

ANDA 2023/24 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

Section 88 of MFMA 56 of 2003



Table of Contents

1. BACKGROUND.....	2
2. SUBMISSION OF THE REPORT.....	2
3. INTRODUCTION.....	3
4. ORGANISATIONAL PERFORMANCE SUMMARY.....	3
5. PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE 2021/2022 ANNUAL REPORT.....	11
6. GOVERNANCE AND STRATEGIC PLANNING:.....	15
7. AREAS OF IMPROVEMENT.....	15
8. BUDGET ASSESSMENT OVERVIEW.....	15
TABLE F2: MONTHLY FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE).....	18
TABLE F3 – CAPITAL EXPENDITURE.....	18
TABLE F4: STATEMENT OF FINANCIAL POSITION.....	19
TABLE F5: CASH FLOWS.....	20
<u>PART 2 – SUPPORTING DOCUMENTATION</u>	<u>22</u>
TABLE SF1: MATERIAL VARIANCES AND EXPLANATIONS	22
TABLE SF2: FINANCIAL AND NON-FINANCIAL INDICATORS.....	22
TA TABLE SF3: AGED DEBTORS.....	22
TABLE SF4: AGED CREDITORS.....	23
TABLE SF4: AGED CREDITORS.....	23
TABLE SF5: INVESTMENT PORTFOLIO ANALYSIS.....	23
TABLE SF5: INVESTMENT PORTFOLIO ANALYSIS.....	23
NTS RECEIPTS AND EXPENDITURE.....	24

1. BACKGROUND

1.1 Purpose

The purpose of the report is to table the Mid-Year Budget and Performance Assessment Report, as at 31 December 2023. Furthermore, the premise around the tabling of the report is also to provide quality assurance to the report in order to identify areas that warrants budget adjustments in order to make comprehensive recommendations for considerations by the Board and the ANDM Council.

1.2 Legislative Background

Section 38-41 of the Municipal Systems Act, act no 32 of 2000 states that a municipality must develop performance management system, monitor and review performance management, set appropriate key performance indicators, set measurable performance targets, take steps to improve performance and establish a process of regular reporting to Municipal governance structures and stakeholders.

Section 88 of the Municipal Finance Management Act of 2003(MFMA) requires the Accounting Officer of a Municipal entity to, by 20 January of each year, assess the performance of the entity during the first half of the financial year, taking into account (1) the monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality.

This Section further requires the entity to take into account the entity's Annual Report for the past year, and progress on resolving problems identified in the annual report.

The accounting officer is required to submit this assessment report to (i) the Board of Directors of the entity and (ii) the Parent Municipality of the entity. This report must also be made public.

1. SUBMISSION OF THE REPORT

Mid-Year Budget and Performance Assessment Report is submitted in compliance to Section 88 of the MFMA and is submitted both to the Board and the parent municipality. The report provides an assessment of the of the Agency's Performance and it takes into account the section 87 reports, targets that the Entity had set for the first half of the year and the also the annual report for the year 2023/24. This report will also be made available for public through the Entity's website.

2. INTRODUCTION

The Mid-Year Budget and Performance Report provides an authoritative record of the activities and performance of the Entity for the period of the first 6 months of the financial year. It gives a reflection on how the Entity has performed and what areas warrant further attention to ensure that targets are achieved at end of the financial year.

The Accounting Officer of the Entity is also expected to make recommendations as to whether an adjustment budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary.

The performance assessment on Service Delivery targets and Budget Implementation Plan (SDBIP) of revenue and expenditure has been done through the monitoring of the SDBIP on a monthly and quarterly basis.

The Chief Executive Officer is expected to conclude on how the Entity has performed during the first half of the financial year 2023/2024. The Entity's performance report as per the set targets in the SDBIP 2023/24 is based on the work done and reported as indicated in the mid-year performance report attached.

Any amendments proposed on the Mid-Year Report are expressed in the Revised SDBIP that will be presented to the Board.

3. ORGANISATIONAL PERFORMANCE SUMMARY

4.1 Overall Performance

The purpose of the 2023/2024 Mid-Year Budget and Performance Assessment Report is to highlight performance for the period against set Key Performance Indicators (KPI's) as contained in Multi Year Business Plan 2023/24 and SDBIP 2023/24.

The Entity did comply with section 122 (1) and 126 (2) which talks about the preparation and submission of the Annual Financial Statements respectively. The Entity further complied with section 46 of the Systems Act which deals with the preparation of Annual Performance Report. The 2022/2023 Annual Financial Statements and the Annual Performance Reports were submitted to both the Board, parent municipality and Auditor General.

The Agency has maintained and Unqualified report for the past five Audit including the 2022/23 Audit. The tackling of audit related matters has been a collective effort from the Board, management and staff. Management and the whole work force must likewise continue to strive to improve its internal controls and mechanisms in order to achieve a much-improved audit opinion.

The Agency has worked tirelessly on key areas that were key contributors to the negative audit opinion of the entity, these include irregular expenditure amongst others. Additional internal control instruments including the Agency’s current Risk Register, Contract register, Deviations Registers, Register for Irregular expenditure, Fruitful and Wasteful expenditure Register, Litigation Register and other instruments are continuously being reviewed and monitored in order ensure that good governance and compliance is achieved.

4.2 Mid-Term Performance Targets:

During this reporting period, the entity has managed to achieve 82% (41 of 50 targets) in its performance at mid-term. This is a notable improvement when compared to Midterm performance of the Entity for the 2022/23 FY.

It must also be noted that 12% (9 of the 50) targets have not been achieved in the Mid-Term. Targets that have not been achieved and partially achieved have been moved to the third and fourth quarters of the financial year. The Entity expects improvement in the coming term of the financial year.

The table shown below illustrate the overall performance of Alfred Nzo Development Agency in the first six months of the 2023/2024 financial year against the strategic objectives set out in the Alfred Nzo Development Agency’s Multi Year Business Plan for the 2023/2024 financial year.

Table 4.2.1: ANDA OVERALL MID-TERM ORGANISATIONAL PERFORMANCE

ALFRED NZO DEVELOPMENT AGENCY					
ACHIEVED TARGETS VS NOT ACHIEVED BY DEPARTMENT					
Unit	Total No. of targets	Achieved	Not Achieved	Achieved	Not Achieved
Programmes	19	12	7	63%	37%
Trade Investment and	7	6	1	86%	14%

Finance and Admin	18	17	1	94%	6%
Office of the Chief Executive Officer	7	7	0	100%	0%
TOTAL	51	42	9	82%	18%

- It must be noted that for the purpose of this report, targets that are categorised as not achieved include those targets that have been partially achieved.
- Financially viability of the institution has been identified as organisational and strategic risk. It is worth highlighting that although efforts are underway to forge relations with strategic stakeholders that should ideally yield revenue enhancement through new investment and through ANDA's existing property profile, there is a more urgent need to provide financial support to ANDA in order to ensure that operational demands are met.

Below is the breakdown of departmental mid-term performance per project.

4.2.2. PROGRAMMES DEPARTMENT

PROGRAMMES DEPARTMENT					
ACHIEVED TARGETS VS NOT ACHIEVED BY PROJECT					
Project Name	Total No. of targets	Achieved	Not Achieved	% Achieved	% Not Achieved
Sheep Farming Programme	1	0	1	0	100
Msukeni Development Centre	1	0	1	0	100
Fort Donald Trading Site	1	0	1	0	100
Mbizana Chicken Abattoir	1	0	1	0	100
Mzamba Gateway Centre	1	0	1	0	100
Emfundisweni Skills Development Centre: Business Support	1	1	0	100	0
Enterprise Development	1	1	0	100	0
Services SETA: Leainership Programme(Clothing Manufacturing)	1	1	0	100	0
Services SETA: Leainership Programme (Project Management)	1	1	0	100	0
Services SETA : Leainership (Generic Management)	1	1	0	100	0
Services SETA : Leainership Programme(Specialist Hygiene and Cleaning Services)	1	0	1	0	100

Services SETA : Learnership Programme(Funeral Service Practice)	1	0	1	0	100
Services SETA : Learnership Programme (Sewing)	1	1	0	100	0
Service Seta: Learnership Programme: Building & Civil Construction	1	1	0	100	0
Service Seta : Skills Programme Adult Education	1	1	0	100	0
Services SETA: Skills Programme (End User Computing)	1	1	0	100	0
Services SETA: Vocational Internship Programme	1	1	0	100	0
Services SETA: NATED Internship Programme	1	1	0	100	0
BANK SETA: Skills Programme (Entrepreneurship)	1	1	0	100	0
Total	19	12	7	63%	37%

Departmental overview and challenges

- Programmes Department is an output department of the entity with only 3 Employees including the Executive Manager
- The Department has just recruited a permanent SMME coordinator.
- During the year under review, the Programmes Department had a total of 19 targets
- 12 of the total targets were achieved successfully and 7 were not achieved.
- Challenges facing the department relate to insufficient financial and human resource capacity of the entity in the department to delivery in terms of key projects with great socio-economic impact

