its 'Taking Parliament to the People' held at Lady Frere, Eastern Cape</li> <li>■ 20 projects were launched/ handed over in Limpopo (6), North West (3), Free State (9), Eastern Cape (1) and Northern Cape (1). The local media was invited to these project launches</li> <li>■ Gauteng and head office were branded</li> <li>■ 77 projects were branded in North West, Limpopo, Gauteng, KwaZulu-Natal and Northern Cape provinces for easy identification and raising awareness of the NDA brand</li> <li>■ A number of morale-boosting activities which were greatly appreciated by staff were organised by the unit (Walk-the-Talk, health awareness and year-end party).</li> </ul>	Provincial media luncheons had to be cancelled due to budgetary constraints

## Report Against NDA Strategic Goals

### Strategic Goal Two: Facilitate research that informs grant-funding decisions and policy

**Purpose:** To understand the nature of poverty in South Africa and what must be done to alleviate it, who the main role players are and what they are doing, and what the NDA and other role players might do to fashion effective programmes and influence policy.

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
1. Establish and maintain a database of CSOs and other role players	1.1 Research capacity and distribution of CSOs	<ul style="list-style-type: none"> <li>■ CSO reach and capacity report</li> <li>■ Updated database</li> </ul>	<ul style="list-style-type: none"> <li>■ Conduct research study on CSOs in South Africa</li> <li>■ Establish a functional database.</li> </ul>	<ul style="list-style-type: none"> <li>■ A study of the state of CSOs in South Africa was carried out and the report made available</li> <li>■ A database of CSOs in all nine provinces has been created and is available on the NDA website.</li> </ul>	None
2. Identify targets for intervention, and craft solutions	2.1 Targets identified and solution proposed	<ul style="list-style-type: none"> <li>■ Updated poverty assessment reports</li> <li>■ Updated resource flow reports</li> <li>■ Reports utilised for programme funding</li> </ul>	<ul style="list-style-type: none"> <li>■ Conduct municipal area assessments</li> <li>■ Complete nine provincial resource flow assessments</li> <li>■ Develop a funding list for programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ Updated municipal poverty nodes reports have been made available to all NDA staff</li> <li>■ Updated provincial resource flow assessments have been completed</li> <li>■ Priority listing and settled land claims have been submitted to Development Management Directorate.</li> </ul>	None
3. Measure impact of programmes and share learning and knowledge	3.1 Evaluation of funded projects and insert learning and knowledge into grant-making process	<ul style="list-style-type: none"> <li>■ Evaluation and impact reports</li> <li>■ Case studies</li> <li>■ Due diligence.</li> </ul>	<ul style="list-style-type: none"> <li>■ Nine provincial project impact studies</li> <li>■ Complete nine provincial project impact studies</li> <li>■ Produce five strategic project case studies</li> <li>■ Conduct due diligence for nine provincial projects</li> <li>■ Establish a database of due diligence service providers.</li> </ul>	<ul style="list-style-type: none"> <li>■ Impact studies are completed for all the nine provinces and reports are available</li> <li>■ Planned for 2009/2010</li> <li>■ The process of Due diligence has been completed,</li> <li>■ Project due diligence reports were submitted to DMD</li> <li>■ The due diligence process for the nine provincial projects is 100% complete. Project due diligence reports were submitted to DMD</li> <li>■ The directorate has compiled a database of due diligence service providers in all the provinces.</li> </ul>	None

**Strategic Goal Two: Facilitate research that informs grant-funding decisions and policy**

**Purpose:** To understand the nature of poverty in South Africa and what must be done to alleviate it, who the main role players are and what they are doing, and what the NDA and other role players might do to fashion effective programmes and influence policy.

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
	<b>3.2</b> Facilitated learning networks	<ul style="list-style-type: none"> <li>■ Functional learning networks</li> </ul>	<ul style="list-style-type: none"> <li>■ Knowledge sharing networks sessions. 3 completed</li> </ul>	<ul style="list-style-type: none"> <li>■ National October poverty workshop in partnership with DSD NPO done</li> <li>■ Provincial dialogues and seminars in collaboration with provinces took place.</li> </ul>	None
	<b>3.3</b> Easily accessible development information	<ul style="list-style-type: none"> <li>■ Board-approved language policy</li> <li>■ Disseminate development information to the sector</li> </ul>	<ul style="list-style-type: none"> <li>■ Develop language policy</li> <li>■ Publication of case studies/ flagship projects</li> </ul>	<ul style="list-style-type: none"> <li>■ Draft done and submitted to EXCO before Board approval</li> <li>■ The Directorate has been continuously disseminating reports and updates on development and poverty and other related issues to all the NDA staff</li> <li>■ The unit assisted NDA provincial offices with the editing, layout and placement of RFP adverts in various media</li> <li>■ RFP adverts were also posted on the website</li> <li>■ NDA information brochures were distributed to NDA provincial offices which in turn distributed the bulk of the brochures at their requests for proposals briefing sessions and provincial exhibitions</li> <li>■ The unit assisted the DSD and NDA's Research Unit with logistics of the Civil Society seminar hosted in October 2008</li> <li>■ Two issues of <i>The Voice</i> newsletter were produced and distributed to key stakeholders,</li> <li>■ Information brochures were translated into Sesotho and Isizulu</li> <li>■ Newsflashes were distributed to keep staff abreast of developments within the NDA</li> <li>■ Unit assisted CEO's office with the production of the agency Strategic Document 2009-2012</li> <li>■ Board-approved organisational policy documents were also loaded onto the intranet for easy access</li> <li>■ A number of sessions were organised for sharing information with staff on a face-to-face basis and to communicate urgent matters</li> <li>■ The unit has also embarked on a video shoot exercise which will result in the production of a corporate video and multimedia presentation for the NDA</li> </ul>	90% achieved



## Report Against NDA Strategic Goals

### Strategic Goal Three: Build and sustain organisational capabilities

**Purpose:** To build and sustain the capacity needed to deliver on our mandate, and to operate efficiently and effectively, with sound governance, and as one committed team adhering to agreed values.

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
1. 'The right people in the right jobs': effective recruitment, induction, training and development, and retention	1.1 Competent staff	<ul style="list-style-type: none"> <li>■ Appropriate recruitment and placement processes</li> <li>■ Effective retention strategy.</li> </ul>	<ul style="list-style-type: none"> <li>■ Review, consult and obtain approval for an appropriate and effective recruitment, induction training and development and retention strategy</li> <li>■ Conclude assessment of current manpower in light of the strategy</li> <li>■ Conclude identification of jobs as per needs identification exercise and job profiles</li> <li>■ Determine need for job evaluations and facilitate job evaluation processes.</li> </ul>	<ul style="list-style-type: none"> <li>■ Draft policies in place for approval for recruitment, induction, talent, retention and succession policy and relocation policies.</li> </ul>	80% achieved
	1.2 Skilled workforce	<ul style="list-style-type: none"> <li>■ Workplace skills plan/report.</li> </ul>	<ul style="list-style-type: none"> <li>■ Facilitate company-wide training and development needs</li> <li>■ Report on workplace skills</li> <li>■ Incorporate learnerships, interns and volunteers in reviewed policy</li> <li>■ Facilitate study assistance applications</li> </ul>	<ul style="list-style-type: none"> <li>■ 58 employees were taken to training; this is inclusive of short courses, seminars and conferences through the provision of external service providers</li> <li>■ 14 study assistance were awarded for formal qualification</li> <li>■ HRD policy reviewed to incorporate learnerships, interns, ABET, RPL, professional and occupations memberships awaiting approval by the board.</li> </ul>	80% achieved
2. Entrench values and sound operating policies	2.1 Best-practice policies and processes	<ul style="list-style-type: none"> <li>■ Integrated and aligned policies.</li> </ul>	<ul style="list-style-type: none"> <li>■ Identify policies for review and integration and allocate tasks</li> </ul>	<ul style="list-style-type: none"> <li>■ The NDA restructuring process focusing on the current organisational structure to align it with the revised NDA organisational strategy.</li> </ul>	70% achieved

**Strategic Goal Three: Build and sustain organisational capabilities**

**Purpose:** To build and sustain the capacity needed to deliver on our mandate, and to operate efficiently and effectively, with sound governance, and as one committed team adhering to agreed values.

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
	<b>2.2</b> Functional HR administration and processes	<ul style="list-style-type: none"> <li>Functional administrative systems</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate education and awareness on policies and process, via road shows.</li> </ul>	<ul style="list-style-type: none"> <li>The new organisational model and developing integrated business processes for the entire organisation which will include effective governance and management.</li> </ul>	<ul style="list-style-type: none"> <li>Phase two will focus on designing the NDA business processes and organisational structure; and</li> </ul>
	<b>2.3</b> Living the NDA values	<ul style="list-style-type: none"> <li>Professionalism</li> </ul>	<ul style="list-style-type: none"> <li>Implement and monitor approved policies and processes.</li> <li>Entrench values and sound operating policies</li> <li>Identify plan for education, awareness and internalisation of NDA values</li> <li>Workshop behaviours associated with NDA values</li> <li>Link NDA values to performance agreements</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of values in performance management contracts.</li> </ul>	<ul style="list-style-type: none"> <li>Phase three will be focussing mainly on conducting competency assessment and matching people to jobs and structure.</li> <li>The OD Manager started in February 2009</li> </ul>
<b>3. Effective business systems and governance processes</b>	<b>3.1</b> Best practice policies and processes	<ul style="list-style-type: none"> <li>Integrated and aligned policies.</li> </ul>	<ul style="list-style-type: none"> <li>Update of finance and procurement policies</li> <li>Development of service standards between finance and other NDA units.</li> </ul>	<ul style="list-style-type: none"> <li>Service standards between finance and all other units will be finalised in the 09/10 financial year.</li> </ul>	<ul style="list-style-type: none"> <li>To be implemented in the next financial year</li> </ul>

## Report Against NDA Strategic Goals

Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
	<b>3.2</b> Functional corporate business system	<ul style="list-style-type: none"> <li>■ Functional administrative systems</li> <li>■ Achieve labour peace and harmonious environment</li> </ul>	<ul style="list-style-type: none"> <li>■ Review performance management policy and practices</li> <li>■ Align performance agreements with strategic objectives</li> <li>■ Implement and monitor performance management processes</li> <li>■ Ensure T&amp;D plans identified via performance management system is incorporated in Training plan</li> <li>■ Review and communicate employee relations policies and procedures</li> <li>■ Facilitate annual wage negotiations</li> <li>■ Facilitate IR Training for DM's and middle managers</li> <li>■ Establish employee forum to promote consultation, consensus seeking</li> </ul>	<ul style="list-style-type: none"> <li>■ Draft Performance management policy and procedure in place</li> <li>■ New PMS templates development</li> <li>■ The salary negotiations for 2009/10 requires a new approach considering the NDA financial constraints and the need to balance the ratio of 60% and 40% that is direct project cost and staff cost.</li> </ul>	<ul style="list-style-type: none"> <li>■ The performance management reviews and assessments for 2008/ 2009 are finalised and processed. However the NDA Board still has to declare and approve the payment of performance bonus.</li> <li>■ A three-tiered performance management system (organisational scorecard, directorate scorecard and employee scorecards) has been approved.</li> <li>■ The system will be implemented in the first quarter of the next financial year.</li> <li>■ Consultations and workshops to obtain approval for performance management</li> <li>■ Policy and procedure and new PMS templates will be conducted in the next financial</li> <li>■ Ongoing process, alignment of PDP's with training plans</li> <li>■ The salary wage negotiations are still continuing; both parties have not reached an agreement.</li> <li>■ Training ongoing process no variance</li> </ul>
	<b>3.3</b> Compliance	<ul style="list-style-type: none"> <li>■ Effective risk management and internal controls</li> </ul>	<ul style="list-style-type: none"> <li>■ Enterprise-wide risk management.</li> </ul>	<ul style="list-style-type: none"> <li>■ Risk assessment in compliance with legislation conducted and completed and risk register updated.</li> <li>■ Fraud prevention plan and whistle-blowing policies reviewed.</li> <li>■ Contracts with various stakeholders including funded projects and service level agreements with service providers were vetted and approved.</li> <li>■ All legal matters have been attended to.</li> </ul>	<ul style="list-style-type: none"> <li>■ Fraud prevention plan and whistle-blowing policies to be submitted to the Board for approval in the 2009/10 financial year.</li> </ul>