The reason for not achieving 100% in the mid-term is as follows:

Project Name	Challenges/Reason for Variance	Service Delivery implications	Corrective Action
Sheep Farming Programme	The appointment of service provider has been delayed, however recruitment has been completed, awaiting appointment.	Delays in the construction and refurbishment of Sheep shearing sheds.	Service provider will be appointed in Quarter 3
Msukeni Development Centre	After having concluded all SCM processes, a certain CPA emerged claiming ownership to some of ANDA properties and sites, MANCO then took a decision to put on hold all property related projects	Delays in the provision of adequate infrastructure and property development. Furthermore Adjustment of budget, Multi Year Business Plan and SDBIP.	The Agency is looking at the institutional arrangements that can give assurance on the land question. Appointment of operating partner will be undertaken in Quarter 4.
Fort Donald Trading Site	After having concluded all SCM processes, a certain Individual from the community emerged claiming ownership to the property, MANCO then took a decision to put on hold all property related	Delays in the provision of adequate infrastructure and property development. Furthermore Adjustment of budget, Multi Year Business Plan and SDBIP.	The Entity will be engaging with the Parent Municipality to finalise the transfer to property from OR Tambo DM to ANDA

	projects		
Mbizana Chicken Abattoir	After having concluded all SCM processes, a certain Thembalihle CPA from Ntshamathe community emerged claiming ownership of the site, MANCO then took a decision to put the project on hold	Delays in the provision of adequate infrastructure and property development. Furthermore Adjustment of budget, Multi Year Business Plan and SDBIP	The Agency is currently engaging with the CPA with the aim of reprioritizing the project in Quarter 3
Mzamba Gateway Centre	Through our interaction with various stakeholders, the entity established that the site is no longer available for the proposed development	Delays in the provision of adequate infrastructure and property development. Furthermore Adjustment of budget, Multi Year Business Plan and SDBIP.	The project will be removed on the adjusted SDBIP 2023/2024.
Services SETA : Leainership Programme(Specialist Hygiene and Cleaning Services)	The learnership programme on Specialist Hygiene and Cleaning Services could not commence since it got replaced with Business Admin Services leainership by the SETA	None	The project will be removed from the SDBIP and replaced with Business Administration Services leainership
Services SETA : Leainership Programme(Funeral Service Practice)	The learnership programme on Funeral Service Practice could not	None	The project will be removed from the SDBIP and replaced with

Funeral Service Practice)	commence since it got replaced with Business Admin Services learnership by the SETA		Business Administration Services learnership
---------------------------------	---	--	---

4.2.3. FINANCE AND ADMIN

FINANCE AND ADMIN					
ACHIEVED TARGETS VS NOT ACHIEVED BY PROJECT					
Project Name	Total No. of targets	Achieved	Not Achieved	% Achieved	% Not Achieved
Procurement Projects	1	1	0	100	0
Asset Management	1	1	0	100	0
Fleet Management	1	1	0	100	0
Inventory Management	1	1	0	100	0
Budget & Reporting	1	1	0	100	0
Financial Information Systems	1	1	0	100	0
Revenue & Expenditure	1	1	0	100	0
Irregular Expenditure	1	1	0	100	0
VIP Payroll	1	1	0	100	0
Staff Establishment Review	1	1	0	100	0
Skills Development	1	0	1	0	100
Records Management	1	1	0	100	0
Individual Performance Management	1	1	0	100	0
Cleaning Goods & Services	1	1	0	100	0
Printing and Stationery	1	1	0	100	0
Recruitment and Selection	1	1	0	100	0
Occupational Health and Safety	1	1	0	100	0
ICT Management	1	0	1	0	100
Total	18	17	1	94	6

Departmental overview and challenges

- Finance and Admin Department had an overall of 18 targets in mid-term for the 2023/24 financial year
- 17 targets were achieved successfully whilst only 1 target was not achieved
- Expiry of contracts for employees has affected the performance of the department in the 2nd quarter; however recruitment process is in progress to be finalized in the 3rd quarter.
- Unstable network connectivity is crippling office work activities. The entity is supported by the parent municipality in provision of stable network.

4.2. 4.OFFICE OF THE CHIEF EXECUTIVE OFFICER (OCEO)

OFFICE OF THE CHIEF EXECUTIVE OFFICER						
ACHIEVED TARGETS VS NOT ACHIEVED BY PROJECTS						
Name of the Project	Total No. of targets	Achieved	Not Achieved	% Achieved	% Not Achieved	Not
Policy Development	1	1	0	100	0	
Sitting of Board Meetings, Monitoring, Evaluation and Reporting	1	1	0	100	0	
Communications Project	1	1	0	100	0	
Institutional Performance Management	1	1	0	100	0	
Internal Audit	1	1	0	100	0	
Risk Management	1	1	0	100	0	
Legal Services	1	1	0	100	0	
Total	7	7	0	100%	0%	

Challenges and overview of successes

- The OCEO had an overall of 07 targets in mid-term for the 2023/24 financial year.
- All 07 of the total targets were achieved successfully.
- The strategic objective of the department is to strengthen governance, reduce risk, and increase the performance and efficiency level of the institution.
- The Department is without a permanent CEO.

4. PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE 2021/2022 ANNUAL REPORT

Although there were challenges experienced and identified by the municipal entity in the 2022/23 Annual Report, it is must be noted that various efforts have gone into trying to address those challenges. ANDA remains committed to improve on its good governance, accountability and its unqualified audit status on Audit of Performance Information from previous year.

Challenges	Progress to date
The ANDA budget is currently financed generally through a grant transfer from the parent municipality and grants from the SETAs. ANDA's financial instability poses a serious threat to the sustainability of the entity and its business operations.	The entity has embarked on a full scale resource mobilisation efforts to supplement the grant from ANDM and SETA. The constituted panel of resource mobilisers has also been extended to strengthen these efforts.
Instability in governance because of absence of full time Board with Committees	Full time Board of Directors has been appointed together with committees which are Social and ethics, Trade and Investment , HR and Remuneration Committee
Improvement in the nature of initiatives that are implemented	The following catalytic projects are currently being pursued: <ul style="list-style-type: none"> • Alfred Nzo Industrial Park is at a feasibility study stage, being implemented in partnership with COEGA, earmarked to be at Winnie Madikizela Mandela • The entity is also implementing Agro-Voltaic in partnership with Sunfarming
The entity had an accumulated (deficit) of R (5 584 401) and that the entity's total liabilities exceeded its assets by R (5 584 401).	Cost containment measures were introduced e.g. Cutting of employee related costs and reduction of the use of consultancy.
The Entity is responsible for the ANDA, NYDA and SANAMI Office electricity, this creates extra pressure on the Entity Budget and cash flow.	Service Level Agreement (SLA) has been signed with affected stakeholders in order to share the electricity costs bill to improve entity budget and cash flow
The Annual costs of the Munsoft Financial System are beyond what ANDA can afford	Attempts to negotiate with Munsoft were unsuccessful
The Agency currently has no IT personnel in the CPS department	The entity has recruited an IT Intern which will work together with ANDM IT on shared services basis

5.1 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

During the planning stage at the Corporate Services department there were 10 targets that were planned for this Key Performance Area (KPA), 9 targets were achieved and 1 target was not achieved. The reason for non-achievement is because HR personnel was not yet appointed when the SDF Quarterly meeting was held. Now that the HR personnel has been recruited, the department will prioritise the target. The following are some of the challenges identified:

5.2 CHALLENGES

- Individual Performance Management is not implemented by the Entity.

5.3 PROGRESS IN RESOLVING CHALLENGES

- During the 4th quarter of 2022/2023 Financial Year the entity has invited ANDM to workshop the staff on PMS; Performance Agreements for Senior Managers and Managers have been developed and signed; Divisional Score cards, Accountability Agreements and Performance Promises have been developed to assist the implementation of PMS within the entity.

5.4 SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT AND LOCAL ECONOMIC DEVELOPMENT

The Department is charged with driving Goal 1 and Goal 2 of the multi-year business plan (MYBP), which is Sustainable Inclusive Economic Growth and Economic Infrastructure Development respectively. That being the case, the department, is therefore responsible for facilitating the implementation of the core business of the municipal entity. Although these goals' key objective is to drive economic and infrastructure development, it must, however, be emphasised that all strategies will be implemented taking into account sustainability requirements including environmental sensitivity. In the beginning of the financial year, the Programmes department had 19 planned targets. The department achieved 74% of the targets that had been planned and approved. 26% of the targets were not achieved.

5.4 CHALLENGES

During the 2023/24 financial year, it was observed that the overall performance of the KPAs declined due to some factors which include the following:

- Programmes department is faced with a limited human capacity to drive projects.
- Difficulties in securing land and land ownership documents which are key requirements for development.
- The incompleteness of TFC processes that involves the transferring of properties from OR Tambo District Municipality to Alfred Nzo District Municipality.
- During the 2023/24 financial year, limited funding resources have negatively affected the ability to implement service delivery projects designed to create employment, generate income and grow the economy.

5.5. PROGRESS IN RESOLVING CHALLENGES

- The Entity has strengthened the capacity of the department through the recruitment of the SMME Coordinator
- The Department has been continuously mobilising funding from external funders through both internal efforts as well as through a panel of resource mobilisers.
- The Parent Municipality has resuscitated the talks with OR Tambo District Municipality to address the transferring of properties to Alfred Nzo District Municipality.
- The Department has identified strategic partners for the collaboration in the implementation of high impact projects for the region.

- ANDA has expanded its panel of resource mobilisation service providers which will mobilise funding and strategic partners for the implementation of high impact projects in the district.

5.6 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Municipal financial viability and management is a goal that is driven primarily by the budget and treasury office. in the budget and treasury department, there were eight (8) targets planned, 8 targets were achieved.

there are areas of improvement that need attention such as the implementation of planned objectives, the development and implementation of a fraud prevention plan, and the development of revenue and enhancement strategy plan.

5.7 CHALLENGES

- The entity currently does not have investments to accumulate interest and boost the revenue for the entity as the entity has no funds to invest.
- The Annual costs of the Munsoft Financial System are beyond what ANDA can afford. These costs include annual service fees, monthly maintenance fees for the system and the server, and fees for uploading budget(s) to the system (Original Budget, budget adjustments and 100 days draft budget).

5.8 PROGRESS IN RESOLVING CHALLENGES

- The Board of Directors has developed a turnaround strategy for the entity.
- ANDA is currently embarking on resource mobilisation efforts, and it is anticipated that this will assist to attract prospective funders to the Development Agency.

5.9 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- The OCEO had an overall of 07 targets in quarter 2 for the 2023/24 financial year.
- All 07 of the total targets were achieved successfully.
- The strategic objective of the department is to strengthen governance, reduce risk, and increase the performance and efficiency level of the institution.

5.10 CHALLENGES

- The Department is without a permanent CEO.

5.11 PROGRESS IN RESOLVING CHALLENGES:

- Process is underway to recruit a full time CEO
- Full time Board of Directors has been appointed together with committees which are Social and ethics, Trade and Investment , HR and Remuneration Committee

6. GOVERNANCE AND STRATEGIC PLANNING:

A full time Board has finally been appointed together with committees. Compliance Reports have been approved timeously and the Board is in the process of considering the adjustments budget that is to be presented by management.

The support from the parent municipality through shared services of Internal Audit function will ensure quality assurance that will not only improve internal control environment but also assist Agency to achieve its set targets.

7. AREAS OF IMPROVEMENT

ANDA is implementing a resource mobilization project, assisted by the various appointed strategic partners. This project is meant to ensure that high impact project is financial backed up and implemented.

ANDA is currently in a process of establishing a partnership with LGSETA with the aim of securing support for various learning interventions that will support the organisational capacity building of the Entity.

8. BUDGET ASSESSMENT OVERVIEW

8.1 Budgeting Assumptions

The budget assessment is conducted in line with Section 88 of the MFMA 56 of 2003, and portrays the cumulative picture of the monthly Section 87 reports for the first half of the financial year.

8.2 Strategic Alignment

It reflects on the funding sources and their spread over the capital and operational votes, going far as detailing the spread along line items within operational and project votes. The aim of the whole exercise is to establish the synchrony of the Agency operations to its plans outlined in its SDBIP, which in turn flow down from the Multi Year Business Plan which also flows down from the Municipality's Integrate Development Plan (which defines the Agency's core mandate outlined in the Service Level Agreement).

8.3 Outcomes

- Revenue

Transfers and Subsidies (Funds paid from ANDM) for the Mid - Term amount to R10 750 000.00 inclusive of VAT, an amount of R706,578.00 which includes the stipends for learners and the service provider conducting the training of the budgeted LG Seta has been realised as income in the first half of the financial year, an amount of R2,005,400.00 which includes the stipends for learners and the service provider conducting the training of the budgeted Services Seta has been realised as income in the first half of the financial year, an amount of R1,374,550.00 which includes the stipends

for learners and the service provider conducting the training of the budgeted Bank Seta has been realised as income in the first half of the financial year

Operational revenue received in the first half of the financial year amounts to R15.5-million, this is due to the ANDM – Grant, Interest Revenue, and Income from Sale of Tenders, Grant received from LG Seta and Services Seta.

The actual Operating Expenditure from 01 July 2023 – 31 December 2023 amounted to R 11.9-million whilst Capital Expenditure for the same period is R0.00.

ANALYSIS OF THE F-1 SCHEDULE TABLES

TABLE: OPERATIONAL AND CAPITAL EXPENDITURE – 01 JULY 2023 – 31 DECEMBER 2023.

#NAME?									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	292	200	-	12	114	100	0	14%	200
Transfers recognised - operational	30,256	35,483	-	15,166	15,411	17,741	(2)	-13%	35,483
Other own revenue	63	2,927	-	10	57	1,463	(1)	-96%	2,927
Total Revenue (excluding capital transfers and contributions)	30,611	38,610	-	15,187	15,582	19,305	(3,723)	(0)	38,610
Employee costs	9,906	10,549	-	665	4,979	5,275	(296)	(0)	9,939
Remuneration of Board Members	247	610	-	57	173	305	(132)	(0)	610
Depreciation and asset impairment	364	300	-	18	112	150	(38)	(0)	300
Interest	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	43	100	-	48	84	50	34	0	100
Transfers and grants	2,707	20,534	-	965	3,566	10,267	(6,701)	(0)	20,534
Other expenditure	10,159	6,313	-	559	2,996	3,157	(161)	(0)	6,313
Total Expenditure	23,426	38,407	-	2,311	11,910	19,203	(7,294)	(0)	37,797
Surplus/(Deficit)	7,185	203	-	12,876	3,672	101	3,571	0	813
Transfers and subsidies - capital (monetary)	1,536	200	-	-	379	100	279	0	200
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8,721	403	-	12,876	4,051	201	3,850	0	1,013
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8,721	403	-	12,876	4,051	201	3,850	0	1,013
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	0	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(1)	200	-	-	-	100	(100)	(0)	200
Total sources of capital funds	(1)	200	-	-	-	100	(100)	(0)	200

Overall, as at the end of the Mid – Term the total ANDM Grant received is 91% of the budgeted amount as at 31 December 2023 and the overall total income received is 80% of the budgeted income and the total expenditure is 62%% of the budgeted expenditure.

TABLE F2: MONTHLY FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue	1									
Exchange Revenue										
Sale of Goods and Rendering of Services		35	50	-	10	28	25	3	12%	50
Interest earned from Current and Non Current Assets		292	200	-	12	114	100	14	14%	200
Operational Revenue		28	2,877	-	-	29	1,438	(1,410)	-98%	2,877
Non-Exchange Revenue										
Transfer and subsidies - Operational contributions)		30,256	35,483	-	15,166	15,411	17,741	(2,331)	-13%	35,483
		30,611	38,610	-	15,187	15,582	19,305	(3,723)	-19.3%	38,610
Expenditure By Type										
Employee related costs		9,906	10,549	-	665	4,979	5,275	(296)	-6%	9,939
Remuneration of board members		247	610	-	57	173	305	(132)	-43%	610
Inventory consumed		43	100	-	48	84	50	34	68%	100
Depreciation and asset impairment	2	364	300	-	18	112	150	(38)	-25%	300
Interest		24	-	-	-	1	-	1	#DIV/0!	-
Contracted services		6,721	3,385	-	126	1,322	1,693	(370)	-22%	3,385
Transfers and subsidies		2,707	20,534	-	965	3,566	10,267	(6,701)	-65%	20,534
Irrecoverable debts written off		(83)	-	-	-	-	-	-	-	-
Operational costs		3,500	2,928	-	433	1,673	1,464	209	14%	2,928
Other Losses		(3)	-	-	-	-	-	-	-	-
Total Expenditure	3	23,426	38,407	-	2,311	11,910	19,203	(7,294)	-38.0%	37,797
Surplus/(Deficit)		7,185	203	-	12,876	3,672	101	3,571	3518.4%	813
Transfers and subsidies - capital (monetary allocations)		1,536	200	-	-	379	100	279	279%	200
Surplus/(Deficit) before taxation		8,721	403	-	12,876	4,051	201	3,850	1910.7%	1,013
Surplus/(Deficit) for the year		8,721	403	-	12,876	4,051	201	3,850		1,013

TABLE F3 – CAPITAL EXPENDITURE

There has been no expenditure on capital items for the period under review.