Strategic objective	Output	Performance indicator	Target	Achievements for 2008/09	Variances
	<b>3.4</b> Assurance provision	<ul style="list-style-type: none"> <li>■ Audit coverage plan</li> </ul>	<ul style="list-style-type: none"> <li>■ Closure or resolution of findings from previous audits</li> <li>■ Reduce number of audit findings from previous year</li> <li>■ Improve audit reporting by maintaining unqualified audits.</li> </ul>	<ul style="list-style-type: none"> <li>■ Findings reduced from previous year-end findings</li> <li>■ Audit findings raised in previous audits have been addressed</li> <li>■ An unqualified audit opinion was secured for the financial year 2009/10.</li> </ul>	<ul style="list-style-type: none"> <li>■ Closure and resolution of findings from previous audits will be finalised in the 2009/10 financial year.</li> </ul>
	<b>3.5</b> Safe and healthy working environment	<ul style="list-style-type: none"> <li>■ Health, wellness and safety plan</li> </ul>	<ul style="list-style-type: none"> <li>■ Consult with staff and develop occupational health and safety (OHS) policy and procedures</li> <li>■ Appoint health and safety committee, and train health and safety officers</li> <li>■ Inform and educate staff re health and safety regulations, compliance and wellness programmes.</li> </ul>	<ul style="list-style-type: none"> <li>■ Draft OHS policy/plan in place awaiting the Board's approval</li> </ul>	<ul style="list-style-type: none"> <li>■ Wellness strategy will be developed in the next financial year</li> <li>■ Consultations and workshops to obtain approval for OHS policy and procedure will be conducted the next financial</li> <li>■ Ongoing process, training of OHSR</li> <li>■ Ongoing creating a safe and healthy working environment.</li> </ul>
	<b>3.6</b> Effective financial management	<ul style="list-style-type: none"> <li>■ Financial management reports</li> <li>■ Budgets according to prescribed formats and timeframes</li> <li>■ Quarterly financial management accounts</li> </ul>	<ul style="list-style-type: none"> <li>■ Produce management reports on a monthly basis for Exco</li> <li>■ Consolidate budgets and submit to Department of Social Development by end of September</li> <li>■ Produce quarterly reports for MANCO.</li> </ul>	<ul style="list-style-type: none"> <li>■ Partially achieved/ work in progress</li> <li>■ Draft policies for recruitment, induction, talent, retention and succession and relocation policies are in place and awaiting approval</li> <li>■ Achieved</li> <li>■ Achieved</li> <li>■ Achieved</li> </ul>	None
	<b>3.7</b> IT Plan	<ul style="list-style-type: none"> <li>■ IT security plan and security implemented and monitored</li> </ul>	<ul style="list-style-type: none"> <li>■ Implement intrusion detection systems</li> <li>■ Activate new directory domain</li> <li>■ Action disaster recovery protocol</li> <li>■ Activate NDA network.</li> </ul>	<ul style="list-style-type: none"> <li>■ Achieved</li> </ul>	None

# Performance Report



The implementation of NDA strategy takes place primarily through the two operational directorates, namely Development Management, and Research and Developmental. These two organisational functions are supported by the Human Resources, Communications and Marketing and Finance departments. The Internal Audit and Legal and Risk departments and the Company Secretariat provide a compliance and support role to the organisation as a whole.

### Development Management Directorate

During the last financial year, the Development Management Directorate has focussed on the granting of funds and the strengthening of institutional capacity in civil society organisations (CSOs).

The granting of funds takes place through two approaches: Request for Proposals, and Programme Formulation. Request for Proposals is a competitive grant-funding approach that targets well-established community-based organisations (CBOs), NGOs and community co-operatives. These bodies are invited, through relevant media, to submit proposals based on pre-set policy criteria and processes. Proposals are then considered and, where the application is successful, are submitted to the Board for approval.

Programme Formulation involved reaching out to identify deserving communities, and undertaking activities that build 'social capital' at community level. In essence, this approach targets specific areas and sectors based on primary research on priority poverty pockets. While the NDA continues to consider all suitable projects, food security and income generating projects remain its identified focus.

In the past, the NDA has experienced significant challenges in payments to projects. However, during the period under review the organisation has achieved a marked improvement in overall levels of payment. In 2006/07, the amount disbursed to projects was R49,5

million. This increased to R76,4 million in 2007/08, and again to R118,2 million in 2008/09.

The organisation is actively addressing the remaining challenges it faces around payments. An annual payment and monitoring schedule for all funded projects is being finalised that will stipulate the expected date of payment and the date for submission of monitoring and closing reports. It is expected that this schedule will significantly improve the administration and management of projects. Furthermore, payment stipulations have been incorporated in the organisational strategy as well as the performance agreements of relevant staff members.

The other mandated focus of Development Management is the strengthening of the institutional capacity of community organisations to deliver services to the poor. The Development Management capacity-building unit has continued to manage and co-ordinate CSO-strengthening projects, at least 80% of which have concluded the implementation stage of the programme within this financial year. This programme has had a tremendous impact on the beneficiaries, some of which have managed to qualify for funding from the NDA and other agencies for the first time.

Capacity-building service providers were selected in a transparent process and contracted with specific deliverables and milestones. Payment is divided into tranches, made against the submission



of acceptable monitoring reports. R22 926 408 of the allocated R25 757 586 has already been disbursed, and the remainder will be paid in tranches to the 17 projects that are still ongoing.

The capacity-building unit conducted a learning forum for community-based service providers in January 2009 which proved very fruitful and provided valuable feedback from service providers on the ongoing implementation of the programme. A mid-term evaluation was also conducted which confirmed the valuable impact it was having on beneficiaries and recommended that the programme should be continued and augmented. A final evaluation report is being concluded and will be made available to the stakeholders at the conclusion of this round of the capacity-building exercise.

### Research and Development Directorate

The Research and Development directorate has continued to fulfil the NDA mandate through the promotion of consultation, dialogue and the sharing of development experience between civil society organisations and the relevant organs of state, as well as through the promotion of debate on development policy. In addition, the directorate has undertaken research and publication aimed at providing the basis for development policy.

During the period under review the directorate has established a resource centre for staff use. A project

reporting system, database of due diligence service providers in the provinces and statistical reports have been compiled and made available, and will be useful for project monitoring and evaluation activities. The directorate has also made available the year 2008 municipal Integrated Development Plans, provincial poverty nodal profiles and a database of CSOs and NPOs. Implementation and training in the use of the system has been completed in eight of the nine provinces.

The directorate has compiled data on settled land claims. A strategic review of the list has been disseminated into various functional areas that the NDA funds and has been forwarded to the provinces as part of the priority list for project funding planning in 2009/10. It is expected that this information will also facilitate the programme formulation process.

In partnership with the Department of Social Development NPO directorate, the NDA's Research and Development directorate held a successful National Poverty Workshop in October 2008, and five dialogues and seminars have taken place in the provinces. Research and Development staff have represented the NDA on the Reference Committee for the update of poverty nodal points recently concluded by the Departments of Social Development and provincial and local government. The NDA also participated in the Public Service Commission 2008/09 series of dialogues on poverty reduction strategies and interventions and continues to be part of the ongoing review of the 2008/09 municipi-

pal IDPs and the National Volunteer Programme.

The directorate has provided technical support to Development Management on the Technical Review and Programme Screening committees. The evaluation of the capacity-building programme is in progress. All impact studies have been completed and all requests for due diligence processes have been accomplished in full.

### Finance and Information Technology Directorate

The Finance and Information Technology directorate reports that management accounts are being produced and considered regularly and the budget for 2009/2010 was approved by the board timeously. Finance and procurement policies are being reviewed and updated in accordance with best practice, and standard finance and IT operating procedures have been developed. As part of the steps to ensure best practice, a report is being developed to manage and report on deviations from the procurement process. In this regard cognisance has also been taken of the comments by the external auditors. The development of a supplier database has been deferred to the first quarter of 2009/10 in order to align it with the revised procurement policy to be approved by the Board.

The overhaul of the infrastructure system that was proposed and approved as part of the IT strategy was implemented and the benefits to users are already evi-

dent. The overhaul comprised of an upgrade of security systems, the development of a comprehensive disaster recovery plan and the standardisation of user hardware. The implementation of these systems enabled automatic audit trails, assisting the NDA in its governance and risk control. New business modules for the enterprise resource planning system have been completed and implemented and consist of project contracting, travel reconciliation and online help systems.

### Human Resources Directorate

During the period under review, a new Human Resources (HR) executive was appointed. His main focus has been to improve the human resources directorate's ability to play a strategic role within the NDA and act as a catalyst for improved service delivery and organisational performance. This process has involved key HR processes such as management and administration, planning, reporting and policy development, human resources development; employee wellbeing and employee relations. Within the NDA, HR is acknowledged as critical to recruiting talent with the necessary skills, to managing, developing and retaining these skills and creating a working environment that encourages productivity and is compliant with labour laws.

The tables to the right summarise the positions with regard to recruitment, vacancies and terminations as at 31 March 2009. The vacancy rate reflects the percentages of positions not filled.

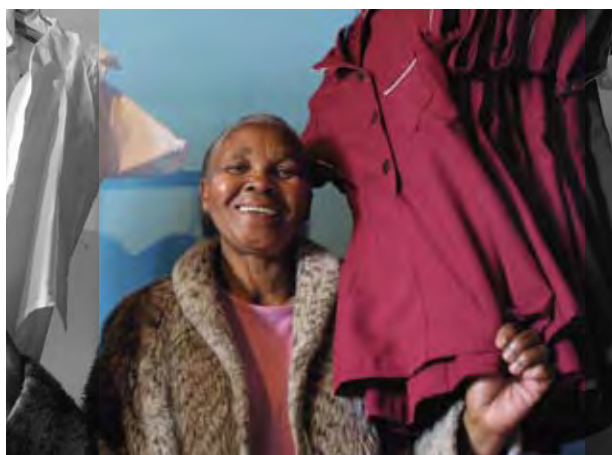
### Employment and vacancies as at 31 March 2009

Occupational category	Number of filled positions	Number of positions vacant	Number of contract workers	Total number of positions
Senior officials and managers	19	1	–	20
Professionals	11	2	–	13
Technicians and associate professionals	31	5	2	38
Clerks	28	–	–	28
Elementary occupations	8	–	–	8
	<b>97</b>	<b>8</b>	<b>2</b>	<b>107</b>

### Recruitment by gender, race and occupational category

Occupational category	Female				Male			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Senior officials and managers	1	1	–	1	1	–	–	–
Professionals	1	–	–	–	3	–	–	–
Technicians and associate professionals	1	–	–	–	2	–	–	–
Clerks	4	1	–	–	–	–	–	–
Service and sales workers	7	–	–	–	–	–	–	–
	<b>14</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>

“ The NDA is aware of the need for skills training and development within the organisation and makes every effort to identify and assess the needs of its employees and to develop their ability to meet the demands of their jobs. ”



Terminations by occupational category, gender and race

Occupational category	Female				Male			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Senior officials and managers	–	1	–	–	3	–	–	–
Professionals	1	–	–	–	2	–	–	–
Technicians and associate professionals	3	1	–	–	–	–	–	–
Clerks	2	2	–	–	–	–	–	–
	<b>6</b>	<b>4</b>			<b>5</b>			

The NDA has a performance management system which includes reviews and assessments. All processes for 2008/09 have been finalised and the NDA Board has discretion to declare and approve the payment of a performance bonus. A three-tiered performance management system with organisational, directorate and employee scorecards has been approved and will be implemented in the first quarter of the next financial year.