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure by Asset Class/Sub-class	1									
Other assets		3	-	-	-	-	-	-	-	-
Operational Buildings		3	-	-	-	-	-	-	-	-
Capital Spares		3	-	-	-	-	-	-	-	-
Computer Equipment		32	-	-	-	-	-	-	-	-
Computer Equipment		32	-	-	-	-	-	-	-	-
Furniture and Office Equipment		27	-	-	-	-	-	-	-	-
Furniture and Office Equipment		27	-	-	-	-	-	-	-	-
Transport Assets		-	200	-	-	-	100	100	100.0%	200
Transport Assets		-	200	-	-	-	100	100	100.0%	200
Total Capital Expenditure	1	62	200	-	-	-	100	100	100.0%	200
Funded by:										
District Municipality		0	-	-	-	-	-	-	-	-
Transfers recognised - capital		0	-	-	-	-	-	-	-	-
Internally generated funds		(1)	200	-	-	-	100	(100)	(0)	200
Total Capital Funding	4	(1)	200	-	-	-	100	(100)	(0)	200

TABLE F4: STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Audited Actuals	Original Budget	Year to Date Actual Dec 2023	Year to Date Budget Dec 2023	Year to Date Variance
Assets					
Current Assets					
Cash and cash equivalents	6,456,894	2,516,000	5,031,697	1,258,000	-3,773,697
Trade receivables from exchange transactions	-				-
Other receivables from non-exchange transactions	-		-		-
Receivables from non-exchange transactions	177,107		927,107	-	- 927,107
VAT receivables	584,229	2,000		1,000	1,000
Inventories	-		-		-
	7,218,230	2,518,000	5,958,804	1,259,000	-4,699,804
Non-Current Assets					
Other receivables from non-exchange transactions	-		-		-
Investment property	283,000	140,000	283,000	70,000	- 213,000
Property, plant and equipment	1,541,313	1,314,000	1,429,207	657,000	- 772,207
Heritage assets	-				-
Intangible assets	392,694	76,000	392,694	38,000	- 354,694
	2,217,007	1,530,000	2,104,901	765,000	-1,339,901
TOTAL ASSETS	9,435,237	4,048,000	8,063,705	2,024,000	-6,039,705
LIABILITIES					
Current liabilities					
Finance lease obligation	-		-		
Payables from exchange transactions	1,556,364	1,451,000	173,657	725,500	551,843
Consumer deposits	-	300,000	3,326,343	150,000	-3,176,343
Unspent conditional grants and receipts	4,211,595		664,347		- 664,347
VAT payable	-	687,000	180,962	343,500	162,538

SARS payables	-		-		-
Provision	911,751		881,633	-	- 881,633
Total liabilities	6,679,710	2,438,000	5,226,942	1,219,000	-4,007,942
Net assets	2,755,527	1,610,000	2,836,763	805,000	-2,031,763

TABLE F5: CASH FLOWS

The table below reflects on cash flows of the institution.

Cash Flow Statement	Audited Actuals	Original Budget	Year to Date Actual Dec 2023	Year to Date Budget Dec 2023	Year to Date Variance
Receipts					
Sales of goods and services	-		4,920,542.96	-	4,920,542.96
Grants	38,453,432.00	35,683,000.00	15,026,487.74	17,841,500.00	2,815,012.26
Rental income			-	-	-
Other income	121,164.00	3,478,000.00	3,326,343.00	1,739,000.00	1,587,343.00
Interest on service charges	291,949.00	200,000.00	114,342.87	100,000.00	14,342.87
Fines and penalties			-	-	-
	38,866,545.00	39,361,000.00	13,546,630.65	19,680,500.00	6,133,869.35
Payments					
Cash payments to and on behalf of employees and councillors	-	-	-	-	-
	12,695,308.00	38,614,000.00	5,179,003.78	19,307,000.00	14,127,996.22
Cash payments to suppliers for goods and service	-	746.00	-	373.00	6,611,596.59
	14,302,848.00		6,611,223.59		
Tax paid	-		-	-	-
	6,287,518.00		3,181,599.04		3,181,599.04
Finance costs					
	-	-	-	-	-
	33,285,674.00	38,613,254.00	14,971,826.41	19,306,627.00	4,334,800.59
Net cash flows from operating activities	5,580,871.00	1,492,000.00	1,425,195.76	373,873.00	1,799,068.76

Cash flows from Investing activities					
Purchase of property, plant and equipment	86,639.00	230,000.00	0.97	115,000.00	114,999.03
Proceeds from sale of PPE			-		
Purchase of intangible assets	400,000.00		-		
Purchase of heritage asset			-		
	486,639.00	230,000.00	0.97	115,000.00	114,999.03
Cash flow from financing activities			-		
Net cash flows from financial activities	-		-		
Net increase/(decrease) in Cash and Cash Equivalents	5,094,232.00	1,262,000.00	1,425,196.73	631,000.00	2,056,196.73
Cash and Cash Equivalents at the beginning of the year	1,362,662.00	2,000,000.00	6,456,894.00	1,000,000.00	5,456,894.00
Cash and Cash Equivalents at the end of the year	6,456,894.00	3,262,000.00	5,031,697.27	1,631,000.00	3,400,697.27

PART 2 – SUPPORTING DOCUMENTATION

TABLE SF1: MATERIAL VARIANCES AND EXPLANATIONS

Description	Ref	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
R thousands				
Revenue items				
Sale of goods and rendering of services		12%	More tender document sales than expected	Adjust revenues upwards in an adjustments budget
Interest earned		14%	More interest earned on investments	Adjust revenues upwards in an adjustments budget
Operational Revenue		-98%	Incidental cash surplus as provided in the budget not realised	Adjust revenues downwards in an adjustments budget
Transfers and Subsidies		13%	Delays from funders in transferring funds	Continuous communication and reminders
Expenditure items				
Employee related costs		-6%	N/A	N/A
Remuneration of board members		-43%	Original budget estimate was overstated	Adjust expenditure downwards in an adjustment budget
Inventory consumed		68%	Original budget estimate was understated	Adjust expenditure upwards in an adjustment budget
Depreciation and asset impairment		-25%		
Interest paid			Interest paid not provided for in the budget	Institute consequence management policy
Contacted Services		-22%	Some of the contracts have not yet been procured	Fast track procurement processes
Transfers and Subsidies		-65%	Late implementation of projects due to late receipt of commencement letters from SETA	Continuous communication and reminders
Operational Costs		14%	Expenditure in progress for all entity's operations	N/A
Capital Expenditure items				
Transport assets		0%	Incorrect classification of expenditure as there was not capital budget in the original budget.	Correct in an adjustments budget
Total variance				

TABLE SF2: FINANCIAL AND NON-FINANCIAL INDICATORS

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure		1.7%	0.8%	0.0%	0.8%	0.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity Gearing	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities		129.2%	143.8%	0.0%	197.4%	143.8%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		129.2%	143.8%	0.0%	197.4%	143.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		96.0%	143.7%	0.0%	78.8%	143.7%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.9%	0.0%	0.0%	45.1%	0.0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units	1					
Water Distribution Losses	% Volume (Total units purchased + own source less total	2					
Employee costs	Employee costs/Total Revenue - capital revenue		32.4%	27.3%	0.0%	32.0%	25.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		1.3%	0.8%	0.0%	0.1%	0.7%
Financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		0.0%	0.0%	0.0%	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received		0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational		0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Delete if not an electricity entity
2. Delete if not an water entity

Supporting calculations and data:

- Debtors > 90 days
- Last 12 months receipts
- Last 12 months billing
- Debtors > 12 Mths Recovered
- Debt service payments due within financial year
- Annual revenue received for services
- Monthly fixed operational expenditure

-	-	-	-	-
---	---	---	---	---

TA TABLE SF3: AGED DEBTORS

The agency is being owed a total amount of R750-thousand resulting from under billing to the parent in July 2023.

Table SF4: Aged Creditors

TABLE SF4: AGED CREDITORS

The entity's creditors were fully paid.

Table SF5: Investment Portfolio Analysis

TABLE SF5: INVESTMENT PORTFOLIO ANALYSIS

All the call deposits are highly liquid short-term investments and are held for the purpose of meeting short-term commitments rather than the purpose of earning a return (interest).

Out of the R 3.7million in call account deposits as reflected in the table below, R 664-thousand relates to unspent grants.

Description	Account No	Opening balance	Interest Income	Closing balance
		1-Jul-23		31-Dec-23
Livestock Call Account	62238128351	R1,007,987.97	R6,710.71	R1,014,698.68
SMME Call Account	62238128517	R53,859.85	R358.57	R54,218.42
ANDA Reserve Fund	62238130231	R178,521.44	R1,188.51	R179,709.95
Capacity Building	62723833621	R43,861.88	R301.75	R44,163.63
Commercial NFS Account	62822669620	R292,743.06	R2,013.91	R294,756.97
Fixed Deposit	76202953868	R2,051,599.41	R92,021.68	R2,143,621.09
		R3,628,573.61	R102,595.13	R3,731,168.74

Summary of Employee and Board Member remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budaet	Adjusted Budaet	Monthly actual	YearTD actual	YearTD budaet	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Remuneration										
Board Members of Entities										
Other benefits and allowances		247	610	-	57	173	305	(132)	-43%	610
Sub Total - Board Members of Entities		247	610	-	57	173	305	(132)	-43.3%	610
% increase	3		147.4%							147.4%
Senior Managers of Entities										
Basic Salaries and Wages		3,352	4,393	-	191	1,613	2,197	(584)	-27%	4,393
Pension and UIF Contributions		502	569	-	3	108	285	(177)	-62%	569
Medical Aid Contributions		493	385	-	11	104	193	(89)	-48%	385
Motor Vehicle Allowance		1,151	1,232	-	64	406	616	(210)	-34%	1,232
Payments in lieu of leave		(201)	100	-	-	-	50	(50)	-100%	100
Post-retirement benefit obligations		-	250	-	-	178	125	53	43%	250
Acting and post related allowance		48	150	-	-	-	75	(75)	-100%	150
Sub Total - Senior Managers of Entities		5,344	7,080	-	269	2,409	3,540	(1,131)	-31.9%	7,080
% increase	3		32.5%							32.5%
Other Staff of Entities										
Basic Salaries and Wages		2,719	2,241	-	298	1,974	1,121	853	76%	2,241
Pension and UIF Contributions		392	359	-	21	124	179	(55)	-31%	359
Medical Aid Contributions		425	324	-	16	108	162	(54)	-33%	324
Motor Vehicle Allowance		694	545	-	42	255	273	(18)	-7%	545
Acting and post related allowance		331	-	-	18	109	-	109	#DIV/0!	-
Sub Total - Other Staff of Entities		4,562	3,469	-	395	2,570	1,735	835	48.1%	3,469
% increase	3		-24.0%							-24.0%
Total Municipal Entities remuneration		10,152	11,159	-	722	5,152	5,580	(428)	-7.7%	11,159

NTS RECEIPTS AND EXPENDITURE

No.	Description	Opening balance	Bank receipts	Qualifying revenue/ expenditure	Unspent portion
1	BANKSETA	1,800,000.00	-	1,374,550.00	425,450.00
2	LG SETA	(177,107.00)	379,080.00	706,578.00	(504,605.00)
3	SERVICES SETA	1,197,893.65	716,691.92	2,005,400.00	(90,814.43)
4	NSF	834,316.77	-		834,316.77
5	Wholesale and Retail Sector Education Training Authority	301,950.00			
6	Fiber Processing and Manufacturing Sector Education Training Authority	75,002.00			
		4,032,055.42	1,095,771.92	4,086,528.00	664,347.34

7	Alfred Nzo District Municipality Grant				
		July	October	January	March
	Billing	5,750,000.00	5,750,000.00		
	Invoice	5,000,000.00	5,750,000.00	-	
	Bank receipts	5,000,000.00	5,750,000.00	-	
	Variance	750,000.00	-		

- BANKSETA - The project is still ongoing and the Service Delivery Provider(SDP) has not yet been fully paid hence the unspent amount
- LGSETA – The project has been completed awaiting the issuing of certificates by the SDP to allow for submission for the remaining invoices to the SETA.

- SERVICES SETA – After trench payment of invoices by the SETA were delayed, the entity made arrangements to pay the interns from our own funds
- NSF - The entity received COVID funds that were not budgeted for from NSF after the project was already completed and all payments due to SDP had been finalized. The process of returning funds to NSF was stalled by a litigation from one of the SDPs who claimed the funds were due to him.
- Wholesale and Retail Sector Education Training Authority – The project was implemented and completed. The remaining balance is the project management fees that were not recognized as revenue.
- Fiber Processing and Manufacturing Sector Education Training Authority - The project was implemented and completed in 2020/2021 financial year. The remaining balance is the project management fees that were not recognized as revenue.

8.4 MID-TERM IMPLEMENTATION OF SCM POLICY

8.4.1. BACKGROUND

The implementation of Supply Chain Management in the municipal entity is continuously improving its procedures in order to ensure that the Board of Directors receives value for money in terms of demand and acquisition management. Projects and procurement are being planned with cognisance of the requirements of the Supply Chain Management legislative framework.

The current shortcomings in the implementation of the Supply Chain Management Policy are constantly being addressed. The SCM policy fully complies with the requirements of the SCM Regulations, and is ideally set to ensure that procurement processes of the Entity are fair, equitable, transparent, competitive, cost effective and comply with the prescriptions of the Municipal Finance Management Act.

In accordance with the Municipal Finance Management Act SCM Regulations Section 6 (2)(a)(ii) states that the accounting officer must, within 20 days of the end of each financial year, submit a report on the implementation of the municipal entity's supply chain management policy to the board of directors of the municipal entity, who must then submit the report to the accounting officer of the parent entity for submission to the council.

In terms of Section (111) of the MFMA, the Municipal Entity must have and implement a supply chain management policy that;

- (a) gives effect to;
 - I. section 217 of the Constitution; and
 - II. Part 1 of chapter 11 and other applicable provisions of the Act;
- (b) Is fair, equitable, transparent, competitive and cost effective
- (c) Complies with;
 - I. The regulatory framework prescribed in Chapter 2 of these Regulations and
 - II. Any minimum norms and standards that may be prescribed in terms of section 168 of the Act
- (d) Is consistent with other applicable legislation;
- (e) Does not undermine the objective for uniformity in supply chain management system between organs of state in all spheres; and
- (f) Is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

ANDA's SCM Policy requires that the conditions for the procurement of goods or services through formal written price quotations are followed:

- At least 1 Quotation for procurement of a transaction value of between R300 to R2 000 (Vat Included)
- Formal written quotations for procurement of a transaction value over R2 000.00 up to R30 000.00 (Vat included)
- At least 3 Formal written price quotations for procurements of a transaction value over R30 000.00 up to R200 000.00 Vat included, and shall be advertised for at least 7 days on the website.
- Competitive bidding process to be followed for procurements above a transaction value of R200 000 (Vat Included)

8.5 DEVIATIONS

There are no deviations implemented during the 2023/24 mid-year financial year thus far.

8.6 IRREGULAR EXPENDITURE

The Irregular Expenditure report is prepared according to MFMA circular number 68, the Irregular Expenditure Register is attached.

Irregular expenditure from prior years amounts to R36 798 378.26, and there is no irregular expenditure for the mid term.

Fruitless and Wasteful expenditure for quarter 1 amounts to R 10 737.50 which is made up of interest on Eskom and overdue accounts.

8.7 CONTRACTS REGISTER

The Contracts Register has been developed according to Contract Management Guide and the active number of contracts is 27 .

Table 8.7.1

Appointed Bidder Name	Bid Reference Number	Description	Contract Duration	User - Department	HOD	Start Date	End of The Contract Date	Extension period	Contract Value	Extension Value	Comments	Contract after Extension Amount	2023/2024 Expenditure	Paid to Date	Invoices Due At Hand	Remaining Commitment for 2023/2024
Umzimvubu Leather Craft	SLA	Cleaning Services	12 Months	CPS	Ms Boti	01-Jul-23	31-Jan-24	N/A	R58 100.00	R0.00	N/A	N/A	R49 800.00	R49 800.00	N/A	R8 300.00
Konica Minolta (Pty) Ltd	CONTRACT	Maintenance of Printer	60 months	CPS	Ms Boti	01-Feb-19	30-Jan-24	N/A	R140 000.00	R0.00	N/A	N/A	R10 426.02	R119 098.72	R11 768.99	R20 901.28
Munsoft	REGULATION 36	Financial System and ICT Server	36 Months	BTO	Ms Boti	10-Jun-20	09-Jun-23	36 months	R2 556 872.80	R3 915 297.66	Extension of contract for 36 months	R6 472 170.46	R463 433.85	R3 545 555.40	R0.00	R2 926 615.06
Ndzila Investments	ANDA 11/2020/2021	Insurance Services	36 Months	BTO	Ms Boti	23-Dec-20	22-Dec-23	N/A	R328 002.56	R0.00	N/A	N/A	R45 568.26	R285 969.14	N/A	R42 033.42
Start Up CEO Capital Advisory	ANDA 13/2020/2021	Resource Mobilization - Investment attraction	36 Months	CEO's office	Ms Maloi	Waiting for Project Proposal From Service Provider	03-Dec-24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Utility Data Analytics	ANDA 13/2020/2021	Resource Mobilization - Investment attraction	36 Months	CEO's office	Ms Maloi	Waiting for Project Proposal From Service Provider	03-Dec-24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Liliso Investments	ANDA 22/2020/2021	Resource Mobilization - Investment attraction	36 Months	CEO's office	Ms Maloi	Waiting for Project Proposal From Service Provider	18-Mar-24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ndotha General Trading (Pty) Ltd	ANDA 07/2021/2022	New Venture Creation NQF Level 2 Short Skills Programme	06 Months	Programmes	Ms Maloi	2022/06/14	14-Dec-22	N/A	R771 256.00	R0.00	N/A	N/A	R303 000.00	N/A	R468 256.00	
Matotomana Training and General Trading	ANDA 08/2021/2022	Horticulture NQF Level 1 Learnership	12 Months	Programmes	Ms Maloi	2022/06/07	07-Jun-23	N/A	R850 667.29	R0.00	N/A	N/A	R100 000.00	R733 467.50	N/A	R117 199.79
Ndotha General Trading (Pty) Ltd	ANDA 09/2021/2022	Horticulture NQF Level 1 Short Skills Programme	06 Months	Programmes	Ms Maloi	2022/06/14	14-Dec-22	N/A	R771 256.00	R0.00	N/A	N/A	R140 932.50	R675 932.50	N/A	R95 323.50