The NDA is aware of the need for skills training and development within the organisation and makes every effort to identify and assess the needs of its employees and to develop their ability to meet the demands of their jobs. During the 2008/09 financial

year R412 325 was spent on capacity training, and 58 employees participated in short courses, seminars and conferences run by external service providers.

The NDA also provides study assistance to its employees. The bursaries help employees to become suitably qualified for their roles and responsibilities while simultaneously enabling the organisation to acquire the skills necessary to achieve its objectives.

During this reporting period R474 885 was disbursed in the form of bursaries, bringing the total training and skills development spend to R887 319.

The table below summarises the training interventions that were implemented during the review period

Capacity training						Study assistance		
Directorates	Male	Female	Short courses	Workshop seminars/conferences	Total training attended	New applications	Old applications	Total study assistance
CEO office	2	–	1	2	2	–	–	–
Development management	15	21	37	–	36	5	9	14
Research and development	2	1	1	2	3	–	–	–
Marketing and communication	–	3	3	1	3	–	–	–
Human resources	1	5	12	2	6	–	–	–
Internal audit	3	2	9	4	5	–	–	–
Finance and IT	1	2	4	–	3	–	–	–
	<b>24</b>	<b>34</b>	<b>67</b>	<b>11</b>	<b>58</b>	<b>5</b>	<b>9</b>	<b>14</b>

The Human Resource directorate is reviewing the current organisational structure to align it with the revised NDA organisational strategy and address any problems associated with the implementation of the strategy. The project will be implemented in three phases: **Phase One** will analyse the current situation and develop a Human Resources Plan. **Phase Two** will focus on designing the NDA business processes and supporting organisational structure. **Phase Three** will be implementation, focusing on competency assessment and matching people

to jobs and structure.

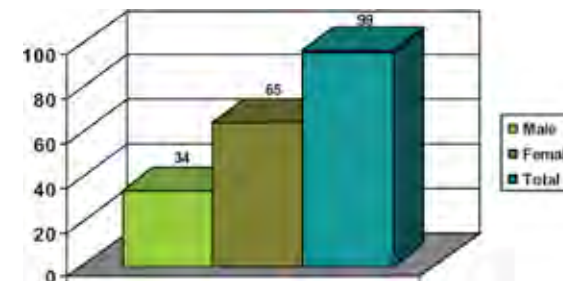
Phase One of the project has been completed and approved by the NDA Board. Phases Two and Three will be implemented in the first and second quarters of financial year 2009/10.

In view of the financial constraints and the need to maintain a 60:40 ratio of mandated costs to administrative costs, salary negotiations for 2009/10 will require a new approach.

A review of labour relations indicates that there is only one outstanding case with the matter presently the subject of CCMA action.

The NDA has made good progress towards achieving the desired employment equity balance as shown in the tables and graphs below, which profile NDA employment equity according to gender, disability, race, salary grade and by occupational category.

### Employees by gender

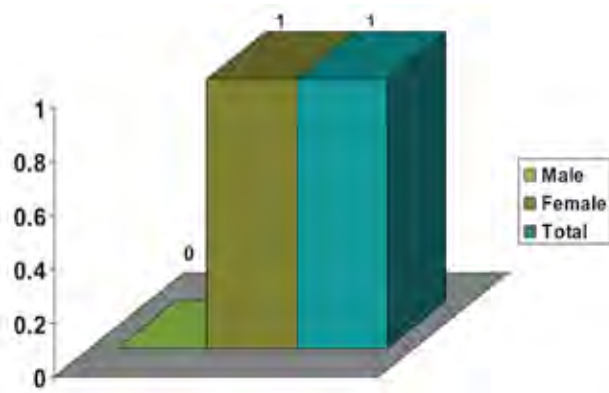


Occupational category	Number of employees
1 Senior officials and managers	22
2 Professionals	15
3 Technicians and associate professionals	37
4 Clerks	32
5 Service and sales workers	7
9 Elementary occupations	1
	<b>114</b>

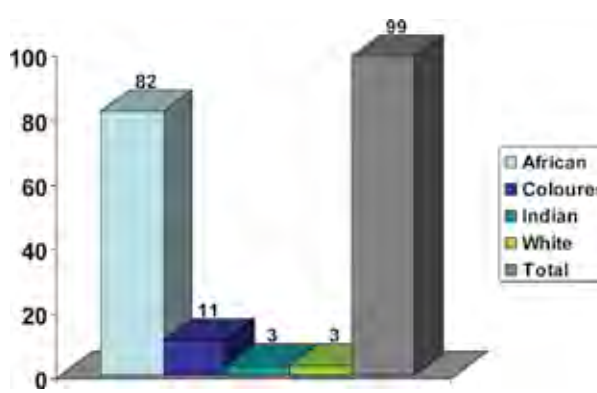


“ The NDA also provides study assistance to its employees. The bursaries help employees to become suitably qualified for their roles and responsibilities while simultaneously enabling the organisation to acquire the skills necessary to achieve its objectives. ”

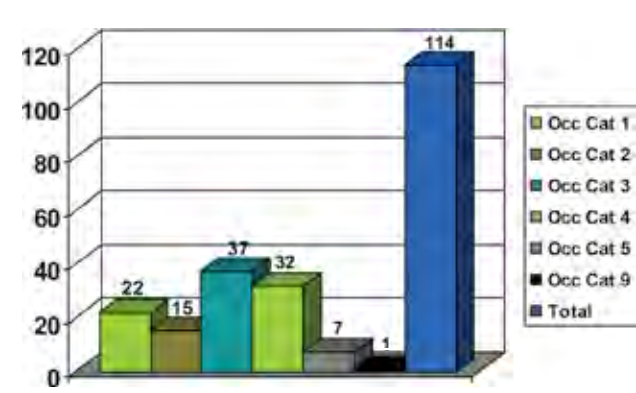
Employees with disabilities



Employees by race



Employees by occupational category



Note: The numbers reflected in the tables and graphs above will not necessarily correlate with the number of employees as at 31 March 2009 due to the fact that it is a reporting requirement that any staff member who has been in the employ of NDA, even for less than a month, should be included in the statistics.

As part of the transparency and disclosure position of the NDA, the following table summarises final audited expenditure and provides an indication of the NDA's staffing costs

Staffing costs	April – June 2008	July – September 2008	October – December 2008	January – March 2009	Annual total
	Rounded off figures				
Salaries	5 778 710	6 419 774	6 414 053	6 614 383	25 226 921
Travel	763 866	820 349	814 449	838 449	3 237 113
Acting allowance	47 291	37 681	6 788	6 931	98 691
Overtime					
Leave payouts	16 441	157 160	63 000	17 656	254 257
Performance bonus	22 581		564 451	17 929	604 961
UIF	65 444	68 202	68 766	69 067	217 479
Provident fund	1 080 768	1 223 978	1 216 267	1 258 080	4 779 093
Medical aid	408 441	412 905	409 714	476 513	1 707 573
13 <sup>th</sup> cheque	436 611	434 444	404 538	394 428	1 670 020
	8 620 152	9 574 492	9 962 026	9 693 435	37 850 106

The following table provides information with regard to injuries occurred on duty

Nature of injury	Gender	Race	Total number of cases
Requiring basic medication only	Female	White	2
		African	
			2

The following table demonstrates the nature and utilisation of external consultants

Project name/ consultants	Serviced rendered	Project value in (R)
Deloitte Consulting (Pty) Ltd	Assessment centre for recruitment purposes	449 997
The Human Capital Group	Recruitment and selection	104 968
Human Communications	Recruitment and selection	229 946
Gap Recruitment Specialists	Appointment of temporary office and administrative staff	114 998
Hoosen Wadiwala Inc. Attorneys	Legal opinion and legal services	42 085
Glyn Marais Business Account	Legal opinion and legal services	25 068
Softline VIP		83 611
The Careways Group	Employee assistance programmes	9 477
		1 060 150

The Marketing and Communications directorate supports the organisation as a whole. It reports that during this financial year, constraints resulted in some delays in delivery and the implementation of planned programmes, however much was still achieved.

### Marketing and Communications Directorate

The Marketing and Communications directorate steered the NDA's participation in the National Council of Province's 'Taking parliament to the people' campaign where the NDA obtained good exposure. The directorate also built confidence in the NDA in the corporate sector through the prominent part played in three corporate social responsibility and investment conferences. A total of 20 successful projects funded by the NDA were launched and a total of 77 projects branded countrywide. Overall, the publicity associated with the NDA has been positive throughout the year.

### Legal and Risk

The Legal and Risk directorate has continued to play an important role in fostering a culture of good corporate governance, compliance and internal control within the NDA. The Legal and Risk directorate also carries a responsibility or securing and protecting the assets of the organisation, including recouping monies from debtors, claiming properties bought with NDA monies from lapsed projects and defending litigation against the organisation.

Furthermore, it has been recognised that the NDA has a range of risks inherent in its business, as well as risks arising from processes, people and the external environment. As part of its responsibility to assess risk in a



way which informs strategic planning, the NDA Board has ensured that key strategic risks facing the organisation are identified. During the period under review, the Legal and Risk unit has updated the risk register and enhanced internal controls with a review of the fraud prevention and whistle-blowing policies. All contracts with stakeholders including funded projects and service level agreements with service providers were vetted and approved. All legal matters have been attended to and advice and assistance provided to the organisation in general.

### Internal Audit Directorate

The Internal Audit directorate has developed an audit coverage plan to ensure coverage of the

prioritised risk in the NDA. The coverage plan for 2008/09 has been completed, except for follow-up on the Strategy Development audit, which was deferred as the NDA is developing a new strategy for the 2009/10 financial year. It has been agreed that the Internal Audit directorate will conduct three additional reviews in the remainder of the current 2009/10 financial year.

### Company Secretariat

The company secretariat reports that the organisation has undergone a corporate governance audit and is in the process of implementing a number of suggestions to ensure compliance with all relevant legislation and best practices guidelines.

As at 31 March 2009, there were 10 non-executive directors appointed by the Minister of Social Development. Board and committee procedures have been followed and members have been advised of all relevant corporate governance compliance and regulatory matters. Continuing professional development information is provided to members to meet individual needs.

A process of board assessment and evaluation is recognised and implemented. All information and documentation for meetings is provided to members through the company secretariat. All conflict of interests by members are recorded.





Together with research, the main function of the **National Development Agency** is the funding of projects aimed at improving the quality of life in poor communities. Key activities considered by the NDA are food security and income generation. While all nine provinces are eligible for funding, the NDA **does focus on identified poverty nodes**. The projects listed are examples of successful poverty eradication projects funded.

### GAUTENG

#### Winterveldt Citrus Project

The Winterveldt area in Gauteng is unique in that it was subdivided into plots of between 5 and 10 hectares and sold to black farmers on freehold basis as long ago as the 1940s. In 2002, a small group of these plot owners got together to form the Winterveldt Citrus Project, a membership-based association which now has 145 members.

Seeing in the Winterveldt Citrus Project an agricultural programme with the potential to create jobs, ensure food security and generate income for members and other beneficiaries, the NDA board approved a grant of R1 509 000 in March 2007.

The NDA funding was used to buy farm equipment and 30 000 young orange trees. On the infrastructure side, a borehole irrigation system was installed on the anchor farm and a packing house constructed where the oranges can be cleaned, waxed, sorted and packed.

The harvesting, planting and tending of the citrus trees are completely in the hands of the farmers, and crop figures have shown spectacular improvement. In 2007, the project harvested 13 tons of oranges, which increased to 72 tons in 2008 – a 450% growth which has resulted in greatly improved income streams for the participating farmers.

In line with its partnership ethos, the NDA has liaised with a number of other key players in its support for the Winterveld Citrus Project. A contribution from the City of Tshwane helped towards purchasing the packing house, and the city also provided administration infrastructure. Pick n Pay contributed funds and is currently purchasing the project's oranges. The North West Department of Agriculture, the Citrus Research International body, the Magalies Farmers Co-operative and the Kellogg Foundation have all contributed funds, technical support or advice.

Future plans include acquiring more land and introducing activities with quicker interim financial returns such as pig farming and bee keeping, vegetable gardening and morula growing. Project members are also looking into the possibility of adding value to their produce by manufacturing jam, sweets, orange juice and animal feed.

The Winterveldt Citrus Project presents rural South Africa with a partnership model that can easily be adopted by other communities. NDA funding is making a significant contribution to the fight against poverty and unemployment by giving the project beneficiaries an opportunity to generate income for their families while at the same time contributing towards mainstream economic development in the Winterveldt area.

## NORTHERN CAPE

### Tshwaraganang Hydroponics

The Tshwaraganang Hydroponics project is located in Windsorton, about 65km north of Kimberley, Northern Cape. The project qualified for granting on the basis of the location's good logistics and the likelihood of the project being viable and thus able to generate sustainable income and employment in the Windsorton community.

Tshwaraganang Hydroponics is a contract hydroponic cucumber grower, set up in October 2007 with the aid of a R886 000 grant from the NDA. Its hydroponics system is housed in a multi-span greenhouse where all the production takes place. The project is contracted to supply cucumbers for distribution company Freshmark.

Although geographically quite isolated, the Windsorton community is on the main road connecting the Northern Cape to its neighbouring provinces, North West and Gauteng. The cucumbers, harvested three times a week, can therefore easily be transported to Kimberley, from where Freshmark takes them to their central distribution warehouse in Bloemfontein, which supplies the Checkers supermarket chain with vegetables.

The Tshwaraganang project has largely achieved

its production targets – ideally 7 000 cucumbers a week. At the height of summer season, output rises to 10 000 cucumbers per week; but, together with its mentor, the project is adjusting its production programme to avoid fluctuations and produce more consistent volumes over time. Output is currently stabilising at about 6 000 cucumbers week. At the current market price of R4 per cucumber, this translates into income of around R96 000 per month

Tshwaraganang Hydroponics employs between 11 and 13 people. These employees get salaries in excess of the stipulated NDA grant stipend, the excess being made up from the revenue of the project. The Windsorton area is economically depressed, so the income they earn improves lives in the community quite noticeably. The NDA grant also funded the acquisition of a truck, which has saved the project thousands of rand in transport costs, now put to effective use elsewhere in the business.

With the help of NDA funding, this project has grown from a half-completed structure to a fully operational enterprise, strengthening the project personnel's partnership with the provincial Department of Agriculture and putting to use a facility which had already been constructed.



The NDA's funding has empowered the Tshwaraganang Hydroponics beneficiaries to a point where they can now produce goods consistently on a contract basis for a national supplier. The boost to self-esteem in the area has been immense, and has captured the attention of other agencies such as the IDC which has already shown an interest in getting involved in assisting the venture towards even more success in the future.

### FREE STATE

#### Epilepsy SA

Epilepsy SA is a national non-profit organisation which looks after the interests of people with epilepsy and cares for the disabled.

Its facility in Parys, Free State province, has in-house care facilities for epileptic and disabled people, and also runs outreach programmes which give training in small-enterprise development and management, particularly vegetable farming and food processing and preservation. The organisation runs community development programmes which empower families affected by disabilities.

The NDA board approved a grant of R787 820 in March 2007 to support the community vegetable gardens part of the Epilepsy SA's Parys activities. This food security project organises community-based organisations into operational structures and negotiates leases for gardens on school premises and on municipal and government department land. There are fifteen community-based organisations affiliated to Epilepsy SA in this programme, but Epilepsy SA provides training for any community group that asks for assistance.

The community vegetable garden project has to date directly benefited more than 160 people, who

have been trained in running vegetable gardens and similar small enterprises. It has enhanced food security, enabling beneficiaries to feed not only their families, but others in need, and beneficiaries have also diversified into food processing.

The project has provided real jobs for people with disabilities. About 20 beneficiaries, who were unemployed before the intervention, now have paid employment. Beneficiaries have gained substantial knowledge about crop production, hydroponics farming operations, and in financial management and book-keeping.

The NDA involvement in this project has encouraged other funders to contribute. These include the Departments of Agriculture, Correctional Services and Labour. The project has received funding from the European Union.

### EASTERN CAPE

#### Tsomo Valley Farmer Co-operative

Tsomo Valley Farmer Co-operative is an emerging farmer support programme in Tsomo Valley in Sakhisizwe municipality in the Eastern Cape. The purpose of the programme is to help Land Restitution for Agricultural Development (LRAD) beneficiaries in the Tsomo Valley improve the quality of their livestock and so help them graduate from subsistence farming to sustainable commercial operation.

The headline objectives of the programme are: to build the capacity of Tsomo valley's livestock farmers through mentorship and training, and strengthen the farmers co-operative as a business entity; to improve the genetic quality of the livestock by introducing new heifers and bulls and boost calving percentage to 85%; and to achieve annual turnover of R240 000 in the first year and R559 000 in the second year of implementation by organising auctions and facilitating access to markets.

The NDA Board approved a grant in the amount of R845 820 to enable the co-operative to initiate this plan.

To date, substantial numbers of farmers have been trained in farm and livestock management, fencing, crop production and veld management. The live-

stock improvement programme has increased by 234 the number of sheep owned, and wool production has consequently improved. Introduced rams have improved the quality of breed to 'mutton merino' status. Cattle numbers have increased by 141, and the new bulls (including Nguni, Brahman, Simmentale and Bonsmara animals) have improved the quality of herds.

Crop yields have shown major improvement. Irrigation equipment has been installed on the 152 hectares newly planted with lucerne. Infrastructural improvements in fencing have helped with livestock control and have helped improved neighbour relations, while better handling facilities and dehorning and dipping equipment has improved animal health and product marketing.

The NDA's funding has had welcome knock-on effects. The Department of Agriculture has contributed R3 million towards infrastructural development. The Chris Hani District Municipality agreed to finance a feedlot and include the project in its Nguni breeding programme. The District Department of Agriculture has assisted the project, contributing R451 500 for crop production from the Massive Food Programme.

## GAUTENG



### Siyakhana Project

The Witwatersrand University's Health Promotion Unit (HPU) is involved in civic engagement initiatives aimed at improving the quality of life of rural and urban communities. One of its focus areas is Johannesburg's inner city. Its emphasis has been on capacity development and the empowerment of NGOs involved in home-based care (HBC) and early childhood development (ECD). This engagement and subsequent research carried out by the Health Promotion Unit indicated that food security and nutrition were important issues needing to be urgently addressed. This led to the mobilisation of NGOs and ECD centres to participate in the Siyakhana project, a food garden initiative set up in partnership with key government and corporate stakeholders.

The Siyakhana project permaculture food garden was started in early 2005 by Wits HPU on a derelict plot in Bezuidenhout Park, Johannesburg. One of its aims was to establish a model food garden which could be replicated in other inner city communities and which would also serve as a focus for education, research and women's empowerment. The project received a grant of R733 150 in March 2007 and now produces fresh vegetable, herbs and grains which it distributes to nine ECD and HBC organisations. Fresh vegetables produced in the garden benefit nearly 700 children in the ECD centres.

The Siyakhana project has created permanent employment for nine beneficiaries, and has trained 25 adults from the Rainbow Nation Farmers organisation in permaculture techniques and business management. In a broader educational sense, the project has created vivid awareness of the importance of good nutrition, and has changed lives by providing work and training for unemployed youth and street children.



### EASTERN CAPE

#### SaveAct

SaveAct was founded in 2005 with the aim of empowering poor and vulnerable groups in South Africa by helping them secure more sustainable livelihoods by using their savings as the seed capital for people-driven development initiatives.

The strategies involved focus on three complementary areas:

- the development of financial services controlled and managed by the poor themselves
- attention to life skills to improve the capacity of people to plan and act within the scope of their actual situation, and
- the development of ability to engage in enterprise or other sustainable livelihood strategies.

The NDA board approved a R555 500 grant in March 2007 to mobilise and mentor savings and credit groups (SCGs) in Richmond and Mkhambathini, encouraging some 2 700 beneficiaries to participate meaningfully in local economic development.

The impact of the project has been far-reaching. Within communities, the project has created and improved valuable social networks. The benefits associated with helping one another, the utility of the social fund in economically stressful times and the visible accumu-

lation of assets by SCG members have contributed to increased demand for the programme's services.

The programme set out to reach 1 260 active SCG members, and has exceeded its target. Participating members have used their savings and investment income to build and renovate houses, and have bought productive assets and agricultural inputs, earning respect in their communities. The programme has provided financial stability for many households, and has helped some members pay off exploitative loans.

The improvement in financial management resulting from participation in the project has greatly increased the self-esteem and confidence of the many women who run households. In addition, many members have benefited from enterprise development training and have set about looking for potential income-generation opportunities. The agricultural sector has been particularly popular, with members investing their savings in raw materials and other production.



The SaveAct project has mobilised over R1 million of savings across 150 SCGs. As a result of the initiative, many social grant recipients are consciously planning their financial activities and investing these funds in their SCGs. Savings strategy is a chronically under-researched area in South Africa. If SCGs are found to be effective instruments for grant-management and investment (as feedback suggests), the implications for development policy and strategy are far-reaching.

“ *The improvement in financial management resulting from participation in the project has greatly increased the self-esteem and confidence of the many women who run households.* ”



# Financial Statements





44..... Report of the **Audit and Risk Committee**

46..... Report of the **Auditor-General**

49..... Report by the **Board**

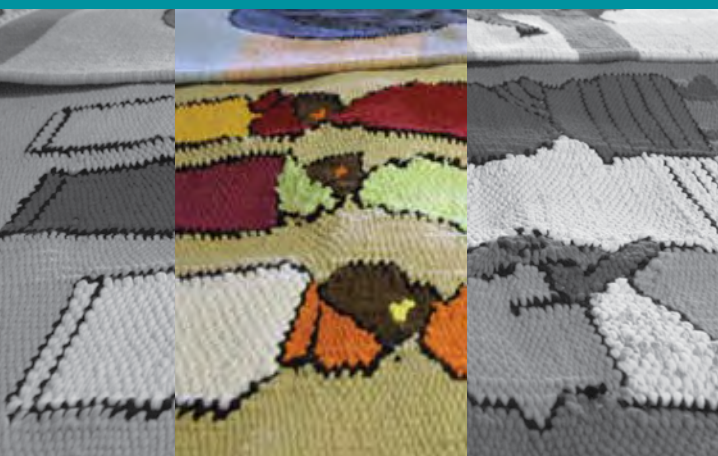
50..... Statement of **Financial Performance**

51..... Statement of **Financial Position**

52..... Statement of Changes in **Net Assets**

53..... **Cash Flow Statement**

54..... Notes to the Annual **Financial Statements**





The National Development Agency (NDA) Audit and Risk Committee's primary function is to assist the Accounting Authority, in this case being the Board of the NDA, to discharge its responsibilities in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended).