Summat Training Institute (Pty) Ltd	ANDA 06/2020/2021	Panel of Training Providers - (Learnership Programme on Project Management Level 5)	36 Months - (12 Months)	Programmes	Ms Maloi	2022/06/20	20-Jun-23	N/A	R1 000 000.00	R0.00	Summat was appointed for Project management training on the 31 March 2022 for 12 Months	N/A		R578 800.20	N/A	R421 199.80
Silalele Skills Academy	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Awaiting conception letter from SETA	14-Mar-25	N/A	R678 500.00	R0.00	Silalele appointed to conduct learnership on Generic management L04 on 28/03/2023 for 12 months	N/A	R169 625.00	R169 625.00	N/A	R508 875.00
Reflections Development Institute (Pty) Ltd	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	04-Sep-23	14-Mar-25	N/A	R939 550.00	R0.00	Reflections appointed to conduct skills programme on NVC - green economy for 08 months	N/A	R393 300.00	R393 300.00	N/A	R546 250.00

Naidu Consulting (Pty) Ltd	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Awaiting Project Appointment	14-Mar-25	N/A	N/A	R0.00	N/A	N/A	R0.00	R0.00	N/A	N/A
Mintirho Development Services	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Awaiting Project Appointment	14-Mar-25	N/A	N/A	R0.00	N/A	N/A	R0.00	R0.00	N/A	N/A
Malaika Nursing Academy	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Awaiting Project Appointment	14-Mar-25	N/A	N/A	R0.00	N/A	N/A	R0.00	R0.00	N/A	N/A
Ndotha General Trading (Pty) Ltd	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Appointed for NVC & Horticulture short skills programmes	14-Mar-25	N/A	N/A	R0.00	N/A	N/A	R0.00	R0.00	N/A	N/A
Fort Hare Solutions	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Awaiting Project Appointment	14-Mar-25	N/A	N/A	R0.00	N/A	N/A	R0.00	R0.00	N/A	N/A
Full Circle College	ANDA 06/2020/2021	Panel of Training Providers	36 Months	Programmes	Ms Maloi	Awaiting Project Appointment	14-Mar-25	N/A	N/A	R0.00	N/A	N/A	R0.00	R0.00	N/A	N/A
MTN (PTY) LTD	ANDA 05/2022/2023	Provision of Cell-phone contracts for ANDA officials	24 Months	CPS	Ms Mrwetyana - Zembe	01-Apr-23	31-Mar-25	N/A	R561 274.80	R0.00	N/A	N/A	R138 299.75	R203 108.22	N/A	R282 290.63

BONAKUKUDE CONSULTING	ANDA 09/2022/2023	Provision of ANDA Annual Financial Statements	24 Months	Finance and Admin	CFO	17-Jul-23	16-Jul-25	N/A	R564 581.25	R0.00	N/A	N/A	R285 018.76	R285 018.76	R0.00	-R0.01
MVANA & ASSOCIATES	ANDA 10/2022/2023	Handling of Legal Matters	24 Months	CEO's office	CEO	17-Jul-23	16-Jul-25	N/A	Hourly Rate	R0.00	N/A	N/A				
TONISE ATTORNEYS	ANDA 10/2022/2023	Handling of Legal Matters	24 Months	CEO's office	CEO	17-Jul-23	16-Jul-25	N/A	Hourly Rate	R0.00	N/A	N/A				
MAGQABI SETH ZETHA ATTORNEYS	ANDA 10/2022/2023	Handling of Legal Matters	24 Months	CEO's office	CEO	17-Jul-23	16-Jul-25	N/A	Hourly Rate	R0.00	N/A	N/A				
TALENI GODI KUPIISO ATTORNEYS	ANDA 10/2022/2023	Handling of Legal Matters	24 Months	CEO's office	CEO	17-Jul-23	16-Jul-25	N/A	Hourly Rate	R0.00	N/A	N/A				
VODACOM PTY LTD	ANDA 14/2022/2023	Provision of Internet,VPN,WIFI and VOIP	36 Months	Finance and Admin	CFO	01-Aug-23	31-Jul-26	N/A	R713 665.31	N/A	N/A	N/A	R139 902.20	R139 902.20	N/A	R97 986.24

8.8 ORDERS ISSUED FOR THE FINANCIAL YEAR 2022/2023

Orders issued for the Mid-Term amounted to **R207 296.00** including VAT for VAT vendors and are as follows:

Table 8.8.1

Order Date	Creditor Name	Region	Total Amnt
02/10/2023	Veri-Source Consulting	Jhb	R621.00
28/09/2023	Veri-Source Consulting	Jhb	715.30
26/09/2023	Southern Sun Hemmingways	EI	R3 400.00
26/09/2023	Southern Sun Hemmingways	EI	R3 400.00
11/09/2023	Veri-Source Consulting	Jhb	845.25
07/09/2023	Arena Holdings	Jhb	R2 484.00
06/09/2023	Mail And Guardian Online	Jhb	R1 983.75
06/09/2023	Pondoland Times	Bizana	400.00
30/08/2023	Kulowo Trading And Projects	Bizana	R29 900.00
29/08/2023	Luthando Business Enterprises	Umzimvubu	R23 934.20
29/08/2023	Premier Hotel Elicc	EI	R4 500.00
22/08/2023	Veri-Source Consulting	Jhb	793.50
16/08/2023	Veri-Source Consulting	Jhb	R1 863.00
16/08/2023	Veri-Source Consulting	Jhb	R1 242.00
07/08/2023	Kanyisa Property And Managemen	Mthatha	20 125.00
07/08/2023	Iyanzi	Kzn	R16 900.40
25/07/2023	Ronz Projects	Ntabankulu	R2 800.00
25/07/2023	Lisayema Projects	Kzn	R15 000.00
2023/11/23	Pondoland Times	Bizana	R854.00
2023/10/02	VERI-SOURCE CONSULTING	JHB	R621.00
2023/12/11	OOKETSHE TRADING AND TRANSPORT	Umzimvubu	R24 725.00
2023/12/08	KULOWO TRADING AND PROJECTS	Bizana	R23 115.00
2023/10/18	VERI-SOURCE CONSULTING	JHB	R396.75
2023/10/19	MAIL AND GUARDIAN ONLINE	JHB	R1 999.85
2023/10/05	MAIL AND GUARDIAN ONLINE	JHB	R2 300.00
2023/10/05	ARENA HOLDINGS	JHB	R3 726.00
2023/10/05	GROUP TWO MEDIA COMPANY	Kokstad	R1 380.00
2023/11/23	ARENA HOLDINGS	JHB	R3 450.00
2023/11/23	Sunday World	JHB	R1 725.00
2023/12/06	SURE UKHANYE TRAVELS	Mthatha	R2 916.00
2023/12/06	ST MICHAELS SANDS HOTEL	Margate	R3 060.00
2023/11/20	BLUE LAGOON HOTEL (PTY) LTD	EL	R6 120.00
TOTAL			R207 296.00

Table 8.8.2

PROVINCE	AMOUNT	%	NO. OF ORDERS	%
Eastern Cape	R146 189.20	70.52	13	40.63
KwaZulu Natal	R36 340.40	17.53	4	12.50
Gauteng	R24 766.40	11.95	15	46.88
Cape Town		-	0	-
TOTAL	R207 296.00	R100.00	32.00	R100.00