## Report of the Audit and Risk Committee for the year ended 31 March 2009

We are pleased to present our report for the financial year ended 31 March 2009, as follows:

The Committee has a Board-approved charter which specifies the terms of reference and sets out clear responsibilities for the Committee.

The Committee is comprised of two Board members as well as two additional external members who have specific expertise and experience pertinent to the mandate of the Committee. The Committee is comprised of four members and is obliged to meet at least four times a year. The following table indicates the meetings for the financial year under review:

Committee members	Meetings attended
Mr D Adler	6
Mr M Pheelwane	5
Mr K Mockler	6
Ms K Malapela	5

Number of meetings for the year: six (6)

## Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) of the Public Finance Management Act and Treasury Regulation 3.1.13. It is also reported that the Committee has adopted formal terms of reference and has an audit and risk committee charter. The affairs of the Committee have been regulated in accordance with this charter and all the responsibilities as contained therein have been duly discharged.

## The Audit and Risk Committee's assessment

In terms of the Treasury Regulations (3.1.12 and 3.1.13) the Committee must report and make recommendations to the Accounting Authority, which retains responsibility for implementation of any such recommendations.

## The Committee is also required to comment on:

- the effectiveness of internal controls;
- the quality of in-year management and monthly/quarterly reports submitted in terms of the National Development Agency Act and the Division of Revenue Act; and
- its evaluation of the annual financial statements.

## Effectiveness of internal controls

During the financial year under review, Internal Audit successfully completed the audits listed below in terms of their approved audit plan:

## Risk Management Audit

- Follow up review of Corporate Governance
- Follow up review of Research and Development
- Follow up review on Use of Consultants
- Follow up review of Marketing and Communications
- Follow up review of Human Resources

## The following additional audits were conducted for the remainder of the financial year:

- Review of the Grant Administration System
- Review of the process followed in the appointment of KPMG
- Review of the relocation costs

It is the opinion of the Audit and Risk Committee that the overall controls within the organisation are adequate; however there are areas which require improvement, specifically in relation to the implementation of and adherence to procurement procedures. The areas specifically highlighted by the Auditor-General in his management report as well as identified by the internal audit department relate to project management at project level; unsuccessful projects and losses associated therewith; high percentage of write-backs on projects; project administration in general; procurement processes; value for money in marketing and research sections; excessive use of consultants and leave administration. These concerns have been noted by both the Board and management and a follow-up exercise is being conducted to ensure corrective action is taken without delay.

We note the Auditor-General's raising as "other matter" that the Board appointment is not as it should be. This matter has been one of interpretation for a while now and will require to be resolved with the Minister of Social Development. We are grateful to the AG for raising the issue and will be taking it up with the Minister in that spirit. The issue of effective policies and procedures as well as the review thereof has been addressed during this financial year.

Through the endeavours of the internal audit department as well as the Legal and Risk manager there has been an extensive exercise to assess and improve on the internal controls, quality, integrity and reliability of the National Development Agency's corporate accountability and the associated risk management.

The NDA has and continues to have an effective, efficient and transparent system of financial and risk management and internal control and complies with Section 51 (1) (a) (i) of the Public Finance Management Act.

#### **Quality of 'in-year' management and monthly/quarterly reports**

The NDA is a schedule 3A entity and as such is required, in terms of the Public Finance Management Act, to report to the executive authority and the Minister of Social Development, on its performance against mandate.

The NDA has submitted quarterly reports in this re-

gard to the Department of Social Development and the report is backed up with detailed portfolios of evidence. There has been a significant improvement within this financial year with regard to the reporting compliance by the entity.

#### **Annual financial statements**

The Audit and Risk Committee has noted and accepts the conclusions of the Auditor-General on the annual financial statements of the National Development Agency for the year ended 31 March 2009.

The Committee is pleased to report that the NDA has received, for the third consecutive year, an unqualified audit report from the Auditor-General. This is a welcome outcome and management and staff are to be congratulated. There are, however, areas for continued improvement specifically within the internal controls and adherence to procurement procedures.

It is recognised that corporate governance and the systems associated therewith require ongoing reassessment and realignment with best practices. It is incumbent on the Committee to acknowledge and recognise that the agency's going concern status remains dependent on the Department of Social Development and as such concurs with the going concern premise framed in the annual financial statements is appropriate.

#### **Staff changes**

During the financial year under review the NDA ap-

pointed both a new human resources executive as well as a new chief financial officer; both appointments being to replace staff members who resigned. In addition, the chief executive officer left the organisation and a process to identify and select a suitable replacement is in progress.

#### **Conclusion**

I would like to extend my thanks and appreciation to my colleagues who have served with me on this Committee and have given tirelessly of their time and expertise to ensure the effectiveness of the committee. The staff of the Internal Audit Department has continued to meet their commitments despite the impact of illnesses and changed membership.

I would also like to recognise the efforts and the unwavering commitment and unfailing constructive criticism of both the Auditor-General's staff as well as the staff of the sub-contracted external auditors and extend to them our appreciation on behalf of the Committee and the staff of the NDA.

To the executive team and the acting chief executive officer who have worked very hard under difficult conditions to achieve a good result, I would like to extend my thanks for their efforts and commitment.

*D. Adley*

Chairperson of the NDA Audit and Risk Committee

Date: 31 July 2009

## Report on the financial statements

### Introduction

I have audited the accompanying financial statements of the National Development Agency which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 50 to 69.

### The accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statement of Generally Accepted Accounting Practice and Generally Recognised Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### The Auditor-General's responsibility

As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 11 of the National Development Agency Act, 1998 (Act No. 108 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the Inter-

national Standards on Auditing read with General Notice 616 of 2008, issued in *Government Gazette No. 31057* of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the National Development Agency as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the South African Statement of Generally Accepted Accounting Practice and

Generally Recognised Accounting Practice and in the manner required by the Public Finance Management Act and the National Development Agency Act, 1998.

### Emphasis of matters

Without qualifying my opinion, I draw attention to the following matter:

#### Irregular expenditure

As disclosed in note 26 to the financial statements, irregular expenditure to the amount of R2 583 251 was incurred, as proper procurement processes as defined in the National Development Agency Procurement Policy, had not been followed.

#### Other matter

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

#### Non-compliance with the NDA Act

According to section 5(1)(a) of the National Development Agency Act, 1998 (Act No. 108 of 1998) the National Development Agency Board must consist of five members to represent government. At 31 March 2009 only two out of the 11 appointed board members were still employed full time in government. The interest of government is therefore not sufficiently taken care of.

#### Key governance responsibilities

The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 55 of the PFMA.	✓	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	✓	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit committee		
	The National Development Agency had an audit committee in operation throughout the financial year.	✓	
	The audit committee operates in accordance with approved, written terms of reference.	✓	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA.	✓	
7.	Internal audit		
	The National Development Agency had an internal audit function in operation throughout the financial year.	✓	
	The internal audit function operates in terms of an approved internal audit plan.	✓	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	
12.	Delegations of responsibility are in place, as set out in section 56 of the PFMA.	✓	
<b>Follow-up of audit findings</b>			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA/Oversight resolutions have been substantially implemented.	✓	
<b>Issues relating to the reporting of performance information</b>			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the National Development Agency against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulations 30.1.	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	



## Report on other legal and regulatory requirements

### Report on performance information

I have reviewed the performance information as set out on pages 27 to 35.

### The accounting authority's responsibility for the performance information

The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

### The Auditor-General's responsibility

I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in *Government Gazette No. 31057* of 15 May 2008.

In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

## Other reports

### Performance audits

A performance audit was conducted during the year under review concerning projects at the National Development Agency. The report is in process of being finalised.

## Appreciation

The assistance rendered by the staff of the National Development Agency during the audit is sincerely appreciated.

*Auditor-General*

Pretoria

31 July 2009





## Report by the Board on the annual financial statements

For the year ended 31 March 2009

This report is presented in terms of Treasury Regulation 28.1.1, the Public Finance Management Act, Act No. 1 of 1999, as amended, and is focused on the financial results and financial position of the National Development Agency. Information pertaining to the National Development Agency's state of affairs, its business and performance against pre-determined objectives are disclosed elsewhere in the annual report. The prescribed disclosure of emoluments in terms of Treasury Regulation 28.1.1 is reflected in note 11 of the annual financial statements.

The Board acknowledges that it is responsible for the preparation and integrity of the annual financial statements and related information included in the annual report. In order for the Board to discharge these responsibilities, as well as those bestowed on it in terms of the Public Finance Management Act and other applicable legislation, it has developed, and maintains a system of internal controls.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions executed and recorded in accordance with generally accepted business practices, as well as the Board's policies and procedures. Monitoring of these controls includes

a regular review of their operations by the Board and independent oversight by an audit committee.

The financial statements are prepared in accordance with South African Statements of Generally Recognised Accounting Practice and incorporate disclosure in line with the accounting philosophy of the Board and the requirements of the Public Finance Management Act. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board believes that the National Development Agency, as an agency of government that is assured of continued government funding, will be a going concern in the year ahead and has, for this reason, adopted the going concern basis in preparing the annual financial statements.

The annual financial statements, as set out on pages 50 to 69 were approved by the Board and are signed on its behalf by:

*Rt Reverend Bishop  
M Mpuumlwana*

Chairperson of the Board

*Rashida Ivel*

Chief Executive Officer



## Statement of Financial Performance

For the year ended 31 March 2009

	Note	2009	2008
		R	R
<b>Revenue</b>			
Transfer payments from government	4	136 267 000	129 163 000
Interest		26 675 528	25 681 428
Other income	5	3 324 902	817 676
<b>Total revenue</b>		<b>166 267 430</b>	<b>155 662 104</b>
<b>Expenses</b>			
Accommodation and travel		3 120 987	2 532 374
Audit fees		2 272 297	1 258 063
Board fees	11.1 & 11.2	1 269 137	624 387
Executive remuneration	11.3 & 11.4	9 323 943	8 349 054
Committed poverty eradication projects	18	114 236 418	133 072 628
Projects support costs	6	4 191 700	4 571 618
Ineligible expenditure due to European Union	17	-	5 605 656
Consulting and professional fees	10	8 784 431	13 614 298
Depreciation	7	1 454 258	1 117 452
Amortisation of intangible asset	13	366 541	143 442
Loss on disposal of property, plant and equipment	13	217 562	27 971
Impairment of receivable	15	-	138 526
Marketing and communication costs	8	2 193 856	4 776 180
Operating leases – offices		3 734 206	2 912 270
Water and lights		958 959	-
Operating leases – equipment		414 748	680 551
Repairs and maintenance		579 230	234 460
Information Technology infrastructure maintenance		313 182	-
Printing and stationery		1 343 544	899 604
Seminars, workshops and conferences		1 617 057	1 929 408
Staff costs	12	33 968 972	29 963 394
Telephone and faxes		1 612 866	2 122 689
Relocation of offices		2 343 266	-
Miscellaneous costs	9	4 512 780	2 533 161
<b>Total expenses</b>		<b>198 829 940</b>	<b>217 107 186</b>
<b>Net deficit for the year</b>	27	<b>(32 562 510)</b>	<b>(61 445 082)</b>