Pie Chart 8.8.2

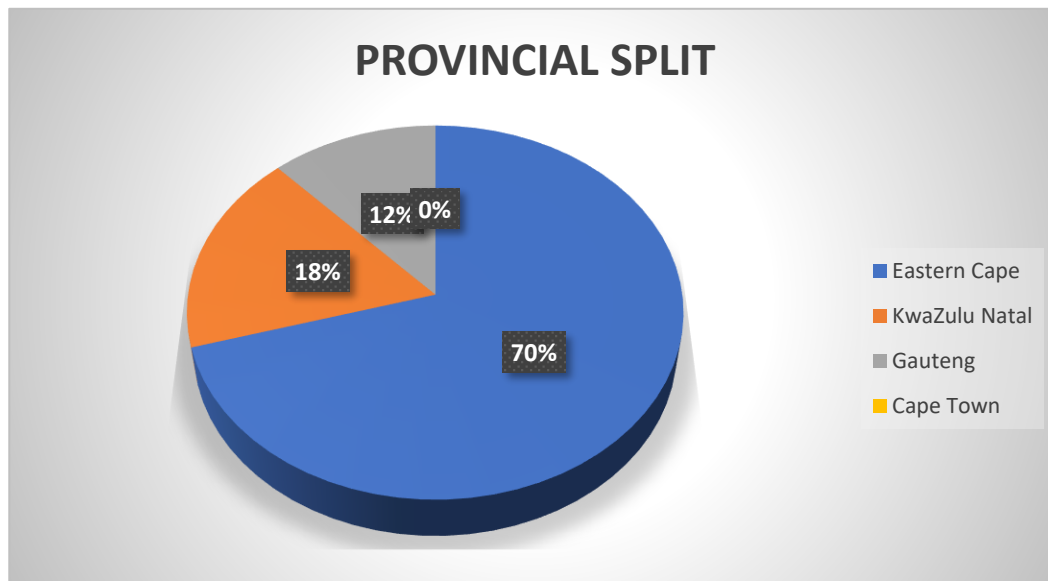
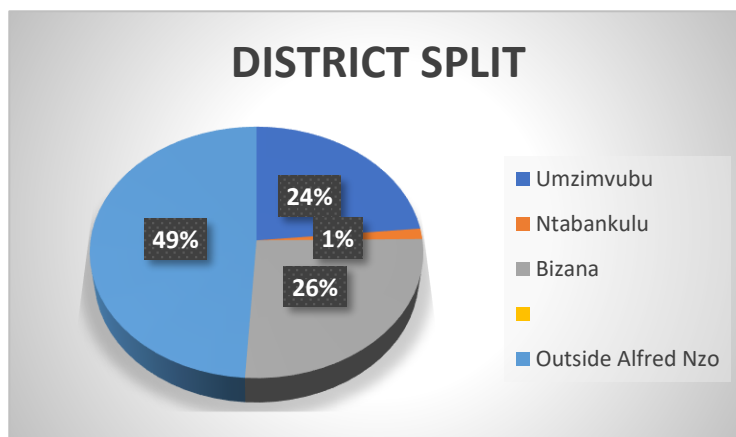


Table 8.8.4

LOCAL MUNICIPALITY	AMOUNT	%	NO. OF ORDERS	%
Umzimvubu	R48 659.20	23.47329	2	6.25
Ntabankulu	R2 800.00	1.350726	1	3.125
Bizana	R54 269.00	26.17947	4	12.5
			0	0
Outside Alfred Nzo	R101 567.80	48.99651	25	78.125
TOTAL	R207 296.00	100	32	100

Pie Chart 8.8.4



8.9 List of Bids Awarded

DATE	NAME OF SUPPLIER	DESCRIPTION	AMOUNT	REGION
01-Jul-23	Vodacom	Provision of Internet, VPN, wifi, VoIP telephone system	R713 665.31	East London
Jul-23	Tonise Attorneys	Handling of legal matters for ANDA	Hourly rate	Mthatha
Jul-23	Magqabi Seth Zitha Attorneys Inc	Handling of legal matters for ANDA	Hourly rate	East London
Jul-23	Mvana & Associates Inc	Handling of legal matters for ANDA	Hourly rate	Cape Town
Jul-23	Taleni Godi Kupiso Inc	Handling of legal matters for ANDA	Hourly rate	East London
Jul-23	Bonakude Consulting (Pty) Ltd	Provision of Annual Financial Statements for two (2) years	R564 581.25	East London
Aug-23	Reflections Development Institute	New Venture Creation NQF Level 4	R939 550.00	JHB
45252	SILALELE SKILLS ACADEMY	Provision of learnership programme on Clothing Manufacturing NQF L1	R504 000.00	East London
45252	REFLECTIONS DEVELOPMENT INSTITUTE	Provision of learnership programme on Business Administration Services NQF L4	R1 200 000.00	JHB
45272	KENAKO DEVELOPMENT AND BUSINESS SOLUTIONS	Appointment of a service provider to conduct feasibility study for macadamia nuts plantation	R1 484 240.00	East London

8.10 PROCUREMENT PLAN

ANDA developed a procurement plan in line with the SDBIP

Table 3.5.1

ALFRED NZO DEVELOPMENT AGENCY DRAFT PROCUREMENT PLAN 2023/2024

Item No.	Directorate / Unit	Vote	Bid Description	Date of Submission of Specification / TOR's	Budgeted Amount	Source of Funding	Envisaged Date of Bid Specification Committee	Envisaged Date of Advert	Envisaged Date of Bid Evaluation Committee	Envisaged Date of Bid Adjudication Committee	Envisaged Date of objection period	Envisaged Date of Award	Actual date of award	Comments
1	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Development of District Cannabis master plan	30/07/2023	R500 000.00	ANDM	30/07/2023	15/08/2023	20/09/2023	25/09/2023	30/09/2023	16/10/2023		The project has been advertised and closing date is on the 18 January 2024
2	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Construction and Refurbishment of shearing shed for wool growers Associations	30/09/2023	R1 000 000.00	ANDM	30/09/2023	15/10/2023	20/11/2023	25/11/2023	30/11/2023	14/12/2023		Projects have been advertised and are awaiting evaluation processes.
3	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Development of technical studies for Macadamia Nuts Plantation	30/07/2023	R1 500 000.00	ANDM	30/07/2023	15/08/2023	20/09/2023	25/09/2023	30/09/2023	16/10/2023		Appointment letter has been issued and project is about to commence

4	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Fencing of Mbizana Chicken Abattoir	30/09/2023	R300 000.00	ANDM	30/09/2023	15/10/2023	20/11/2023	25/11/2023	30/11/2023	14/12/2023		Project has been put on hold
5	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Fencing of Mzamba Gateway Centre	30/09/2023	R300 000.00	ANDM	30/09/2023	15/10/2023	20/11/2023	25/11/2023	30/11/2023	14/12/2023		Project has been put on hold
6	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Fencing of Fort Donald trading site	30/07/2023	R500 000.00	ANDM	30/07/2023	15/08/2023	20/09/2023	20/09/2023	25/09/2023	16/10/2023		Project has been put on hold
7	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Appointment of a service provider for the Implementation of learnership Programme	30/07/2023	R2 000 000.00	Services SETA	30/07/2023	15/08/2023	20/09/2023	20/09/2023	25/09/2023	16/10/2023		Service provider has been appointed and project is awaiting commencement date
7	Programme	Corporate Wide Strategic Planning (IDPs, LEDs): LED	Appointment of a service provider for the Implementation of learnership Programme	03/07/2023	R1 400 000.00	BANKSET A	03/07/2023	07/07/2023	18/07/2023	20/07/2023	24/07/2023	08/08/2023		Service provider has been appointed and project is awaiting commencement date

8.11 SITTINGS OF BIT COMMITTEES

All bid committees were appointed in line with the applicable legislation during the 2023/2024 financial year. All sittings for the financial year are reflected on the following table;

Table 8.11.1

BID COMMITTEE SITTING 2022/23 MIDTERM			
BID NO.	DESCRIPTION	BID COMMITTEE	DATE OF SITTING
QUOTATIONS FROM PANEL	IMPLEMENTATION OF NEW VENTURE CREATION (SMME) SKILLS PROGRAMME NQF LEVEL 4 FOR 08 MONTHS	BID EVALUATION COMMITTEE	16-Aug-23
QUOTATIONS FROM PANEL	IMPLEMENTATION OF NEW VENTURE CREATION (SMME) SKILLS PROGRAMME NQF LEVEL 4 FOR 08 MONTHS	BID ADJUDICATION COMMITTEE	22-Aug-23
1. ANDA 01/2023/2024 2. ANDA 02/2023/2024 3. ANDA 03/2023/2024 4. ANDA 04/2023/2024 5. ANDA 05/2023/2024 6. ANDA 06/2023/2024	1. THE APPOINTMENT OF A PANEL OF ACCREDITED TRAINING PROVIDERS 2. THE APPOINTMENT OF SERVICE PROVIDERS FOR THE IDENTIFICATION, PACKAGING AND SOURCING OF FUNDING FOR HIGH IMPACT PROJECTS 3. FEASIBILITY STUDY FOR MACADEMIA NUTS PLANTATION 4. REVITALIZATION OF FORT DONALD SITE 5. REVITALIZATION OF MBIZANA CHICKEN ABATTOIR 6. EXPRESSION OF INTEREST FOR DEVELOPMENT OF ANDA PROPERTIES	BID SPECIFICATION COMMITTEE	26-Sep-23
ANDA 07/2023/2024	SUPPLY & DELIVERY OF LAPTOPS AND ACCESSORIES	BID SPECIFICATION COMMITTEE	28-Sep-23
1. ANDA 03/2023/2024 2. ANDA 04/2023/2024	1. FEASIBILITY STUDY FOR MACADEMIA NUTS PLANTATION 2. REVITALIZATION OF FORT DONALD SITE	BEC	10-Nov-23
RFQs FROM PANEL OF TRAINING PROVIDERS	1. LEARNERSHIP PROGRAMME ON GENERAL EDUCATION TRAINING - BUSINESS ADMINISTRATION NQF L4 2. LEARNERSHIP PROGRAMME ON SEWING - GENERAL EDUCATION TRAINING CERTIFICATE: CLOTHING MANUFACTURING PROCESSES NQF L1	BSC	13-Nov-23

RFQs FROM PANEL OF TRAINING PROVIDERS	1. LEARNERSHIP PROGRAMME ON GENERAL EDUCATION TRAINING - BUSINESS ADMINISTRATION NQF L4 2. LEARNERSHIP PROGRAMME ON SEWING - GENERAL EDUCATION TRAINING CERTIFICATE: CLOTHING MANUFACTURING PROCESSES NQF L1	BEC	20-Nov-23
1. ANDA 03/2023/2024 2. ANDA 04/2023/2024 3. RFQ 4. RFQ	1. FEASIBILITY STUDY FOR MACADEMIA NUTS PLANTATION 2. REVITALIZATION OF FORT DONALD SITE 3. LEARNERSHIP PROGRAMME ON GENERAL EDUCATION TRAINING - BUSINESS ADMINISTRATION NQF L4 4. LEARNERSHIP PROGRAMME ON SEWING - GENERAL EDUCATION TRAINING CERTIFICATE: CLOTHING MANUFACTURING PROCESSES NQF L1	BAC	21-Nov-23
1. ANDA 08/2023/2024 2. ANDA 09/2023/2024	1. PROVISION OF INSURANCE SERVICES 2. DEVELOPMENT OF DISTRICT CANNABIS MASTER PLAN	BSC	21-Nov-23
1. ANDA 10/2023/2024 2. ANDA 11/2023/2024 3. ANDA 12/2023/2024	1. REVITALIZATION OF MBIZANA CHICKEN ABATTOIR 2. CONSTRUCTION OF A SHEARING SHED AT WMMLM 3. CONSTRUCTION OF A SHEARING SHED AT ULM	BSC	22-Nov-23
ANDA 01/2023/2024	1. THE APPOINTMENT OF A PANEL OF ACCREDITED TRAINING PROVIDERS	BEC	12-Dec-23
ANDA 02/2023/2024	PANEL OF SERVICE PROVIDERS FOR THE IDENTIFICATION, PACKAGING AN SOURCING OF FUNDING FOR HIGH IMPACT PROJECTS	BEC	19-Dec-23

8.12 PERFORMANCE OF EXTERNAL SERVICE PROVIDERS FOR MID TERM OF 2022/2023 FY

Table 8.12.1

LEGEND:						
1 – Not meeting the standards (0-30%)						
2 – Meet some of the standards (30-50%)						
3 – Meet most of the standards (50-70%)						
4 – Meet all the standards (70-100%)						
NAME OF SERVICE PROVIDER	SERVICE RENDERED	SET TARGET OF PERFORMANCE (2022/2023)	SET TARGET OF PERFORMANCE (2022/2023)	MEASURE TAKEN TO IMPROVE PERFORMANCE	RATING FOR CURRENT FINANCIAL YEAR	COMMENTS /RECOMMENDATIONS
MUNSOFT	Financial System	Provision of municipal financial system for transacting	Provision of municipal financial system for transacting	Fair	3	The contract is still ongoing and there are challenges.
MUNSOFT	Server upgrade	ANDA ICT Server to be upgraded	N/A	Good	4	The contract is still ongoing and there are no challenges so far
Imani Business Advisory	Provision of Financial Services	N/A	Provision of Financial Services	Good	3	On-going contract Meet most of the standards
Vodacom	Business Contract Phones and Internet	Phones and internet are provided as specified.	N/A	Poor	2	The contract is still ongoing and there are challenges so far with weak WIFI
Konica Minolta	Maintenance of Printer	Repairs and maintenance services	Repairs and maintenance services	Good	4	The contract is still ongoing and there are no challenges so far
Umzimvubu Leather Craft	Provision of cleaning services	Cleaning services	N/A	Fair	3	On-going contract: meet most of the standards
Siyathemba Sokuthu Attorneys	Provision of Company Secretary Services	Company Secretary services	Company Secretary services	Poor	1	Contract came to an end on 30 November 2022, though there are outstanding invoices which have not yet been paid
Tonise Attorneys	Panel of lawyers Handling of Legal Matters For ANDA	Handling of Legal Matters for ANDA	Handling of Legal Matters for ANDA	Good	4	The contract is still ongoing and there are no challenges so far
Dr Sugudhav-Sewpersahd Attorneys	Panel of lawyers Handling of Legal Matters For ANDA	Handling of Legal Matters for ANDA	Handling of Legal Matters for ANDA	Good	4	The contract is still ongoing and there are no challenges so far
Thipa Attorneys Incorporated	Panel of lawyers Handling of Legal Matters For ANDA	Handling of Legal Matters for ANDA	Handling of Legal Matters for ANDA	Good	4	Contract has ended
Dorinite (Pty) Ltd	Implementation of Skills for District Economic Development Programme.	Implementation of Skills for District Economic Development Programme.	Completion of project and handing over of certificates	Good	3	The contract is still ongoing: meet most of the standards
Ndzila Investments Insurance	Insurance	Insurance Services	Insurance	Good	4	The contract is still ongoing and there are no challenges so far
MTN	Provision of Cellphone contracts for 24 months	Cellphone Contracts	Provision of cellphone contracts	Fair	3	The contract is still ongoing: meet most of the set standards
Summat Institute	Panel of training providers	Provision of Project Management NQF L5 Training	Project Management Training	Good	3	Contract is ongoing and there are no challenges so far.

LEGEND:						
1 – Not meeting the standards (0-30%)						
2 – Meet some of the standards (30-50%)						
3 – Meet most of the standards (50-70%)						
4 – Meet all the standards (70-100%)						
NAME OF SERVICE PROVIDER	SERVICE RENDERED	SET TARGET OF PERFORMANCE (2022/2023)	SET TARGET OF PERFORMANCE (2022/2023)	MEASURE TAKEN TO IMPROVE PERFORMANCE	RATING FOR CURRENT FINANCIAL YEAR	COMMENTS /RECOMMENDATIONS
Ndotha General Trading	New Venture Creation NQF Level 2 Short Skills Programme	New Venture Creation NQF Level 2 Short Skills Programme	NVC Short skills training	Good	3	Contract is ongoing and there are no challenges so far
Matotomana Training and General Trading	Horticulture NQF Level 1 Learnership	Horticulture NQF Level 1 Learnership	Horticulture NQF Level 1 Learnership	Good	3	Contract is ongoing and there are no challenges so far
Ndotha General Trading	Horticulture NQF Level 1 Short Skills Programme	Horticulture NQF Level 1 Short Skills Programme	Horticulture NQF Level 1 Short Skills Programme	Good	3	Contract is ongoing and there are no challenges so far

8.13. RECOMMENDATIONS

8.13.1 Audit and Performance Committee

- That the Audit and Performance Committee considers and provides assurance on the Midyear Budget and Performance Report 2023/24 of the Entity
- That Audit and Performance Committee considers and provides assurance on the Midyear Budget and Performance Report 2023/24 on Implementation of SCM policy

8.13.2 ANDA Board of Directors

- That ANDA Board of Directors considers and approves the Midyear Budget and Performance Report 2023/24 of the Entity.
- That ANDA Board of Directors considers and approves the Midyear Budget and Performance Report on Implementation of SCM policy.
- That the ANDA Board of Directors refers both reports to the ANDM Mayoral and ANDM Council for approval and adoption respectively.

8.13.3 ANDM Mayoral Committee

- That ANDM Mayoral Committee notes the Midyear Budget and Performance Report of the Entity and further refers it to Council for noting
- ANDM Council
- That ANDM Council notes the Midyear Budget and Performance Report 2023/24 of the Entity.
- That ANDM Council further refers the Midyear Budget and Performance Report 2023/24 to MPAC for further scrutiny.