## Statement of Financial Position



For the year ended 31 March 2009

	Note	2009	2008
		R	R
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	3 314 585	4 061 706
Intangible asset	13	1 434 122	1 577 860
		<b>4 748 707</b>	<b>5 639 566</b>
<b>Current assets</b>			
Cash and cash equivalents	14	246 519 366	278 650 078
Accounts receivable	15	2 049 660	4 037 010
		<b>248 569 026</b>	<b>282 687 088</b>
<b>Total assets</b>		<b><u>253 317 733</u></b>	<b><u>288 326 654</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	16	7 840 394	4 055 863
Provisions	17	2 007 887	2 513 500
Government-funded committed projects	19	179 641 909	188 209 136
European Union payable	18	21 668 312	20 348 768
<b>Total liabilities</b>		<b><u>211 158 502</u></b>	<b><u>215 127 267</u></b>
<b>Net assets</b>		<b><u>42 159 231</u></b>	<b><u>73 199 387</u></b>
<b>Represented by:</b>			
Projects fund		1 202 833	32 242 989
Development fund		40 956 398	40 956 398
<b>Total Net assets</b>		<b><u>42 159 231</u></b>	<b><u>73 199 387</u></b>
		<b><u>253 317 733</u></b>	<b><u>288 326 654</u></b>



## Statement of Changes in Net Assets

For the year ended 31 March 2009

	Note	Development fund (See note 3.1)	Projects fund (See note 3.2)	Total
		R	R	R
Balance at 1 April 2007		46 562 054	86 032 107	132 594 161
Net surplus (deficit) for the year		-	(61 445 082)	(61 445 082)
Due to European Union		(5 605 656)	5 605 656	-
Adjustment of committed projects		-	2 050 308	2 050 308
Balance at 31 March 2008		<b>40 956 398</b>	<b>32 242 989</b>	<b>73 199 387</b>
Net surplus (deficit) for the year		-	(32 562 510)	(32 562 510)
Adjustment of committed projects		-	1 522 354	1 522 354
Balance at 31 March 2009		<b>40 956 398</b>	<b>1 202 833</b>	<b>42 159 231</b>

“ The Board acknowledges that it is responsible for the preparation and integrity of the annual financial statements and related information included in the annual report. ”



## Cash Flow Statement

For the year ended 31 March 2009

	Note	2009	2008
		R	R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfer payments from government	4	136 267 000	129 163 000
Interest	5	26 675 528	25 681 428
Debtors		1 987 350	(1 757 518)
Other	5	3 272 320	789 705
<b>Payments</b>			
To employees	12	(40 917 958)	(38 312 448)
To projects	19	(118 077 330)	(76 126 100)
To suppliers		(40 242 702)	(36 621 872)
<b>Net cash flows from operating activities</b>	20	<b>(31 035 792)</b>	<b>2 816 195</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	13	( 924 699)	(2 360 559)
Acquisition of intangible asset	13	(222 803)	(1 721 302)
Proceeds from the disposal of property, plant and equipment	5	52 582	36 400
<b>Net cash flows from investing activities</b>		<b>(1 094 920)</b>	<b>(4 045 461)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(32 130 712)</b>	<b>(1 229 266)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>278 650 078</b>	<b>279 879 344</b>
<b>Cash and cash equivalents at end of year</b>		<b><u>246 519 366</u></b>	<b><u>278 650 078</u></b>

# Notes to the Annual Financial Statements

For the year ended 31 March 2009

## 1. Accounting policies

### 1.1 Principal accounting policies

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year, except as referred to in note 1.2.

### 1.2 Basis of preparation

The financial statements have been prepared in accordance with the South African statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

#### Standard of GRAP

GRAP 1: Presentation of financial statements  
GRAP 2: Cash flow statements  
GRAP 3: Accounting policies, changes in accounting estimates and errors

#### Replaced Statement of GAAP

AC101: Presentation of financial statements  
AC118: Cash flow statements  
AC103: Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements.

The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

#### Terminology differences:

##### Standard of GRAP

Statement of changes in net assets  
Net assets  
Surplus/deficit for the period  
Accumulated surplus/deficit  
Contributions from owners  
Distributions to owners  
Reporting date

##### Replaced statement of GAAP

Statement of changes in equity  
Equity  
Profit/loss for the period  
Retained earnings  
Share capital  
Dividends  
Balance sheet date

**The cash flow statement can only be prepared in accordance with the direct method.**

#### Specific information such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
- (b) taxes and transfers payable;
- (c) trade and other payables from non-exchange transactions; must be presented separately on the statement of financial position

**The amount and nature of any restrictions on cash balances is required to be disclosed.**

Paragraph 11 – 15 of GRAP 1 requires a comparison between actual and budget result for the financial period. The NDA did not set up the financial systems to enable the splitting of this information. Although the inclusion of budget information would enhance the usefulness of the financial statements, non disclosure will not affect fair presentation. However, in subsequent years, the NDA will include the information to comply with GRAP.

**1.3 Committed projects**

Committed project funds represent funds committed and allocated to specific projects for which contracts have been entered into and which await cash payments in terms of payment cycles per agreed contracts.

**1.4 Project withdrawal**

A project will be withdrawn from committed projects funds when the project no longer meets the requirements of a liability, i.e. there is no present obligation arising from past events and it is not probable that settlement of the liability will result in outflow of economic benefits.

**1.5 Property, plant and equipment**

The cost of 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is de-recognised.

Property, plant and equipment, comprising computer equipment, office equipment, furniture and motor vehicles, is stated at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in the statement of financial performance when the item is de-recognised. The gain or loss arising from the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The useful lives and residual values of property, plant and equipment are reviewed annually.

Depreciation is charged on the straight-line basis over the estimated useful lives of assets. The estimated maximum useful lives of property, plant and equipment are as follows:

Computer equipment	3 years
Equipment	6 years
Furniture	6 years
Motor vehicles	5 years
Intangible asset	5 years

Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income. Leasehold improvements and minor asset items are also expensed directly against income.

The surplus or deficit on the disposal of property, plant and equipment is the difference between the net disposal proceeds and the carrying amount of the asset. Surpluses and deficits are recognised in the income statement.

**1.6 Intangible assets**

The cost of an intangible asset is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and



- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire, construct or prepare the asset for its intended use.

The useful lives of intangible assets are finite. Intangible assets are amortised on the straight line basis over the estimated useful life of five (5) years.

### 1.7 Impairment

The carrying amounts of all assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the statement of financial performance whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment been recognised in prior years.

### 1.8 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*

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

### 1.9 Financial instruments

#### *Initial recognition*

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.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

#### *Measurement*

##### *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. 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.

Trade and other receivables are carried at amortised cost less any accumulated impairment.

##### *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.

Trade and other payables are carried at amortised cost.

#### 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.

#### *Financial assets for which fair value approximate carrying value*

Fair values of financial assets carried at cost, including cash, deposits with banks, short-term receivables and accrued interest are considered to approximate their respective carrying values due to their short-term nature.

#### *Financial assets where fair value differs from cost*

Money market unit trusts are carried at their estimated fair value. Quoted market prices, where available, are used to determine the fair value of trading instruments. If quoted prices are not available, fair values are estimated by using pricing models, quoted prices of assets with similar characteristics or discounted cash flows.

#### *Financial liabilities for which fair value approximates carrying value*

Fair values of accounts payable and accrued liabilities

are considered to approximate their respective carrying values due to their short-term nature.

#### *Impairment of financial instruments*

In the event of any financial instruments value being permanently impaired, the carrying value of the instrument will be adjusted to reflect the realisable value of the investments as determined.

Impairments of financial instruments are reviewed on an annual basis, and an impairment charge is included in the net income or loss in the period in which the impairment has arisen. In instances where previous impairment losses are reversed, changes previously recognised as expenses are included as income in net income or loss in the period in which the required reversals are identified.

#### *Offset*

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

### **1.10 Revenue**

Revenue consists of transfer payment from government and other operating income, and is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

### **1.11 Interest**

Interest is recognised using the effective interest rate method, taking account of the principal outstanding and the effective rate over the period to maturity.

### **1.12 Provisions**

Provisions are recognised when:

- the entity 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.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If the Agency has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

## 1.13 Employee benefits

### *Post-employment benefits*

#### *Retirement*

The entity contributes to a defined contribution plan. Contributions to defined contribution funds are charged against income as incurred.

#### *Medical*

No contributions are made by the entity to the medical aid of retired employees.

### *Short and long-term benefits*

The cost of all short-term employee benefits, such as salaries, bonuses, medical and other contributions is recognised during the period in which the employee renders the related service.

### *Termination benefits*

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

## 1.14 Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Cash flows arising from transactions in a foreign currency are recorded in rands by applying to the foreign currency amount the exchange rate between the rand and the foreign currency at the date of the cash flow.

## 1.15 Comparatives

Comparative figures have been restated, where necessary, to conform with changes in presentation in the current year.

## 2. Public sector practices and policies

### 2.1 Inter-relationship with National Government

The National Development Agency operates as a public entity within the influence sphere of the National Department of Social Development. In line with prevailing South African Government practices, the National Development Agency is not obliged to reimburse the national department for time spent by its officials on matters pertaining to the National

Development Agency. The extent of this involvement is not quantifiable and has, consequently, not been disclosed in the financial statements.

### 2.2 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

## 3. Funds under administration

### 3.1 Development fund

It represents funds provided by the Independent Development Trust to assist the National Development Agency in meeting its objectives. The funds can only be utilised in terms of the conditions of the original grant.

### 3.2 Projects fund

It represents funds not yet committed to specific development projects at year-end. The fund is built up from annual grants received from government, excluding a portion set aside for administrative expenditure. The capital can only be utilised for projects, which have been pre-approved by the Board of the National Development Agency.

	2009	2008
	R	R

#### 4. Revenue

Transfer payments received from Department of Social Development	136 267 000	129 163 000
--	-------------	-------------

#### 5. Other income

Write back of previously committed projects (see note 19)	2 818 048	600 718
Proceeds from disposal of property, plant and equipment	52 582	36 400
Refunds from projects	400 244	180 558
Other income (includes interest on staff loans and over deductions from staff provident fund and medical aid)	54 028	-
	<b><u>3 324 902</u></b>	<b><u>817 676</u></b>

#### 6. Project support costs

- Accommodation	1 214 142	1 488 472
- Car hire	562 886	628 342
- Air travel	1 317 299	1 591 650
- Subsistence and travel	1 097 373	863 154
	<b><u>4 191 700</u></b>	<b><u>4 571 618</u></b>

#### 7. Depreciation

Computer equipment	825 354	575 972
Office equipment	236 322	144 356
Furniture	339 799	344 340
Motor vehicles	52 783	52 784
	<b><u>1 454 258</u></b>	<b><u>1 117 452</u></b>

#### 8. Marketing and communication costs

Advertising	512 121	1 432 501
Promotional material	298 082	446 058
Project launches	141 947	199 768
Sign boards for NDA funded projects	834 936	1 842 256
Stakeholder engagement	406 770	855 597
	<b><u>2 193 856</u></b>	<b><u>4 776 180</u></b>

	2009	2008
	R	R

#### 9. Miscellaneous costs

Regional Services Council levies	-	182 953
Information Technology support	283 689	76 707
Bank charges	359 290	456 017
Board meetings	171 821	138 829
Catering	414 663	420 554
Cleaning	395 455	447 982
Insurance	308 469	301 144
Postage and courier	329 182	342 636
Security	90 922	84 958
Internet connectivity	1 376 173	-
Partnerships	25 000	-
Software licence renewals	700 413	-
Subscriptions and memberships	57 703	81 381
	<b><u>4 512 780</u></b>	<b><u>2 533 161</u></b>

#### 10. Consulting and professional fees

Consulting and professional fees is made up of consultants and legal fees and was spent as follows per department:

Chief Executive Officer's Office	831 576	2 274 689
Internal Audit	301 578	334 508
Finance	645 447	741 426
Information Technology	547 693	2 475 002
Projects	416 016	322 475
Human Resources	1 284 929	1 013 160
Capacity Building	1 040 327	3 212 476
Marketing	486 903	-
Research and Development	3 229 962	3 240 562
	<b><u>8 784 431</u></b>	<b><u>13 614 298</u></b>



## Notes to the Annual Financial Statements

For the year ended 31 March 2009

### 11. Salaries and allowances paid to members of the Board and executive management

11.1 31 March 2009 – Board fees	Appointment date	Termination date	Fees for services as Board member	Basic salary	Performance bonus	Contributions to retirement, medical and life cover benefits	Total
	R		R		R	R	R
<b>Members of the Board</b>							
Bishop M Mpumlwana	05/12/2003		89 111	-	-	-	89 111
Prof T Mayekiso	05/12/2003		186 034	-	-	-	186 034
Ms M Manong	05/12/2003		126 514	-	-	-	126 514
Mr M Faku	27/01/2006		45 120	-	-	-	45 120
Dr T Masilela	03/12/2003		8 480	-	-	-	8 480
Mr D Adler	24/10/2007		177 368	-	-	-	177 368
Mr M Madzivhandila	24/10/2007		123 682	-	-	-	123 682
Rev N Maphalala	24/10/2007		-	-	-	-	-
Dr W Mgoqi	24/10/2007		114 920	-	-	-	114 920
Mr S Mohlabi	24/10/2007		-	-	-	-	-
Mr P Mokobane	24/10/2007		133 620	-	-	-	133 620
Chief P Ngove	24/10/2007		105 220	-	-	-	105 220
Mr M Pheelwane	24/10/2007		126 668	-	-	-	126 668
<b>Audit Committee – Independent members</b>							
Mr K Mockler	31/03/2008		12 960	-	-	-	12 960
Ms K Malapela	17/05/2004		19 440	-	-	-	19 440
			<b><u>1 269 137</u></b>	-	-	-	<b><u>1 269 137</u></b>

For the year ended 31 March 2009

**11. Salaries and allowances paid to members of the Board and executive management**

11.2 31 March 2008 – Board fees	Appointment date	Termination date	Fees for services as Board member	Basic salary	Performance bonus	Contributions to retirement, medical and life cover benefits	Total
			R	R	R	R	R
<b>Members of the Board</b>							
Ms N Moletsane	05/12/2003	23/10/2007	-	-	-	-	-
Bishop M Mpumlwana	05/12/2003		50 000	-	-		50 000
Ms J Daries	05/12/2003	23/10/2007	57 500	-	-	-	57 500
Prof T Mayekiso	05/12/2003		97 500	-	-	-	97 500
Dr S Rule	05/12/2003	23/10/2007	46 500	-	-	-	46 500
Ms M Manong	05/12/2003	23/10/2007	53 000	-	-	-	53 000
Mr M Faku	27/01/2006	23/10/2007	2 000	-	-	-	2 000
Dr T Masilela	03/12/2003	23/10/2007	19 500	-	-	-	19 500
Mr D Adler	24/10/2007		54 000	-	-	-	54 000
Mr M Madzivhandila	24/10/2007		46 000	-	-	-	46 000
Rev N Maphalala	24/10/2007		-	-	-	-	-
Dr W Mgoqi	24/10/2007		50 000	-	-	-	50 000
Mr S Mohlabi	24/10/2007		-	-	-	-	-
Mr P Mokobane	24/10/2007		46 500	-	-	-	46 500
Chief P Ngove	24/10/2007		46 500	-	-	-	46 500
Mr M Pheelwane	24/10/2007		30 000	-	-	-	30 000
<b>Audit Committee – independent members</b>							
Mr A Velich ( Douglas and Velich)	31/10/1002	31/03/2008	17 387	-	-	-	17 387
Ms K Malapela (Ernst & Young)	17/05/2004		4 000	-	-	-	4 000
Mr K Mockler	24/10/2007		4 000	-	-	-	4 000
			<b>624 387</b>	-	-	-	<b>624 387</b>

## Notes to the Annual Financial Statements

For the year ended 31 March 2009

### 11. Salaries and allowances paid to members of the Board and executive management

11.3 31 March 2009 – Executive management		Appointment date	Termination date	Basic salary	Performance bonus	Contributions to retirement, medical and life cover benefits	Total
				R	R	R	R
Name	Designation						
Mr G Mokate	Chief executive officer *	01/06/2005	31/03/2009	2 260 599	-	272 744	2 533 343
Mr M Mofokeng	Chief financial officer	01/12/2004	30/09/2008	493 549	-	94 218	587 767
Ms K Kemp	Company secretary	01/06/2008		561 463	-	98 537	660 000
Mr DM Ncube	Chief financial officer	01/10/2008		167 157	-	46 034	213 191
Mr S Lewatle	Director human resources	01/11/2008		253 345	-	82 168	335 513
Ms J Jeftha	Director human resources	01/07/2007	01/07/2008	309 894	-	66 811	376 705
Mr MR Mogano	Director projects	01/07/2003		775 600	15 043	173 346	963 989
Ms LC Mangcu	Director marketing and communication	05/05/2003		711 589	27 853	35 000	774 442
Ms H Mansour	Director internal audit	24/11/2005		732 866	15 050	167 277	915 193
Prof P Ewang	Director research and development	24/11/2005		730 510	17 928	210 195	958 633
Ms R Issel	Chief operating officer	01/08/2007		852 126	10 600	142 441	1 005 167
				<b>7 848 698</b>	<b>86 474</b>	<b>1 388 771</b>	<b>9 323 943</b>

\* Included in Mr Mokate's remuneration is his severance payout of R 1 310 112. Mr Mokate's employment contract was terminated in March 2009.

11.4 31 March 2008 – Executive management				R	R	R	R
Name	Designation						
Mr G Mokate	Chief Executive Officer	01/06/2005		891 654	54 969	174 920	1 121 543
Mr M Mofokeng	Chief Financial Officer	01/12/2004		695 762	28 118	134 548	858 428
Mr DD Wilcox	Company Secretary	01/07/2002	30/11/2007	1 733 666	11 877	98 537	1 844 080
Ms N Antonis	Director Human Resources	01/07/2003	30/04/2007	64 050	-	14 456	78 506
Ms J Jeftha	Director Human Resources	01/07/2007		479 488	-	86 740	566 228
Mr MR Mogano	Director Projects	01/07/2003		725 910	28 118	121 491	875 519
Ms LC Mangcu	Director Marketing and Communication	05/05/2003		711 589	27 853	35 000	774 442
Ms H Mansour	Director Internal Audit	24/11/2005		729 402	42 197	97 076	868 675
Prof P Ewang	Director Research and Development	24/11/2005		660 537	-	133 784	794 321
Ms R Issel	Chief Operating Officer	01/08/2007		495 431	-	71 881	567 312
				<b>7 187 489</b>	<b>193 132</b>	<b>968 433</b>	<b>8 349 054</b>

Note: Included in Mr DD Wilcox's basic salary is his severance payout to the amount of R 1 270 893. Mr Wilcox's employment contract was terminated in December 2007.

For the year ended 31 March 2009

## 12. Staff costs

Department	2008/2009 Amount	% Split	2007/2008 Amount	% Split
<b>Mandate costs</b>	<b>22 873 166</b>	<b>58%</b>	<b>19 751 600</b>	<b>56%</b>
Projects provincial cost	17 334 841	44%	15 187 773	43%
Projects national cost	3 252 318	8%	2 808 111	8%
Research and development	2 286 007	6%	1 755 716	5%
<b>Governance cost</b>	<b>4 725 852</b>	<b>12%</b>	<b>5 763 434</b>	<b>16%</b>
Internal audit	3 286 022	8%	2 923 130	8%
Risk, legal and company secretary	1 439 830	4%	2 840 304	8%
<b>Marketing and communication</b>	<b>2 459 066</b>	<b>6%</b>	<b>2 258 575</b>	<b>6%</b>
Marketing and communication	2 459 066	6%	2 258 575	6%
<b>Support cost</b>	<b>9 595 334</b>	<b>24%</b>	<b>7 781 844</b>	<b>22%</b>
CEO's office	3 916 110	10%	2 391 095	7%
Finance and Information Technology	3 650 095	9%	2 555 455	7%
Human Resource	2 029 129	5%	2 835 294	8%
<b>Total</b>	<b><u>39 653 418</u></b>	<b>100%</b>	<b><u>35 555 453</u></b>	<b>100%</b>
<b>Other staff costs</b>	<b>3 639 497</b>		<b>2 756 995</b>	
Staff training costs	652 597		490 307	
Performance bonus	1 529 768		-	
Other staff-related costs	1 457 132		2 266 688	
<b>Total staff costs</b>	<b><u>43 292 915</u></b>		<b><u>38 312 448</u></b>	
<b>Less executive remuneration</b>	<b>9 323 943</b>		<b>8 349 054</b>	
<b>Staff costs</b>	<b><u>33 968 972</u></b>		<b><u>29 963 394</u></b>	



## Notes to the Annual Financial Statements

For the year ended 31 March 2009

### 13. Property, plant and equipment

	Depreciation rate (%)	Cost (R)	Accumulated depreciation (R)	Carrying amount (R)
31 March 2009				
Computer equipment	33,33	2 837 773	1 521 013	1 316 760
Office equipment	16.67	1 451 570	510 356	941 213
Furniture	16.67	1 935 965	944 469	991 496
Motor vehicles	20.00	263 918	198 802	65 116
		<b><u>6 489 226</u></b>	<b><u>3 174 641</u></b>	<b><u>3 314 585</u></b>

Reconciliation of carrying amounts:

	R	R	R		R
	Computer equipment	Office equipment	Furniture	Motor vehicles	Total
Carrying amount 1 April 2008	1 543 602	994 021	1 406 184	117 899	4 061 706
Additions during the year	641 955	204 155	78 589	-	924 699
Disposals during the year	(43 443)	(20 641)	(153 478)	-	(217 562)
Depreciation during the year	(825 354)	(236 322)	(339 799)	(52 783)	(1 454 258)
Carrying amount 31 March 2009	<b><u>1 316 760</u></b>	<b><u>941 213</u></b>	<b><u>991 496</u></b>	<b><u>65 116</u></b>	<b><u>3 314 585</u></b>

	Depreciation rate	Cost	Accumulated depreciation	Carrying amount
	%	R	R	R
31 March 2008				
Computer equipment	33,33	2 320 889	777 287	1 543 602
Office equipment	16.67	1 287 988	293 967	994 021
Furniture	16.67	2 144 784	738 600	1 406 184
Motor vehicles	20.00	263 918	146 019	117 899
		<b><u>6 017 579</u></b>	<b><u>1 955 873</u></b>	<b><u>4 061 706</u></b>

For the year ended 31 March 2009

**Reconciliation of carrying amount**

	R	R	R		R
	Computer equipment	Office equipment	Furniture	Motor vehicles	Total
Carrying amount 1 April 2007	655 083	614 230	1 406 575	170 683	2 846 570
Additions during the year	1 488 074	528 536	343 949	-	2 360 559
Disposals during the year	(23 583)	(4 388)	-	-	(27 971)
Depreciation during the year	(575 972)	(144 356)	(344 340)	(52 784)	(1 117 452)
Carrying amount 31 March 2008	<u>1 543 602</u>	<u>994 021</u>	<u>1 406 184</u>	<u>117 899</u>	<u>4 061 706</u>

**Reconciliation of carrying amounts:  
Intangible assets**

	Opening carrying amount	Additions	Amortisation during the year	Closing carrying amount
		R	R	R
31 March 2009				
Intangible assets	1 577 860	222 803	(366 541)	1 434 122

**Intangible assets**

	Amortisation rate	Cost	Accumulated amortisation	Carrying amount
	%	R	R	R
31 March 2008				
Intangible assets	20,00	1 721 302	(143 442)	1 577 860

The intangible asset represents the Enterprise Resources Planning software.

## Notes to the Annual Financial Statements

For the year ended 31 March 2009

	2009	2008
	R	R

### 14. Cash and cash equivalents

Cash on hand	24 601	44 161
Call and current accounts	51 264 909	2 353 470
Money market accounts	179 965 923	262 248 320
Call and current accounts – European Union	15 263 933	14 004 127
<b>Total</b>	<b><u>246 519 366</u></b>	<b><u>278 650 078</u></b>

### 15. Accounts receivable

Employee-related advances	31 087	30 105
SARS	-	138 526
Impairment of SARS debtor	-	(138 526)
Interest accrued	1 580 425	3 704 973
Other receivables	438 148	282 094
	<u>2 049 660</u>	<u>4 017 172</u>
Ex-employee debtor	-	19 838
<b>Total</b>	<b><u>2 049 660</u></b>	<b><u>4 037 010</u></b>

For the year ended 31 March 2009

	2009	2008
	R	R

### 16. Accounts payable

Trade creditors *	6 575 504	3 801 323
Staff creditors (travel claims)	146 126	103 856
Operating lease liabilities	314 137	115 725
Other creditors	804 627	34 959
<b>Total accounts payable</b>	<b><u>7 840 394</u></b>	<b><u>4 055 863</u></b>

For the year ended 31 March 2009

	2009	2008
	R	R

\*Included in the trade creditors are the following major accounts

Forensic audit services	566 585	-
HR business process mapping project	996 177	-
Severance payout for former CEO	1 310 112	-
Performance bonus	800 000	-
Legal settlement	-	650 000

### 17. Provisions

<b>Provision for leave</b>		
- Opening balance	2 004 410	972 987
- Movement	(421 433)	1 031 423
- Closing balance	<b><u>1 582 977</u></b>	<b><u>2 004 410</u></b>
<b>Provision for 13<sup>th</sup> cheque</b>		
- Opening balance	509 090	439 787
- Provision raised	1 829 145	1 904 559
- 13 <sup>th</sup> Cheque pay-out	(1 913 325)	(1 835 256)
- Closing balance	<b><u>424 910</u></b>	<b><u>509 090</u></b>
<b>Total provisions</b>	<b><u>2 007 887</u></b>	<b><u>2 513 500</u></b>

### 18. European Union payable

Withdrawn commitments	7 806 146	7 806 146
Ineligible expenditure	5 605 656	5 605 656
Interest	8 256 510	6 936 966
<b>Total</b>	<b><u>21 668 312</u></b>	<b><u>20 348 768</u></b>

For the year ended 31 March 2009

	2009	2008
	R	R
<b>19. Government-funded committed projects</b>		
Represents funds allocated and committed to specific projects and programmes for which contracts have been entered into, and await cash payments in terms of agreed upon payment cycles.		
Opening balance	188 209 136	133 913 634
Committed poverty eradication projects	114 236 418	133 072 628
Cash disbursements in terms of committed projects	(118 077 330)	(76 126 100)
Write backs/projects withdrawal	(2 818 048)	(600 718)
Adjustment of committed projects to administration funds	(1 522 354)	(2 050 308)
Adjustment of committed projects	(385 913)	-
<b>Total</b>	<b><u>179 641 909</u></b>	<b><u>188 209 136</u></b>

## 20. Note to the cash flow statement

<b>Surplus (deficit) from operations</b>	<b>(32 562 510)</b>	<b>(61 445 082)</b>
Adjusted for non-cash flow items:		
Depreciation of property, plant and equipment	1 454 258	1 117 452
Amortisation of Intangible assets	366 541	143 442
Net Profit/(loss) on retirement of property, plant and equipment	217 562	27 971
Provision for doubtful debts	-	138 526
Non-operating income	(52 582)	(36 400)
Adjustment of projects to administration fund	1 522 354	2 050 309
<b>Operating deficit before changes in working capital</b>	<b><u>(29 054 377)</u></b>	<b><u>(58 003 782)</u></b>
(Increase)/decrease in accounts receivable	1 987 350	(1 757 518)
Increase/(decrease) in accounts payable and provisions	3 278 918	1 646 878
Increase in EU payable	1 319 544	6 635 115
(Decrease)/increase in committed projects	( 8 567 227)	54 295 502
<b>Cash (utilised)/generated by operations</b>	<b><u>(31 035 792)</u></b>	<b><u>2 816 195</u></b>

## 21. Financial risk management

### Interest rate risk

Interest rate risk is the risk that the value of a financial asset will fluctuate due to movements in market interest rates. The entity is exposed to interest rate risk as certain investments are held in money market unit trusts.

### Credit risk

Credit risk is the risk that the counter-party to a financial asset will default on its obligation, in part or in total, thereby causing loss to the entity. This risk is being managed by the entity by only investing funds at large reputable financial institutions in the Republic of South Africa.

### Currency risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign exchange rates. The entity is not exposed to currency risk as a foreign currency denominated grant is receivable from the EU.



### 22. Taxation

No provision has been made for income tax as the National Development Agency is exempt from income tax in terms of Section 30 of the Income Tax Act 1962 as amended.

### 23. Committed operating leases

31 March 2008	R	R	R
	Not later than 1 year	Between 2 and 5 years	Later than 5 years
Total future minimum lease payments under non-cancellable operating leases.	400 730	-	-
31 March 2009	Not later than 1 year	Between 2 and 5 years	Later than 5 years
Total future minimum lease payments under non-cancellable operating leases.	4 198 258	6 519 485	-

### 24. Guarantees

A bank guarantee for an amount of R300 000 has been issued by the BOE bank as a continuing covering security for the payment of monies due by the National Development Agency, in respect of the lease of premises at 31 Princess of Wales Terrace, Parktown.

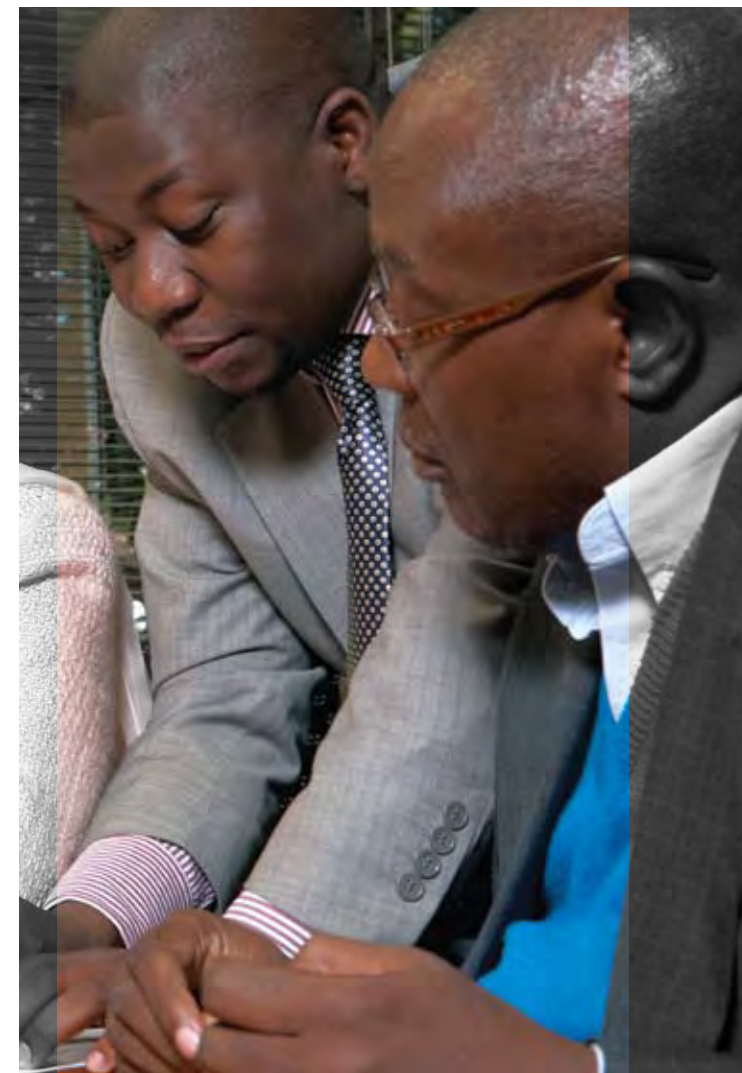
### 25. Contingent asset

During the criminal investigation of the accounts clerk who misappropriated NDA funds, assets to the value of R2 700 000 were recovered by the National Prosecuting Authority (NPA). The NPA will pay over the balance of the liquidated assets, less their

expenses, over to the NDA. There is no change in the status of this contingent asset, debtor since this matter was last reported in March 2008.

### 26. Irregular expenditure

Included in the expenses is irregular expenditure that did not follow the procurement process as defined in the approved procurement policy. This expenditure amounts to R2 583 251. Management will investigate all these cases and take corrective action.



“ However, in addition one must acknowledge that the NDA's true potential for excellence lies not only in its financial activity, but in a triple-bottom-line approach which also includes social and environmental considerations. ”

## 27. Reconciliation of net deficit

For the year ended 31 March 2009

	2009	2008
	R	R
Transfer payment from government	136 267 000	129 163 000
Interest income	26 675 528	25 681 428
Other income	3 324 902	817 676
<b>Total revenue</b>	<b>166 267 430</b>	<b>155 662 104</b>
Less: Committed projects for current year	(73 081 617)	(56 101 450)
<b>Surplus before prior year commitments and operating costs</b>	<b>93 185 813</b>	<b>99 560 654</b>
Less: Operating costs	(84 593 522)	(84 034 558)
<b>Net surplus for current period</b>	<b>8 592 291</b>	<b>15 526 096</b>
Less: Current commitment from prior years	(41 154 801)	(76 971 178)
<b>Net deficit for the year</b>	<b>(32 562 510)</b>	<b>(61 445 082)</b>

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- CBO**.....Community-based organisations
- CCMA**.....Commission for Conciliation  
Mediation and Arbitration
- CEO**.....Chief executive officer
- CSO**.....Civil society organisation
- DSD**.....Department of Social Development
- MANCO**.....Management and Finance  
Committee
- NCOP**.....National Council of Provinces
- NDA**.....National Development  
Agency
- NGO**.....Non-government organisation
- NPO**.....Not-for-profit organisation
- PFMA**.....Public Finance Management Act
- PMC**.....Project management cycle
- NMM**.....Nelson Mandela Metropole



**NDA**

National  
Development  
Agency

**(NDA) 2008/9 Annual Report**

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*National Development Agency*

